

**PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 17, 2014**

**NEW ISSUE**  
**SERIAL BONDS**

**RATING: Standard & Poor's: \_\_\_\_\_**  
**(See "RATING" herein)**

*In the opinion of DeCotiis, FitzPatrick & Cole, LLP, Bond Counsel, assuming continuing compliance by the Township of River Vale (the "Township") with certain covenants described herein, under current law, interest on the Bonds is not includable in gross income for federal income tax purposes and is not an item of tax preference under Section 57 of the Internal Revenue Code of 1986, as amended ("Code"), for purposes of computing the federal alternative minimum tax; however, interest on the Bonds held by corporate taxpayers is included in the relevant income computation for calculation of the federal alternative minimum tax as a result of the inclusion of interest on the Bonds in "adjusted current earnings". No opinion is expressed regarding other federal tax consequences arising with respect to the Bonds. Further, in the opinion of Bond Counsel, under current law interest on the Bonds and any gain on the sale thereof are not includable as gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.*

**\$9,600,000**  
**GOLF COURSE UTILITY BONDS, SERIES 2014**  
**OF THE**  
**TOWNSHIP OF RIVER VALE**  
**IN THE COUNTY OF BERGEN, NEW JERSEY**  
**(BANK-QUALIFIED) (CALLABLE)**

Dated: Date of Delivery

Due: October 1, as shown inside front cover hereof

The aggregate principal amount of \$9,600,000 Golf Course Utility Bonds, Series 2014 (the "Bonds"), are general obligations of the Township of River Vale, in the County of Bergen, New Jersey (the "Township"), and are secured by a pledge of the full faith and credit of the Township for payment of the principal thereof and interest thereon. The Bonds are payable, if not paid from other sources, from ad valorem taxes which may be assessed upon all the taxable property within the Township without limitation as to rate or amount.

The Bonds shall be issued in the form of one certificate in the aggregate principal amount of the Bonds and will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"), which will maintain a book-entry system for recording ownership interests of DTC Participants. Individual purchases of the beneficial ownership interests in the Bonds may be in book-entry from only on the records of DTC and its Participants and only in the principal amount of \$1,000 or any integral multiple thereof with a minimum of \$5,000 required. Beneficial Owners of the Bonds will not receive certificates representing their interests in the Bonds. As long as Cede & Co. is the registered owner, as nominee of DTC, references in this Official Statement to the registered owners shall mean Cede & Co., and not the Beneficial Owners of the Bonds. See "BOOK-ENTRY ONLY SYSTEM" herein.

Principal on the Bonds is payable on October 1, in each of the years set forth on the inside front cover hereof. Interest on the Bonds will be paid semiannually on the 1st day of April and October in each year until maturity, commencing on April 1, 2015. As long as DTC or its nominee Cede & Co. is the registered owner of the Bonds, payment of the principal and interest on the Bonds will be made by the Township directly to DTC or its nominee Cede & Co. Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of each next preceding March 15th and September 15th ("Record Dates") for the payment of interest on the Bonds.

The Bonds are subject to redemption prior to maturity. See "THE BONDS – Prior Redemption" herein.

*The Bonds are offered when, as and if issued and delivered to the Purchaser, subject to prior sale, to withdrawal or modification of the offer without notice and to approval of legality by the law firm of DeCotiis, FitzPatrick & Cole, LLP, Teaneck, New Jersey, and certain other conditions described herein. It is expected that the Bonds will be available for delivery to DTC on or about October 9, 2014.*

**ELECTRONIC SUBMISSIONS FOR THE BONDS WILL BE RECEIVED VIA PARITY  
UNTIL 11:00 A.M. ON SEPTEMBER 25, 2014**

This is a Preliminary Official Statement "deemed final", complete with the exception of the specific information permitted to be omitted by Rule 15c2-12 of the Securities and Exchange Commission. The Township has authorized distribution of this Preliminary Official Statement to prospective purchasers and others. Upon the sale of the Bonds described herein, the Township will deliver a final Official Statement within seven (7) business days following such sale.

**MATURITY SCHEDULE, INTEREST RATES AND YIELDS OR PRICES**

<b>Year</b>	<b>Amount</b>	<b>Interest</b>	<b>Yield or</b>		<b>Year</b>	<b>Amount</b>	<b>Interest</b>	<b>Yield or</b>	
<b>Year</b>	<b>Maturing</b>	<b>Rate</b>	<b>Price</b>	<b>CUSIP*</b>	<b>Year</b>	<b>Maturing</b>	<b>Rate</b>	<b>Price</b>	<b>CUSIP*</b>
2015	\$255,000	%	%	768457__	2028	\$380,000	%	%	768457__
2016	260,000			768457__	2029	395,000			768457__
2017	270,000			768457__	2030	415,000			768457__
2018	280,000			768457__	2031	430,000			768457__
2019	290,000			768457__	2032	450,000			768457__
2020	300,000			768457__	2033	465,000			768457__
2021	310,000			768457__	2034	485,000			768457__
2022	320,000			768457__	2035	505,000			768457__
2023	330,000			768457__	2036	510,000			768457__
2024	340,000			768457__	2037	510,000			768457__
2025	350,000			768457__	2038	510,000			768457__
2026	360,000			768457__	2039	510,000			768457__
2027	370,000			768457__					

\* CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds and the Township does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

**TOWNSHIP OF RIVER VALE  
BERGEN COUNTY, NEW JERSEY**

**MAYOR**

Joseph Blundo

**TOWNSHIP COUNCIL**

Glen Jasionowski, Council President  
Mark Bromberg, Council Vice-President  
Paul J. Criscuolo  
John Donovan  
Denise Sieg

**TOWNSHIP CLERK**

Karen Padva

**BUSINESS ADMINISTRATOR/CHIEF FINANCIAL OFFICER**

Gennaro Rotella

**TOWNSHIP ATTORNEY**

Silvana D. Raso, Esq.  
Englewood Cliffs, New Jersey

**TOWNSHIP AUDITOR**

Lerch, Vinci & Higgins, LLP  
Fair Lawn, New Jersey

**BOND COUNSEL**

DeCotiis, FitzPatrick & Cole, LLP  
Teaneck, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Township to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Township. The information contained herein has been obtained from the Township, DTC and other sources which are believed to be reliable; however, such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation or warranty of the Township. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier.

References in this Official Statement to laws, rules, regulations, ordinances, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein, and copies of which may be inspected at the offices of the Township during normal business hours.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended by the Township from time to time (collectively, the "Official Statement"), may be treated as a "Final Official Statement" with respect to the Bonds described herein that is deemed final as of the date hereof (or of any such supplement or amendment) by the Township.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representation other than as contained in this Official Statement. If given or made, such other information or representation must not be relied upon as having been authorized by the Township or the Underwriter. This Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used in whole or in part for any other purpose.

DeCotiis, Fitzpatrick & Cole, LLP, has not participated in the preparation of the financial statements or statistical information contained in this official statement, nor has it verified the accuracy, completeness, or fairness thereof, and accordingly, express no opinion with respect thereto.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TOWNSHIP AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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**OFFICIAL STATEMENT**  
**OF THE**  
**TOWNSHIP OF RIVER VALE**  
**IN THE COUNTY OF BERGEN, NEW JERSEY**  
**\$9,600,000**  
**GOLF COURSE UTILITY BONDS, SERIES 2014**

**INTRODUCTION**

This Official Statement (the "Official Statement") which includes the cover page and the appendices attached hereto, has been prepared by the Township of River Vale (the "Township"), in the County of Bergen (the "County"), State of New Jersey (the "State"), to provide certain information in connection with the sale and issuance by the Township of its \$9,600,000 Golf Course Utility Bonds, Series 2014 (the "Bonds"), dated October 9, 2014.

This Official Statement is "deemed final", as of its date, within the meaning of Rule 15c2-12 promulgated by the Securities and Exchange Commission ("Rule 15c2-12").

**THE BONDS**

**General Description**

The Bonds are dated their date of delivery, and will mature on October 1 in the years and in the principal amounts and will bear interest from their date, payable on each April 1 and October 1 (each, an "Interest Payment Date") in each year until maturity, commencing April 1, 2015, at the rates shown on the inside front cover page hereof. The Bonds are issuable as fully registered book-entry only bonds in the form of one certificate for each year of maturity of the Bonds and in the aggregate principal amount of such maturity.

The Bonds may be purchased in book-entry only form in the amount of any integral multiple of \$1,000 with a minimum purchase of \$5,000 required, through book-entries made on the books and records of The Depository Trust Company, New York, New York ("DTC"), and its participants. So long as DTC or its nominee, Cede & Co. (or any successor or assign), is the registered owner for the Bonds, payments of the principal of and interest on the Bonds will be made by the Township directly to Cede & Co. (or any successor or assign), as nominee for DTC. Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of the close of business on March 15 and September 15 (the "Record Dates" for the payment of interest on the Bonds). See "Book-Entry Only System" herein.

**Redemption**

The Bonds maturing prior to October 1, 2024 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after October 1, 2025 are redeemable at the option of the Township in whole or in part on any date on or after October 1, 2024 at 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption.

Notice of redemption shall be given by mailing by first class mail in a sealed envelope with postage prepaid to the registered owners of the Bonds not less than thirty (30) days, nor more than sixty (60) days prior to the date fixed for redemption. Such mailing shall be to the owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Township. Any failure of the securities depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any notice of redemption shall not affect the validity of the redemption proceedings. If the Township determines to redeem a portion of the Bonds prior to maturity, the Bonds to be redeemed shall be selected by DTC or any successor securities depository or, if there is no securities depository, by the paying agent.

If notice of redemption has been given as provided herein, the Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the redemption price, together with accrued interest to the date fixed for redemption. Interest shall cease to accrue on the Bonds after the date fixed for redemption and no further interest shall accrue beyond the redemption date. Payment shall be made upon surrender of the Bonds redeemed.

### **Authorization of the Bonds**

The Bonds have been authorized and are issued pursuant to the laws of the State, including the Local Bond Law, Chapter 2 of Title 40A of the New Jersey Statutes, as amended (the "Local Bond Law"), the various bond ordinances of the Township, as set forth below, and a resolution adopted by the Council of the Township on September 8, 2014 (the "Resolution").

The Bonds are being issued to (i) currently refund \$9,600,000 aggregate principal amount of the Township's outstanding Bond Anticipation Notes maturing October 10, 2014 and (ii) pay costs and expenses incidental to the issuance of the delivery of the Bonds.

<b><u>Ordinance Number</u></b>	<b><u>Description</u></b>	<b><u>Amount</u></b>
239-2010	Acquisition of River Vale Country Club and Adjoining Property	<u>\$9,600,000</u>

### **BOOK-ENTRY ONLY SYSTEM**

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interest in the Bonds, payment of principal and interest and other payments on the Bonds to Direct and Indirect Participants (defined below) or Beneficial Owners (defined below), confirmation and transfer of beneficial ownership interests in the Bonds and other related transactions by and between DTC, Direct Participants and Beneficial Owners, is based on certain information furnished by DTC to the Township. Accordingly, the Township does not make any representations as to the completeness or accuracy of such information.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities

brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of the Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Township and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC’s Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Township as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Paying Agent, on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC nor its nominee, the Township as Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Township as Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, note certificates will be printed and delivered.



The Township may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Township believes to be reliable, but the Township takes no responsibility for the accuracy thereof.

NEITHER THE TOWNSHIP NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, OR THE INDIRECT PARTICIPANTS, OR BENEFICIAL OWNERS.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE BONDS (OTHER THAN UNDER THE CAPTION "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

### **Discontinuation of Book-Entry Only System**

If the Township, in its sole discretion, determines that DTC is not capable of discharging its duties, or if DTC discontinues providing its services with respect to the Bonds at any time, the Township will attempt to locate another qualified securities depository. If the Township fails to find such securities depository, or if the Township determines, in its sole discretion, that it is in the best interest of the Township or that the interest of the Beneficial Owners might be adversely affected if the book-entry only system of transfer is continued (the Township undertakes no obligation to make an investigation to determine the occurrence of any events that would permit it to make such determination) the Township shall notify DTC of the termination of the book-entry only system.

In the event that the book-entry only system for the Bonds is discontinued, upon receipt of the Bond certificates from DTC and the Participant information, the Township will authenticate (or cause to be authenticated) and deliver definitive Bonds to the holders thereof, and the principal of and interest on the Bonds will be payable and the Bonds may thereafter be transferred or exchanged in the manner described in the bond certificates so provided.

## **SECURITY AND SOURCE OF PAYMENT**

The Bonds are general obligations of the Township, and the Township has pledged its full faith and credit for the payment of the principal of and the interest on the Bonds. The Bonds are direct obligations of the Township and, to the extent that other monies are not available, the Township is required by law to levy ad valorem taxes upon all the real property taxable within the Township for the payment of the principal of and interest on the Bonds without limitation as to rate or amount.

## **NO DEFAULT**

The Township has never defaulted in the payment of any bonds or notes, nor are any payments of principal of or interest on the Township's indebtedness past due.

## **CERTAIN STATUTORY PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT**

### **Local Bond Law (N.J.S.A. 40A:2-1 et seq.)**

The Local Bond Law governs the issuance of bonds and notes to finance certain municipal capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments. A 5% cash down payment is generally required to be appropriated for the financing of expenditures for municipal purposes for which bonds are authorized. All bonds and notes issued by the Township are general full faith and credit obligations.

### **The Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)**

This law regulates the non-budgetary financial activities of local governments. An annual, independent audit of the local unit's accounts for the previous year must be performed by a licensed Registered Municipal Accountant. The audit, conforming to the Division of Local Government Services "Requirements of Audit," includes recommendations for improvement of the local unit's financial procedures and must be filed with the Director within six months after the close of the fiscal year. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within 30 days of its completion.

The chief financial officer of every local unit must file annually with the Director a verified statement of financial condition of the local unit and all constituent boards, agencies or commissions.

The annual audit report is filed with the Township Clerk and is available for review during business hours.

### **Debt Limits**

The authorized bonded indebtedness of a municipality in the State of New Jersey is limited by statute, subject to the exceptions noted below, to an amount equal to 3-1/2% of its equalized valuation basis. The equalized valuation basis of the municipality is set by statute as the average for the last three years of the equalized value of all taxable real property and improvements and certain class II railroad property within its boundaries as annually determined by the State Board of Taxation.

Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

### **Exceptions to Debt Limits-Extensions of Credit**

The debt limit of the Township may be exceeded with the approval of the Local Finance Board, in the Division of Local Government Services, Department of Community Affairs, State of New Jersey, a State regulatory agency (the "Board"). If all or any part of a proposed debt authorization would exceed its debt limit, the Township must apply to the Board for an extension of credit. If the Board determines that a proposed debt authorization would not materially impair the ability of the Township to meet its obligations or to provide essential services, or makes other statutory determinations, approval is granted. In addition to the aforesaid, debt in excess of the debt limit may be issued without the approval of the Board to fund certain bonds and notes for self-liquidating purposes and, in each fiscal year, in an amount not exceeding two-thirds of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of obligations issued for utility or assessment purposes).

### **Short-Term Financing**

The Township may issue bond anticipation notes to temporarily finance capital improvements. Bond anticipation notes, which are general obligations of the Township, may be issued for a period not exceeding one year. Generally, bond anticipation notes may not be outstanding longer than 10 years. Additionally, beginning in the third year, the amount of outstanding notes that may be renewed is decreased by not less than the minimum amount required for the first year principal payment of bonds in anticipation of which such notes are issued.

## **School Debt Subject to Voter Approval**

State Law permits the school district, upon approval of the voters, to authorize school district debt, including, debt in excess of its independent debt limit by using the available borrowing capacity of the Township. If such debt is in excess of the school district debt limit and the remaining borrowing capacity of the Township, the State Commissioner of Education and the Local Finance Board must approve the proposed debt authorization before it is submitted to the voters.

## **MUNICIPAL BUDGET**

Pursuant to the Local Budget Law (N.J.S.A. 40A:4-1 et seq.) the Township is required to have a balanced budget in which debt service is included in full for each fiscal year.

### **The Local Budget Law (N.J.S.A. 40A:4-1 et seq.)**

The foundation of the New Jersey local finance system is the annual cash basis budget. The Township must adopt an operating budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Items of revenue and appropriation are regulated by law and must be certified by the Director of the Division (the "Director") prior to final adoption of the budget. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service and the Director is required to review the adequacy of such appropriations, among others, for certification.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units. Local budgets, by law and regulation, must be in balance on a "cash basis". No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval thereof (N.J.S.A. 40A:4-10).

The principal sources of Township revenues are real estate taxes and miscellaneous revenues.

In any year, the municipality may authorize, by resolution, the issuance of tax anticipation notes which may be issued in anticipation of the collection of taxes for such year. Tax anticipation notes are limited in amount by law and must be paid off in full by a municipality within one hundred and twenty (120) days after the close of the fiscal year.

### **Real Estate Taxes**

The general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to delinquent property taxes. N.J.S.A. 40A:4-29 delineates anticipation of delinquent tax collections: "The maximum which may be anticipated is the sum produced by the multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year."

Section 41 of the Local Budget Law provides with regard to current taxes that: "Receipts from the collection of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year, shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by the last day of such preceding fiscal year."

The provision requires that an additional amount (the "reserve for uncollected taxes") be added to the tax levy required to balance the budget so that when the percentage of the prior year's tax collection is applied to the combined total, the product will at least be equal to the tax levy required to balance the budget. The reserve requirement is calculated as follows:

#### Levy Required to Balance Budget

Prior Year's Percentage of Current = Total Taxes to be Levied  
Tax Collections (or lesser %)

## **Miscellaneous Revenues**

Section 26 of the Local Budget Law provides: "no miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit." The exception to this is the inclusion of categorical grants-in-aid contracts for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with the municipality's calendar fiscal year.

## **Limitations on Municipal Appropriations and Tax Levy**

A provision of law known as the New Jersey "Cap Law" (N.J.S.A. 40A:4-45.1 et seq.) imposes limitations on increases in municipal appropriations subject to various exceptions. The payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically, it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the "cost-of-living adjustment". The cost-of-living adjustment is the rate of annual percentage increase, rounded to the nearest one-half percent, in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other things including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. Counties are also prohibited from increasing their tax levies by more than the lesser of 2.5% or the cost-of-living adjustment subject to certain exceptions. Municipalities by ordinance approved by a majority of the full membership of the governing body may increase appropriations up to 3.5% over the prior year's appropriation and counties by resolution approved by a majority of the full membership of the governing body may increase the tax levy up to 3.5% over the prior years' tax levy in years when the cost-of-living adjustment is 2.5% or less.

Additionally, P.L. 2007, c. 62, effective April 3, 2007, imposed a 4% cap on the tax levy of a municipality, county, fire district, or solid waste collection district, with certain exclusions and allowing waivers by the Local Finance Board, and on July 13, 2010, P.L. 2010, c. 44 was approved, effective for budget years following enactment, reducing the tax levy cap to 2% and limiting the exclusions to amounts required to be raised by taxation for capital expenditures, including debt service as defined by law, certain pension contributions and health care costs in excess of 2% and extraordinary costs directly related to a declared emergency. Voter approval may be requested to increase the amount to be raised by taxation by more than the allowable adjusted tax levy.

Neither the tax levy limitation nor the "Cap Law" limits the obligation of the Township to levy *ad valorem* taxes upon all taxable real property within the Township to pay debt service on its bonds or notes.

## **Deferral of Current Expense**

Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. With minor exceptions, however, such appropriations must be included in full in the following year's budget. When such appropriations exceed 3% of the adopted operating budget, consent of the Director must be obtained.

The exceptions are certain enumerated quasi-capital projects such as ice, snow and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, revaluation of real property, codification of ordinances, master plan preparations and contractually required severance liabilities, which may be amortized over five years.

## **Budget Transfers**

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between major appropriation accounts are prohibited until the last two months of the year and, although sub-accounts within an appropriation are not subject to the same year-end transfer restriction, they are subject to internal review and approval by the governing body.

## **Fiscal Year**

The Township's fiscal year is the calendar year. Chapter 75 of the Pamphlet Laws of 1991 of New Jersey required municipalities with populations in excess of 35,000 or which received Municipal Revitalization Aid from the State in 1990 or 1991 to change their fiscal year from the calendar year to the State fiscal year (July 1 to June 30), unless an exemption is granted. Municipalities not meeting the criteria for a mandatory change have the option to choose to change to the State fiscal year. The Township did not meet the criteria to change to the State fiscal year and does not presently intend to optionally make such a change in the future.

## **Budget Process**

Primary responsibility for the Township's budget process lies with the Township Council. As prescribed by the Local Budget Law, adoption should occur by the end of March, however, extensions may be granted by the Division to any local governmental unit. In the first quarter in which the budget formulation is taking place, the Township operates under a temporary budget which may not exceed 26.25% of the previous fiscal year's adopted budget. In addition to the temporary budget, the Township may approve emergency temporary appropriations for any purpose for which appropriations may lawfully be made.

## **TAX MATTERS**

The Township has covenanted to comply with any continuing requirements that may be necessary to preserve the exclusion from gross income for purposes of federal income taxation of interest on the Bonds under the Internal Revenue Code of 1986, as amended ("Code"). Failure to comply with certain requirements of the Code could cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. In the opinion of DeCotiis, FitzPatrick & Cole, LLP, Bond Counsel, to be delivered at the time of original issuance of the Bonds, assuming continuing compliance by the Township with certain covenants described herein, under current law, interest on the Bonds is not includable in gross income for federal income tax purposes and is not an item of tax preference under Section 57 of the Code for purposes of computing the federal alternative minimum tax; however, interest on the Bonds held by corporate taxpayers is included in the relevant income computation for calculation of the federal alternative minimum tax as a result of the inclusion of interest on the Bonds in "adjusted current earnings" (see discussion below). No opinion is expressed regarding other federal tax consequences or other federal taxes arising with respect to the Bonds.

The Code imposes certain significant ongoing requirements that must be met after the issuance and delivery of the Bonds in order to assure that the interest on the Bonds will be and remain excludable from gross income for federal income tax purposes. These requirements include, but are not limited to, requirements relating to use and expenditure of proceeds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on investments of gross proceeds of the Bonds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Bonds to become subject to federal income taxation retroactive to their date of issuance, regardless of the date on which such noncompliance occurs or is discovered. The Township has covenanted that it shall do and perform all acts permitted by law that are necessary or desirable to assure that interest on the Bonds will be and will remain excluded from gross income for federal income tax purposes. The Township will deliver its Arbitrage and Tax Certificate concurrently with the issuance of the Bonds, which will contain provisions relating to compliance with the requirements of the Code, including certain covenants in that regard by the Township. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Township in connection with the Bonds, and Bond Counsel has assumed compliance by the Township with certain ongoing

covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

In the opinion of Bond Counsel, under current law interest on the Bonds and any gain on the sale thereof are not includable as gross income under the New Jersey Gross Income Tax Act.

The opinions of Bond Counsel are limited to and based upon the laws and judicial decisions of the State and the federal laws and judicial decisions of the United States of America as of the date of the opinions, and are subject to any amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for their opinions or to any laws or judicial decisions hereafter enacted or rendered. Bond Counsel assumes no obligation to update its opinions after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. Bond Counsel expresses no opinion on the effect of any action taken after the date of the opinions or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of interest on the Bonds.

*Alternative Minimum Tax.* Section 55 of the Code provides that an alternative minimum tax is imposed on corporations at a rate of 20 percent. For purposes of the corporate alternative minimum tax, the Code includes and increase adjustment for the computation of the alternative minimum tax consisting generally of seventy-five percent of the amount by which "adjusted current earnings" exceed alternative minimum taxable income (computed without regard to this adjustment and the alternative tax net operating loss deduction). Thus, to the extent interest on the Bonds is a component of a corporate holder's "adjusted current earnings", a portion of that interest may be subject to an alternative minimum tax.

*Bank Qualification.* The Bonds will be designated as qualified under Section 265 of the Code by the Township for an exemption from the denial of deduction for interest paid by the financial institutions to purchase or to carry tax exempt obligations.

*Branch Profits Tax.* Section 884 of the Code imposes on foreign corporations a branch profits tax equal to 30 percent of the "dividend equivalent amount" for the taxable year, unless modified, reduced or eliminated by income tax treaty in certain instances. Interest on the Bonds received or accrued by a foreign corporation subject to the branch profits tax may be included in computing the "dividend equivalent amount" of such corporation for purposes of the branch profits tax.

*S Corporation Tax.* Section 1375 of the Code imposes a tax on the "excess net passive income" of certain S corporations with passive investment income in excess of 25 percent of gross receipts for a taxable year. The U.S. Department of Treasury has issued regulations indicating that interest on tax-exempt bonds, such as the Bonds, held by an S corporation would be included in the calculation of excess net passive income.

*Other Federal Tax Consequences.* Owners of the Bonds should be aware that the ownership of tax-exempt obligations may result in other collateral federal income tax consequences to certain taxpayers, including property and casualty insurance companies, individual recipients of Social Security and Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or to carry tax-exempt obligations. Owners of the Bonds should consult their own tax advisors as to the applicability and the effect on their federal income taxes of the alternative minimum tax, the branch profits tax and the tax on S corporations, as well as the applicability and the effect of any other federal income tax consequences.

*Possible Government Action.* Legislation affecting municipal bonds is regularly under consideration by the United States Congress. In addition, the Internal Revenue Service ("IRS") has established an expanded audit program for tax-exempt obligations. There can be no assurance that legislation enacted or proposed or an audit initiated or concluded by the IRS after the issue date of the Bonds involving either the Bonds or other tax-exempt bonds will not have an adverse effect on the tax-exempt status or market price of the Bonds.

**ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE.**

## LITIGATION

To the knowledge of the Township Attorney, there is no litigation of any nature now pending or threatened that seeks to restrain or enjoin the issuance or the delivery of the Bonds, the levy or the collection of any taxes to pay the principal of or the interest on the Bonds or in any manner questioning the authority or the proceedings for the issuance of the Bonds or for the levy or the collection of the taxes, affecting the validity of the Bonds or the levy or the collection of taxes or contesting the corporate existence or the boundaries of the Township or the title of any of the present officers of the Township to their respective offices.

Additionally, there is at present no single action pending or threatened against the Township which would impose an undue financial burden on the Township. In New Jersey's courts of general jurisdiction, unliquidated money damages are pleaded generally without specifying a dollar amount. The Township is a party-defendant in certain law suits, none of a kind unusual for a Township of its size, and none of which, in the opinion of the Township Attorney, would adversely impair the Township's ability to pay its bondholders. All of the Township's tort actions are being defended by either an insurance company or insurance underwriters. Pending municipal real estate tax appeals are limited in number. The Township would fund the ultimate liability arising from tax appeals from amounts currently reserved, succeeding years' budgets or fund balance. Such resolution would not in any way endanger the Township's ability to pay its bondholders.

## THE FEDERAL BANKRUPTCY ACT

The undertakings of the Township should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. Section 901 *et seq.*, as amended by Public Law 95-598, approved November 6, 1978, and as further amended on November 3, 1988, by an Act to Amend the Bankruptcy Law to Provide for Special Revenue Bonds, and for Other Purposes, and on October 22, 1994, by the Bankruptcy Reform Act of 1994, and by other bankruptcy laws affecting creditor's rights and municipalities in general. Chapter IX permits a state or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to file a petition in a bankruptcy court for the ultimate purpose of effecting a plan to adjust its debts. Chapter IX directs such a petitioner to file with the Bankruptcy Court a list of the petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner, with the exception that such petition does not operate as a stay of application of pledged special revenues to the payment of indebtedness secured by such revenues; grants priority to administrative and operational expenses and to debts owed for services or material, up to \$4,000 per individual or corporation, actually provided within ninety (90) days of the filing of the petition; directs a petitioner to file a plan for the adjustment of its debts; provides that any securities issued under a reorganization plan will be exempt from the securities laws and, therefore, exempt from registration requirements; permits the petitioner, during bankruptcy proceedings, to continue to pay pre-petition debt without prior court approval; and provides that the plan must be accepted by a class of creditors, in writing, by or on behalf of creditors holding at least two-thirds in amount and more than one-half in number of the allowed claims of such class held by creditors. A plan shall not be approved by the Bankruptcy Court unless it is in the best interests of creditors and is feasible.

Reference should also be made to N.J.S.A. 52:27-40 thru 52:27-45.11, which provides that any county, municipality, or other political subdivision of the State has the power to file a petition with any Bankruptcy Court, provided the approval of the municipal finance commission has been obtained, and such petition has been authorized by ordinance of the governing body of the political subdivision. The powers of the municipal finance commission have been vested in the Local Finance Board. The Bankruptcy Act specifically provides that Chapter IX does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Act. However, the Bankruptcy Act does provide that a municipality must obtain any regulatory or electoral approval necessary under constitutional, statutory, or charter provisions, for actions taken under the reorganization plan.

## APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, sale, issuance and delivery of the Bonds are subject to the approval of DeCotiis, FitzPatrick & Cole, LLP, Teaneck, New Jersey, Bond Counsel to the Township, whose approving legal opinion will be substantially in the form provided in Appendix C. Certain legal matters will be passed on for the Township by its Counsel, Silvana D. Raso, Esq., Englewood Cliffs, New Jersey.

## CONTINUING DISCLOSURE

The Township has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the Township by no later than nine (9) months after the end of each fiscal year, commencing with the fiscal year ending December 31, 2014 (the "Annual Report"), and has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide notices of the occurrence of certain enumerated events. The Annual Report and notices of material events will be provided to the Municipal Securities Rulemaking Board (the "MSRB") and will be in an electronic format as prescribed by the MSRB and shall be accompanied by such identifying information as is prescribed by the MSRB. The specific nature of the information to be contained in the Annual Report or the event notices is set forth in "APPENDIX D - Form of Continuing Disclosure Certificate." These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

The Township is currently in compliance with its previous secondary market disclosure undertakings in all material respects. The Township previously failed to file notice of insurer rating changes and changes to the Township's underlying rating related to its 2002 and 2007 Bonds. The Township made the required filings of the rating changes on July 30, 2014. The table below describes the status of the Township's compliance with prior undertakings in the past five years.

<b><u>Year Ending December 31</u></b>	<b><u>Filing Deadline</u></b>	<b><u>Date Audit Filed on EMMA</u></b>	<b><u>Date Budget Filed on EMMA</u></b>	<b><u>Date Operating Data Filed on EMMA</u></b>
2013	September 30, 2014	June 30, 2014	June 30, 2014	June 30, 2014
2012	September 30, 2013	July 9, 2013	July 9, 2013	July 9, 2013
2011	September 30, 2012	July 16, 2012	July 16, 2012	July 16, 2012
2010	September 30, 2011	June 30, 2011	June 30, 2011	June 30, 2011
2009	September 30, 2010	July 15, 2010	July 15, 2010	July 15, 2010

There can be no assurance that there will be a secondary market for the sale or purchase of the Bonds. Such factors as prevailing market conditions, financial condition or market position of firms who may make the secondary market and the financial condition of the Township may affect the future liquidity of the Bonds.

Requests for information and notices pursuant to the Rule should be directed to the Township's Chief Financial Officer, at the Township of River Vale, New Jersey. See "Additional Information" herein.

## UNDERWRITING

The Bonds have been purchased by \_\_\_\_\_ at a purchase price of \$\_\_\_\_\_.



## **RATING**

Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("Standard & Poor's") has assigned their rating of "\_\_\_\_" to the Bonds.

An explanation of the significance of such rating may be obtained from Standard & Poor's at 55 Water Street, New York, New York 10041. The rating is not a recommendation to buy, sell or hold the Bonds and there is no assurance that such rating will continue for any given period of time or that the rating will not be revised downward or withdrawn entirely by Standard & Poor's if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating by Standard & Poor's may have an adverse effect on the market price of the Bonds.

## **PREPARATION OF OFFICIAL STATEMENT**

The Township hereby states that the descriptions and statements herein, including financial statements, are true and correct in all material respects and it will confirm to the purchaser of the Bonds, by certificate signed by the Chief Financial Officer, that to his knowledge such descriptions and statements, as of the date of this Official Statement, are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading.

The firm of Lerch, Vinci & Higgins, LLP, Fair Lawn, New Jersey, Certified Public Accountants and Registered Municipal Accountants, assisted in the preparation of information contained in this Official Statement, and takes responsibility for the financial statements to the extent specified in the Independent Auditors' Report.

All other information has been obtained from sources which Lerch, Vinci & Higgins, LLP, considers to be reliable but it makes no warranty, guarantee or other representation with respect to the accuracy and completeness of such information.

DeCotiis, FitzPatrick & Cole, LLP, Teaneck, New Jersey has not participated in the preparation of the financial or statistical information contained in this Official Statement, nor have they verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

## **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement including information additional to that contained herein may be directed to Gennaro Rotella, Chief Financial Officer, Township of River Vale, 406 Rivervale Road, River Vale, New Jersey, 07675, telephone 201-664-2346 extension 1007.

## **MISCELLANEOUS**

All quotations from summaries and explanations of the provisions of the laws of the State herein do not purport to be complete and are qualified in their entirety by reference to the official compilation thereof.

This Official Statement is not to be construed as a contract or agreement between the Township and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there have been no changes in the affairs in the Township, the County of Bergen, the State or any of their agencies or authorities, since the date hereof.

This Official Statement has been duly executed and delivered on behalf of the Township by the Chief Financial Officer.

TOWNSHIP OF RIVER VALE

By

\_\_\_\_\_  
Gennaro Rotella  
Chief Financial Officer

Dated: \_\_\_\_\_, 2014

**APPENDIX A**  
**CERTAIN INFORMATION OF THE**  
**TOWNSHIP OF RIVER VALE**

## **GENERAL INFORMATION**

### **Size and Geographical Location**

The Township of River Vale (the "Township") is a medium sized residential community located in the north central part of Bergen County, New Jersey and is situated 10 miles west of New York City.

The Borough is approximately 4.31 square miles in area and borders the Boroughs of Emerson, Harrington Park, Hillsdale, Montvale, Old Tappan, Park Ridge and Westwood.

### **Governmental Structure**

The Township is managed under the policies of the Mayor and Township Council which are elected by the people for three-year terms. The terms of the governing body are staggered so that in one election year the Mayor and two Councilmen are elected; in the second year, three Councilmen are elected; and in the third year, no members of the governing body are elected. Elections are conducted on a partisan basis, with the political parties nominating candidates in the primary election, and the voters electing candidates in the general election from amongst the persons nominated in the primary election.

The Mayor is the presiding officer of the Township Council and is Chief Executive of the community. The Township Council serves as the governing body of the Township and has the power to organize and regulate the internal affairs of the Township. The Mayor and Township Council appoint the Township Administrator and all other Township employees, as well as appointees to Boards, Commissions and Committees.

### **Transportation**

Transportation to New York City is provided by N.J. Transit train which is easily accessible in neighboring municipalities. In addition, bus lines provide excellent service throughout the metropolitan area including New York City.

The Township residents have quick and easy access to all parts of New Jersey and New York via Route 17, Route 4, Garden State Parkway, Palisades Parkway, New Jersey Turnpike and Interstate 80.

### **Public Safety**

The police department is a full-time police department headquartered less than a mile from the municipal complex and is furnished with modern police equipment. The vehicle fleet is comprised of marked and unmarked automobiles and the Police Chief's vehicle. The department has an outstanding record for law enforcement and has one of the lowest crime rates in the area. In addition to law enforcement the Police Department is actively involved in several school programs and community crime prevention programs including the nationally recognized D.A.R.E. drug education program.

The Township is served by a volunteer fire department equipped with modern fire apparatus which is purchased and owned by the Township including pumpers, a ladder truck, a rescue truck, the Chief's vehicle and a fire prevention vehicle. The Township makes an annual appropriation in its budget for the operating expenses of the fire department.

## Sanitation

The Township provides recycling pick-up for all homes through its Department of Public Works. Residents contract privately with a private scavenger for garbage collection services.

The Township of River Vale is mainly sewered and is a member of the Bergen County Utilities Authority. For this service the Township pays an annual service charge based on the metered flow of sewerage. This service charge is part of the general property tax levy.

## Recreation

The Township has a year round community recreation program. It is administered by a full time staff and a Recreation Director.

Located in the Township are athletic fields, tennis courts, municipal parks and playgrounds maintained by Borough employees.

## Golf Course

The Township acquired an improved 18 hole golf course and country club commonly known as the River Vale Country Club, and an adjacent property consisting of approximately 5 acres commonly known as the “Mesker” site. These properties were in foreclosure and the Township had been in negotiations with the senior secured lenders of the properties as well as the properties’ owners. While these negotiations were taking place and in order to effectuate the transaction, the Township filed a verified complaint in the Superior Court of New Jersey Law Division – Bergen County (the “Court”) for condemnation of these properties. The Court ordered a Consent Judgment in favor of the Township and the parties entered into an associated Settlement Agreement which was filed with the Court.

The “Mesker” site is zoned for multi-family town house development. It is expected that a portion of this property will be developed in conjunction with the Bergen County Housing Authority to meet the Township’s obligation under its third round substantive certification from the Council of Affordable Housing. The Township will operate the Golf Course as a public utility and expects the revenues generated to be sufficient to cover operating expenses.

## Free Public Library

The Township's Free Public Library is a full service library for the residents of the Township. A children's reading and activity room is in use constantly. The library has a total of approximately 50,000 books, CD's, videos, DVD's and downloadable books on tape. It hosts more than 400 library and community sponsored events a year. Through the Bergen County Cooperative Library System, the residents of the Township have access to the collections of other libraries within the County.

## Population

Population trends for the Township, County and the State of New Jersey since 1980 are shown below:

<u>Area</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2013</u>
Township of River Vale	9,489	9,410	9,449	9,916
County of Bergen	845,385	825,380	884,118	925,328
State of New Jersey	7,364,823	7,730,188	8,414,350	8,899,339

Source: U.S. Census Bureau.

## Income as of 2012

	<b>Median Household <u>Income</u></b>	<b>Median Family <u>Income</u></b>	<b>Per Capita <u>Income</u></b>
Township of River Vale	\$131,140	\$149,688	\$56,358
County of Bergen	84,255	102,653	43,234
State of New Jersey	71,637	87,389	35,928

Source: U.S. Census Bureau, 2008-2012 American Community Survey - 5 Year Estimates

## ECONOMIC AND DEMOGRAPHIC INFORMATION

### Labor Force, Employment and Unemployment

For the years 2010 to 2013, the New Jersey Department of Labor reported the following annual average employment information for the Township of River Vale, the County of Bergen and the State of New Jersey:

	<b><u>Total Labor Force</u></b>	<b><u>Employed Labor Force</u></b>	<b><u>Total Unemployed</u></b>	<b><u>Unemployment Rate</u></b>
<u>Township of River Vale</u>				
2013	4,666	4,304	362	7.8%
2012	4,708	4,475	233	4.9%
2011	4,675	4,448	227	4.9%
2010	4,676	4,445	231	4.9%
<u>County of Bergen</u>				
2013	477,410	443,734	33,676	7.1%
2012	483,097	443,956	39,141	8.1%
2011	479,131	441,277	37,854	7.9%
2010	477,342	438,688	38,654	8.1%
<u>State of New Jersey</u>				
2013	4,537,800	4,166,000	371,800	8.2%
2012	4,595,500	4,159,300	436,200	9.5%
2011	4,556,200	4,131,800	424,400	9.3%
2010	4,502,400	4,076,700	425,700	9.5%

Source: State of NJ Data Center.

**BUDGET INFORMATION**  
**Current Fund**  
**(As Adopted)**

	<u>2014*</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Anticipated Revenues</b>					
Fund Balance	\$ 780,000	\$ 800,000	\$ 805,000	\$ 775,000	\$ 1,020,000
Miscellaneous Revenues*	3,657,741	1,854,148	1,918,640	1,751,146	1,941,455
Receipts from Delinquent Taxes	225,000	267,000	300,000	350,000	260,000
Amount to be Raised by Taxes for Support of Municipal Budget	<u>10,128,863</u>	<u>10,196,688</u>	<u>9,708,625</u>	<u>9,396,774</u>	<u>8,829,919</u>
	<u>\$ 14,791,604</u>	<u>\$ 13,117,836</u>	<u>\$ 12,732,265</u>	<u>\$ 12,272,920</u>	<u>\$ 12,051,374</u>
<b>Appropriations</b>					
Salaries and Wages	\$ 5,299,922	\$ 4,762,843	\$ 4,715,688	\$ 4,624,791	\$ 4,637,205
Other Expenses*	6,169,675	5,182,614	5,045,236	4,911,377	4,776,153
Deferred Charges and Statutory Expenditures	1,422,778	1,309,379	1,222,041	1,221,952	1,039,716
Capital Improvements	38,000	38,000	56,300	56,300	260,000
Municipal Debt Service	1,181,229	1,145,000	1,041,000	778,500	723,300
Reserve for Uncollected Taxes	<u>680,000</u>	<u>680,000</u>	<u>652,000</u>	<u>680,000</u>	<u>615,000</u>
	<u>\$ 14,791,604</u>	<u>\$ 13,117,836</u>	<u>\$ 12,732,265</u>	<u>\$ 12,272,920</u>	<u>\$ 12,051,374</u>

\* Increase from 2013 to 2014 substantially attributable to a new joint DPW agreement with the Borough of Montvale.

Source: Township of River Vale Adopted Municipal Budgets.

**FINANCIAL INFORMATION**

**Current Fund Balance and Amounts Utilized in Succeeding Year's Budget**

<u>Year</u>	<u>Fund Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2013	\$1,187,344	\$780,000
2012	1,253,469	800,000
2011	1,317,079	805,000
2010	1,230,840	775,000
2009	1,467,747	1,020,000

Source: Township of River Vale Annual Audit Reports.

**Current Tax Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collection During Year of Levy</u>	
		<u>Amount</u>	<u>Percent</u>
2013	\$46,395,880	\$45,916,858	98.96%
2012	45,267,077	44,769,150	98.90%
2011	43,846,946	43,392,345	98.96%
2010	42,426,722	41,789,065	98.49%
2009	41,089,398	40,719,356	99.09%

Source: Township of River Vale Annual Audit Reports.

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Levy</u>
2013	\$4,661	\$227,662	\$232,323	0.50%
2012	3,469	294,402	297,871	0.66%
2011	2,135	334,242	336,377	0.77%
2010	1,654	358,063	359,717	0.85%
2009	17,388	264,045	281,433	0.68%

Source: Township of River Vale Annual Audit Reports.

**Assessed Valuation of Property Owned by the Township Acquired for Taxes**

<u>Year</u>	<u>Amount</u>
2013	\$41,600
2012	41,600
2011	41,600
2010	41,600
2009	41,600

Source: Township of River Vale Annual Audit Reports.



## Ten Largest Taxpayers

The ten largest taxpayers in the Township and their 2014 assessed valuations are listed below:

<u>Taxpayer</u>	<u>Assessment</u>
Edgewood Country Club	\$ 25,235,400
River Vale Dev. LLC	9,899,100
Gal-Ben Associates, LLC	7,672,000
Village on the Green C/O Wilken Mgt	7,266,400
United Water Co of NJ	6,850,600
688 Westwood Ave LLC	5,548,200
Florentine Inc.	5,187,100
Lindvale Gardens Ltd	4,875,400
MWD River Vale One, LLC	3,222,800
Rudd- O'Connor LLC NJ	2,514,600
	<u>\$ 78,271,600</u>

Source: Tax Assessor.

## Assessed Valuation Land Improvements by Class

<u>Year</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Value</u>	<u>Commercial</u>	<u>Apartment</u>	<u>Total</u>
2013	\$ 24,311,200	\$ 1,961,259,300	\$ -	\$ 75,786,600	\$ 13,034,700	\$ 2,074,391,800
2012	28,687,500	1,961,429,200	-	76,456,600	13,034,700	2,079,608,000
2011	27,416,700	1,969,780,400	-	70,900,800	13,034,700	2,081,132,600
2010	30,632,200	1,963,018,600	-	104,445,700	13,034,700	2,111,131,200
2009	30,596,900	1,956,094,500	1,791,500	101,944,500	13,034,700	2,103,462,100

Source: Tax Duplicate.

## Assessed Valuations Net Valuation Taxable

<u>Year</u>	<u>Real Property</u>	<u>Business Personal Property</u>	<u>Net Valuation Taxable</u>	<u>Ratio of Assessed Value to True Value of Real Property</u>	<u>Total True Value of Assessed Property</u>
2014	\$ 2,060,639,900	\$ 1,330,849	\$ 2,061,970,749	106.46%	\$ 1,939,589,744
2013	2,074,391,800	1,480,772	2,075,872,572	104.73%	1,984,989,947
2012	2,079,608,000	1,527,724	2,081,135,724	101.98%	2,043,697,829
2011	2,081,132,600	1,600,551	2,082,733,151	100.52%	2,075,161,024
2010	2,111,131,200	2,012,118	2,113,143,318	97.12%	2,179,123,352

Source: Tax Duplicate and Abstract of Ratables of Bergen County

**Components of Real Estate Tax Rate  
(per \$100 of Assessment)**

<u>Year</u>	<u>Total</u>	<u>Municipal</u>	<u>Local School</u>	<u>Regional School</u>	<u>County</u>
2014	\$2.272	\$0.500	\$1.018	\$0.534	\$0.220
2013	2.229	0.500	0.990	0.520	0.219
2012	2.170	0.476	0.965	0.513	0.216
2011	2.101	0.461	0.947	0.486	0.207
2010	2.001	0.427	0.902	0.470	0.202

Source: Tax Collector

**Apportionment of Tax Levy  
(Including School and County Purposes)**

<u>Year</u>	<u>Total</u>	<u>Municipal</u>	<u>Local School</u>	<u>Regional School</u>	<u>County</u>
2014	\$ 46,843,891	\$ 10,335,060	\$ 21,000,498	\$ 11,002,982	\$ 4,505,351
2013	46,263,582	10,404,275	20,543,331	10,787,475	4,528,501
2012	45,267,077	10,029,688	20,078,749	10,673,670	4,484,970
2011	43,846,946	9,703,915	19,719,471	10,116,618	4,306,942
2010	42,426,722	9,175,507	19,059,804	9,930,100	4,261,311

Source: Tax Collector

## DEBT INFORMATION

### Debt Statements

The Township must report all new authorizations of debt or changes in previously authorized debt to the Division of Local Government Services, Department of Community Affairs of the State of New Jersey (the "Division"). The Supplemental Debt Statement, as this report is known, must be submitted to the Division before final passage of any debt authorization. Before January 31 of each year the Borough must file an Annual Debt Statement with the Division. This report is made under oath and states the authorized, issued and unissued debt of the Township as of the previous December 31. Through the Annual and Supplemental Debt Statements, the Division monitors all local borrowing.

### Debt Incurring Capacity As of December 31, 2013

#### Municipal

Equalized Valuation Basis (last 3 years average)	\$	1,991,642,960
3 1/2% Borrowing Margin		69,707,504
Net Debt Issued, Outstanding and Authorized		23,577,327
Remaining Municipal Borrowing Capacity		46,130,177

#### Regional School

3% Borrowing Margin		59,749,289
Debt, Issued, Outstanding and Authorized		5,691,623
Remaining School Borrowing Capacity		54,057,666

#### Local School

3% Borrowing Margin		59,749,289
Debt, Issued, Outstanding and Authorized		5,545,948
Remaining School Borrowing Capacity		54,203,341

### Gross and Statutory Net Debt as of December 31,

<u>Year</u>	<u>Gross Debt</u> <u>Amount</u>	<u>Statutory Net Debt</u>	
		<u>Amount</u>	<u>Percentage</u>
2013	\$ 44,624,385	\$ 23,577,327	1.18%
2012	45,786,036	18,773,824	0.92%
2011	46,441,672	18,655,443	0.89%
2010	45,404,298	15,958,978	0.73%
2009	31,388,540	14,346,478	0.64%

Source: Township of River Vale Audit Reports.

**Statement of Indebtedness  
As of December 31, 2013**

**GENERAL PURPOSES**

Bonds Issued and Outstanding	\$	9,912,000	
Bond Anticipation Notes		8,236,500	
Loans		509,847	
Bonds and Notes Authorized But Not Issued		74,967	
	\$		18,733,314

**REGIONAL SCHOOL**

Bonds Issued and Outstanding		5,691,623	
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**LOCAL SCHOOL**

Bonds Issued and Outstanding		5,545,948	
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**GOLF COURSE UTILITY**

Bond Anticipation Notes		14,653,500	
-------------------------	--	------------	--

TOTAL GROSS DEBT 44,624,385

**STATUTORY DEDUCTIONS**

Municipal Purpose		23,207	
Regional School		5,691,623	
Local School		5,545,948	
Self Liquidating		9,786,280	
			21,047,058

TOTAL NET DEBT \$ 23,577,327

**OVERLAPPING DEBT**

County of Bergen (Note 1)	\$	10,218,292	
Bergen Utilities Authority - Water Pollution (Note 2)		2,683,786	

TOTAL OVERLAPPING DEBT \$ 12,902,079

**GROSS DEBT**

Per Capita (2012 - 9,916)	\$	4,500	
Percent of Net Valuation Taxable (2013 - \$2,075,872,572)			2.15%
Percent of Estimated True Value of Real Property (2013 - \$1,984,989,947)			2.25%

**NET MUNICIPAL DEBT**

Per Capita (2012 - 9,916)	\$	2,378	
Percent of Net Valuation Taxable (2013 - \$2,075,872,572)			1.14%
Percent of Estimated True Value of Real Property (2013 - \$1,984,989,947)			1.19%

**OVERALL DEBT (Net and Overlapping Debt)**

Per Capita (2012 - 9,916)	\$	3,679	
Percent of Net Valuation Taxable (2013 - \$2,075,872,572)			1.76%
Percent of Estimated True Value of Real Property (2013 - \$1,984,989,947)			1.84%

Note (1) Overlapping debt was computed based upon the real property ratio of equalized valuations of the municipality to all municipalities within the County as provided in the 2013 Bergen County Abstract of Ratables published by the Bergen County Board of Taxation.

Note (2) Overlapping debt was computed based upon usage.

Source: Township of River Vale 2013 Annual Debt Statement.

**APPENDIX B**  
**INDEPENDENT AUDITOR'S REPORT**  
**AND FINANCIAL STATEMENTS**



# 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

ELIZABETH A. SHICK, CPA, RMA, PSA  
ANDREW PARENTE, 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  
EDWARD N. KERE, CPA  
LORI T. MANUKIAN, CPA, PSA  
MARK SACO, CPA

## **INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and  
Members of the Township Council  
Township of River Vale  
River Vale, 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 Township of River Vale, as of December 31, 2013 and 2012, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the various funds for the year ended December 31, 2013, 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 and presented by the Township of River Vale on the basis of 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 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 requirement that the Township of River Vale prepare and present its financial statements on the regulatory basis of accounting as discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph above, 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 Township of River Vale as of December 31, 2013 and 2012, or changes in financial position, or, where applicable, cash flows for the years then ended.

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

As discussed in Note 18 of the financial statements, the financial statements – regulatory basis of the Length of Service Award 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 Township's financial statements as of and for the years ended December 31, 2013 and 2012. The LOSAP Trust Fund financial activities are included in the Township's Trust Funds, and represent 41 percent and 34 percent of the assets and liabilities, respectively, of the Township's Trust Funds as of December 31, 2013 and 2012.

### ***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 Township of River Vale as of December 31, 2013 and 2012, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2013 in accordance with the basis of 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***

### ***Required Supplementary Information***

The Township has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. A management discussion and analysis is not required by the financial accounting and reporting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to supplement the regulatory basis financial statements and therefore it has not been presented by management. Our opinion on the financial statements – regulatory basis is not affected by this missing information.

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

In accordance with Government Auditing Standards, we have also issued our report dated May 22, 2014 on our consideration of the Township of River Vale'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 Township of River Vale's internal control over financial reporting and compliance.

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

Fair Lawn, New Jersey  
May 22, 2014



**TOWNSHIP OF RIVER VALE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND  
AS OF DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 4,068,190	\$ 4,134,287
Grants Receivable	144,273	247,117
Due from State of New Jersey - Senior Citizens and Veterans Deductions	<u>36,925</u>	<u>37,491</u>
	<u>4,249,388</u>	<u>4,418,895</u>
Receivables and Other Assets with Full Reserves		
Delinquent Property Taxes	227,662	294,402
Tax Title Liens	4,661	3,469
Property Acquired for Taxes	41,600	41,600
Revenue Accounts Receivable	6,099	6,826
Interfunds Receivable:		
Due from Other Trust Fund	73,442	
Due from Animal Control Trust Fund	3,650	3,768
Due from General Capital Fund	4,178	
Due from Public Assistance Fund	<u>43</u>	<u>21</u>
	<u>361,335</u>	<u>350,086</u>
Deferred Charges		
Emergency Authorization	70,000	88,000
Special Emergency Authorization	<u>160,000</u>	<u>200,000</u>
	<u>230,000</u>	<u>288,000</u>
 Total Assets	 <u>\$ 4,840,723</u>	 <u>\$ 5,056,981</u>

**TOWNSHIP OF RIVER VALE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND  
AS OF DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>		
Liabilities:		
Appropriation Reserves	\$ 512,253	\$ 442,993
Encumbrances Payable	170,422	187,706
Accounts Payable	1,915	121,814
Note Payable		
Emergency Authorization		88,000
Special Emergency Authorization	160,000	200,000
Prepaid Taxes	212,525	266,619
Tax Overpayments	155,758	100,692
Fees Payable	7,043	4,187
Regional High School Tax Payable	1,686,602	1,729,699
Due County for Added and Omitted Taxes		10,582
Due to Other Trust Fund		5,631
Due to General Capital Fund		6,615
Due to Municipal Open Space Preservation Trust Fund	996	493
Due to Length of Service Award Program Fund	49,324	45,625
Miscellaneous Reserves	31,514	70,965
Reserve for FEMA Reimbursements	160,000	
Reserve for Grants- Appropriated	114,950	113,313
Reserve for Grants- Unappropriated	<u>28,742</u>	<u>58,492</u>
	<u>3,292,044</u>	<u>3,453,426</u>
Reserve for Receivables	361,335	350,086
Fund Balance	<u>1,187,344</u>	<u>1,253,469</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 4,840,723</u>	<u>\$ 5,056,981</u>

**TOWNSHIP OF RIVER VALE**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>		
Fund Balance Anticipated	\$ 800,000	\$ 805,000
Miscellaneous Revenue Anticipated	2,454,973	2,206,548
Receipts from Delinquent Taxes	272,516	285,400
Receipts from Current Taxes	45,916,858	44,769,150
Non-Budget Revenue	156,331	234,569
Other Credits to Income		
Unexpended Balance of Appropriation Reserves	138,551	199,181
Interfunds Liquidated		26,012
Statutory Excess - Animal Control	3,597	3,756
Cancellation of Appropriated Grant Reserves	19,639	
Cancellation of Accounts Payable	12,938	-
	<hr/>	<hr/>
Total Income	<u>49,775,403</u>	<u>48,529,616</u>
<b>EXPENDITURES</b>		
Budget and Emergency Appropriations:		
Operations		
Salaries and Wages	4,798,576	4,734,999
Other Expenses	5,414,977	5,335,341
Deferred Charges and Statutory		
Expenditures- Municipal	1,312,234	1,222,041
Capital Improvements	230,500	385,616
Municipal Debt Service	1,212,192	1,039,863
Local District School Taxes	20,543,331	20,078,749
Regional High School Tax	10,687,475	10,523,670
County Taxes Payable	4,528,501	4,474,388
Due to County for Added and Omitted Taxes	12,250	10,582
Municipal Open Space Tax	208,090	208,607
Refunds of Prior Year Revenue/Taxes	48,922	35,274
Cancellation of Grants Receivable	30,322	
Restoration of Prior Year Cancellation - Appropriated Grant Reserves		27,096
Senior Citizens and Veterans Deduction Disallowed Prior Year	6,634	
Interfunds Advanced	77,524	-
	<hr/>	<hr/>
Total Expenditures	<u>49,111,528</u>	<u>48,076,226</u>
Excess in Revenue	663,875	453,390
Adjustments to Income before Fund Balance:		
Expenditures Included Above which by Statute are		
Required to be Raised in Succeeding Year's Budget	70,000	288,000
	<hr/>	<hr/>
Statutory Excess to Fund Balance	733,875	741,390
Fund Balance, January 1	<u>1,253,469</u>	<u>1,317,079</u>
	1,987,344	2,058,469
Decreased by:		
Utilized as Anticipated Revenue	800,000	805,000
	<hr/>	<hr/>
Fund Balance, December 31	<u>\$ 1,187,344</u>	<u>\$ 1,253,469</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**TOWNSHIP OF RIVER VALE**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>2013</u>		<u>2012</u>	
	Budget After <u>Modification</u>	<u>Realized</u>	Budget After <u>Modification</u>	<u>Realized</u>
FUND BALANCE ANTICIPATED	\$ 800,000	\$ 800,000	\$ 805,000	\$ 805,000
MISCELLANEOUS REVENUES				
Licenses				
Alcoholic Beverages	11,500	11,500	11,500	11,700
Other	9,500	12,670	20,000	9,910
Fees and Permits	68,000	79,878	63,000	68,265
Fines and Costs				
Municipal Court	88,000	85,773	80,000	88,445
Interest and Costs on Taxes	75,000	81,467	81,000	75,331
Interest on Investments and Deposits	14,000	24,478	18,000	17,283
Cable Television Franchise Fees	136,000	137,504	128,000	136,140
Anticipated Surplus - Golf Course Utility Operation Fund			100,000	
Energy Receipts Tax	749,670	749,670	749,670	749,670
Watershed Moratorium Offset Aid	23,359	23,359	23,359	23,359
Uniform Construction Code Fees	227,000	304,408	230,000	227,982
Interlocal Services Act				
Borough of Old Tappan - Dispatching and 911 Services	113,047	113,045	108,438	108,437
Borough of Montvale - DPW	236,817	236,817		
Boroughs of Hillsdale/Westwood - Municipal Court	11,833	11,750		
State and Federal Revenues Offset with Appropriations				
Body Armor Replacement Fund	2,251	2,251	2,947	2,947
Municipal Recycling Assistance Program	14,030	14,030	15,771	15,771
Drunk Driving Enforcement Fund	1,003	1,003	3,674	3,674
Community Development - Senior Citizens Program	3,274	3,274	3,638	3,638
Community Policing Program	6,300	6,300	5,100	5,100
Municipal Alliance on Alcoholism and Drug Abuse	9,876	9,876	10,356	10,356
Bergen County Open Space				
Bergen County ADA Ramps			132,816	132,816
Grove Hall Pocket Park Improvements			30,000	30,000
Town Hall Pocket Park Improvements			20,000	20,000
Library Passive Park Creation	18,500	18,500		
Library and Amphitheater Lighting	24,000	24,000		
Clean Communities	18,024	18,024	15,632	15,632
Alcohol Education Fund			971	971
FEMA	35,215	35,215	1,000	1,000
NJ DOT - Road Improvement Grant	150,000	150,000	146,500	146,500
Other Special Items of Revenue				
Uniform Fire Safety Act	10,400	18,684	12,000	10,407
Rental of Township Owned Property	191,000	213,997	161,000	191,214
Reimbursement for Utilization of Township Property	10,000	7,500	5,000	10,000
General Capital Fund Balance	60,000	60,000	90,000	90,000
	<u>2,317,599</u>	<u>2,454,973</u>	<u>2,269,372</u>	<u>2,206,548</u>
RECEIPTS FROM DELINQUENT TAXES	<u>267,000</u>	<u>272,516</u>	<u>300,000</u>	<u>285,400</u>
AMOUNT TO BE RAISED FOR SUPPORT OF MUNICIPAL BUDGET				
Local Tax for Municipal Purposes	9,534,284	9,854,807	9,027,850	9,294,379
Minimum Library Tax	<u>662,404</u>	<u>662,404</u>	<u>680,775</u>	<u>680,775</u>
Total Amount to be Raised for Support of Municipal Budget	<u>10,196,688</u>	<u>10,517,211</u>	<u>9,708,625</u>	<u>9,975,154</u>
Total General Revenues	<u>\$ 13,581,287</u>	<u>\$ 14,044,700</u>	<u>\$ 13,082,997</u>	<u>\$ 13,272,102</u>

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**2013 STATEMENT OF EXPENDITURES**  
**CURRENT FUND**

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**TOWNSHIP OF RIVER VALE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>2013 Appropriations</u>		<u>2013 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT FUNCTIONS					
Department of Administration					
Salaries and Wages	\$ 58,570	\$ 59,820	\$ 59,323	\$ 497	
Other Expenses	69,150	73,150	68,499	4,651	
Mayor and Council					
Salaries and Wages	19,000	19,000	19,000		
Other Expenses	810	810	696	114	
Township Clerk					
Salaries and Wages	55,033	56,733	56,648	85	
Other Expenses	22,400	21,400	20,311	1,089	
Financial Administration					
Salaries and Wages	183,350	193,350	193,062	288	
Other Expenses	9,380	8,380	8,358	22	
Audit Services					
Other Expenses	32,200	32,200	2,700	29,500	
Revenue Administration					
Salaries and Wages	48,162	48,162	47,528	634	
Other Expenses	2,950	2,950	2,644	306	
Tax Assessment Administration					
Salaries and Wages	17,690	17,690	17,687	3	
Other Expenses	11,850	4,500	3,900	600	
Advisory Committees					
Other Expenses	200	200		200	
Department of Law					
Salaries and Wages	3,100	3,100	3,100		
Other Expenses	140,000	152,500	151,683	817	
Department of Engineering					
Other Expenses	47,500	37,850	37,836	14	
LAND USE ADMINISTRATION					
Municipal Land Use Law (N.J.S.A. 40:55-1):					
Planning Board					
Salaries and Wages	10,400	10,400	10,161	239	
Other Expenses	18,000	10,000	8,692	1,308	
Zoning Board of Adjustment					
Salaries and Wages	3,200	3,200	2,200	1,000	
Other Expenses	3,330	2,330	1,419	911	
INSURANCE					
Unemployment Compensation Insurance	12,000	12,000	12,000		
Joint Insurance Fund	163,705	163,705	125,081	38,624	
Other Insurance Premiums	33,000	33,000	25,411	7,589	
Worker Compensation Insurance	192,712	185,712	139,927	45,785	
Group Insurance Plan for Employees	1,280,709	1,235,709	1,161,074	74,635	
Health Benefit Waiver	5,000	5,000	5,000		
Eyeglass - Dental Reimbursement	17,000	14,000	13,994	6	



**TOWNSHIP OF RIVER VALE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>2013 Appropriations</u>		<u>2013 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Cont'd)					
PUBLIC SAFETY FUNCTIONS					
Department of Police					
Salaries and Wages	\$ 2,993,626	\$ 3,007,626	\$ 3,004,871	\$ 2,755	
Other Expenses	129,550	125,050	121,789	3,261	
Office of Emergency Management					
Salaries and Wages	5,000	5,000	4,500	500	
Other Expenses	2,436	2,436	2,215	221	
Contribution to Volunteer Ambulance Corps.	42,000	42,000	42,000		
Fire Department					
Stipends	35,665	35,665	35,665		
Miscellaneous Other Expenses	50,900	57,900	56,867	1,033	
Fire Prevention Bureau					
Salaries and Wages	13,866	11,366	10,872	494	
Other Expenses	194,500	194,500	193,742	758	
Municipal Prosecutor					
Salaries and Wages	8,911	8,911	8,911		
PUBLIC WORKS FUNCTIONS					
Streets and Roads Maintenance					
Salaries and Wages	759,926	759,926	754,957	4,969	
Other Expenses	62,800	62,800	60,895	1,905	
Snow and Ice Removal					
Salaries and Wages	15,000	29,000	29,000		
Other Expenses	32,500	76,645	25,729	50,916	
Recycling and Garbage Removal					
Other Expenses	323,200	323,200	287,773	35,427	
Director's Office					
Salaries and Wages	130,734	117,734	115,969	1,765	
Other Expenses	10,575	10,575	9,852	723	
Buildings and Grounds					
Miscellaneous Other Expenses	44,000	59,000	54,259	4,741	
Vehicle Maintenance					
Salaries and Wages	72,860	72,860	72,860		
Other Expenses	43,800	43,800	43,800		
HEALTH AND HUMAN SERVICES FUNCTIONS					
Public Health Services					
Salaries and Wages	14,745	12,245	11,676	569	
Other Expenses	58,980	58,980	58,742	238	
Social Services					
Salaries and Wages	7,000	7,000	7,000		

**TOWNSHIP OF RIVER VALE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>2013 Appropriations</u>		<u>2013 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<b>PARK AND RECREATION FUNCTIONS</b>					
Department of Athletics					
Salaries and Wages	\$ 7,000	\$ 7,000	\$ 7,000		
Other Expenses	20,336	20,336	18,475	\$ 1,861	
Department of Social and Cultural Affairs					
Salaries and Wages	8,000	8,000	8,000		
Other Expenses	18,630	17,130	16,122	1,008	
<b>OTHER COMMON OPERATING FUNCTIONS</b>					
Accumulated Leave Compensation					
Salaries and Wages	1	1		1	
Municipal Court					
Salaries and Wages	75,634	75,634	73,051	2,583	
Other Expenses	7,385	7,385	6,591	794	
Public Defender					
Other Expenses	3,960	3,960	3,750	210	
OSHA					
	2,600	2,600	2,600		
Community Services Act					
	8,000	8,000		8,000	
<b>UTILITY EXPENSES AND BULK PURCHASES</b>					
Utilities					
Street Lighting	56,100	47,150	38,239	8,911	
Telephone	55,000	64,000	60,149	3,851	
Other (Electric, Gas, Water)	163,000	137,500	136,683	817	
<b>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)</b>					
State Uniform Construction Construction Code Officials					
Salaries and Wages	138,988	144,988	143,840	1,148	
Other Expenses	5,300	5,300	2,781	2,519	-
<b>Total Operations Within "CAPS"</b>					
	<u>8,082,909</u>	<u>8,080,054</u>	<u>7,729,159</u>	<u>350,895</u>	<u>-</u>
<b>Detail</b>					
Salaries and Wages	4,649,796	4,678,746	4,661,216	17,530	-
Other Expenses	3,433,113	3,401,308	3,067,943	333,365	-

**TOWNSHIP OF RIVER VALE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>2013 Appropriations</u>		<u>2013 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</b>					
Statutory Expenditures:					
Public Employees Retirement System	\$ 213,330	\$ 216,185	\$ 216,184	1	
Police and Fireman's Retirement System	630,549	630,549	630,549		
Contribution to Social Security (O.A.S.I.)	<u>337,500</u>	<u>337,500</u>	<u>327,229</u>	<u>10,271</u>	<u>-</u>
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>1,181,379</u>	<u>1,184,234</u>	<u>1,173,962</u>	<u>10,272</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>9,264,288</u>	<u>9,264,288</u>	<u>8,903,121</u>	<u>361,167</u>	<u>-</u>
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>					
Other Operations - Excluded from "CAPS"					
Flow and Other Charges					
Bergen County Utilities Authority	827,673	827,673	826,341	1,332	
Maintenance of Free Public Library	662,404	662,404	662,404		
Length of Service Award Program	<u>47,500</u>	<u>49,350</u>	<u>49,324</u>	<u>26</u>	<u>-</u>
Total Other Operations - Excluded from "CAPS"	<u>1,537,577</u>	<u>1,539,427</u>	<u>1,538,069</u>	<u>1,358</u>	<u>-</u>
<b>Interlocal Municipal Service Agreements</b>					
Borough of Old Tappan - Dispatching Police					
Salaries and Wages	113,047	113,047	113,047		
Borough of Paramus - 911 Services					
Police					
Salaries and Wages	6,783	6,783	6,783		
Borough of Old Tappan - Gasoline					
Gasoline	135,000	133,150	121,566	11,584	
Borough of Montvale - DPW					
Public Works Functions					
Salaries and Wages		98,484	98,484		
Other Expenses		138,333	50,158	88,175	
Boroughs of Hillsdale/Westwood					
Municipal Court	<u>-</u>	<u>11,833</u>	<u>11,833</u>	<u>-</u>	<u>-</u>
Total Interlocal Municipal Service Agreements	<u>254,830</u>	<u>501,630</u>	<u>401,871</u>	<u>99,759</u>	<u>-</u>

**TOWNSHIP OF RIVER VALE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>2013 Appropriations</u>		<u>2013 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<b>OPERATIONS - EXCLUDED FROM "CAP"</b>					
(Continued)					
Public and Private Programs Offset by Revenues					
Clean Communities Act Grant		\$ 18,024	\$ 1,489	\$ 16,535	
Body Armor Replacement Fund	\$ 2,251	2,251	2,251		
Drunk Driving Enforcement Fund		1,003	1,003		
Municipal Recycling Assistance Program	14,030	14,030	2,275	11,755	
Municipal Alliance on Alcoholism and Drug Abuse					
State Share	9,876	9,876	8,543	1,333	
Local Match	2,469	2,469	2,276	193	
FEMA Assistance Grant	35,215	35,215	35,215		
Community Policing Program	6,300	6,300	5,621	679	
Community Development Block Grant	-	3,274	2,300	974	-
	<u>70,141</u>	<u>92,442</u>	<u>60,973</u>	<u>31,469</u>	<u>-</u>
Total Public and Private Programs Offset by Revenues					
	<u>70,141</u>	<u>92,442</u>	<u>60,973</u>	<u>31,469</u>	<u>-</u>
Total Operations - Excluded from "CAPS"	<u>1,862,548</u>	<u>2,133,499</u>	<u>2,000,913</u>	<u>132,586</u>	<u>-</u>
Detail:					
Salaries and Wages	119,830	119,830	119,830		
Other Expenses	1,742,718	2,013,669	1,881,083	132,586	-
	<u>1,862,548</u>	<u>2,133,499</u>	<u>1,881,083</u>	<u>132,586</u>	<u>-</u>
<b>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>					
Capital Improvement Fund	38,000	38,000	38,000		
Public & Private Programs Off-Set by Revenues					
Bergen County					
Library Ampitheater Lighting Improvements		24,000	24,000		
Library Passive Park		18,500		18,500	
NJ DOT Road Improvement Grant	-	150,000	150,000	-	-
	<u>38,000</u>	<u>230,500</u>	<u>212,000</u>	<u>18,500</u>	<u>-</u>
Total Capital Improvements-Excluded from "CAPS"					
	<u>38,000</u>	<u>230,500</u>	<u>212,000</u>	<u>18,500</u>	<u>-</u>
<b>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>					
Payment of Bond Principal	655,000	655,000	655,000		
Payment of Bond Anticipation Notes & Capital Notes		70,000	70,000		
Interest on Bonds	361,000	361,000	360,318		\$ 682
Interest on Notes	129,000	129,000	126,874	-	2,126
	<u>1,145,000</u>	<u>1,215,000</u>	<u>1,212,192</u>	<u>-</u>	<u>2,808</u>
Total Municipal Debt Service - Excluded from "CAPS"					
	<u>1,145,000</u>	<u>1,215,000</u>	<u>1,212,192</u>	<u>-</u>	<u>2,808</u>

**TOWNSHIP OF RIVER VALE  
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>2013 Appropriations</u>		<u>2013 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
DEFERRED CHARGES MUNICIPAL - EXCLUDED FROM "CAPS"					
Emergency Authorizations	\$ 88,000	\$ 88,000	\$ 88,000		
Special Emergency Authorizations - 5 years	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	-	-
Total Deferred Charges Municipal - Excluded from "CAPS"	<u>128,000</u>	<u>128,000</u>	<u>128,000</u>	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>3,173,548</u>	<u>3,706,999</u>	<u>3,553,105</u>	\$ 151,086	\$ 2,808
Subtotal General Appropriations	12,437,836	12,971,287	12,456,226	512,253	2,808
RESERVE FOR UNCOLLECTED TAXES	<u>680,000</u>	<u>680,000</u>	<u>680,000</u>	-	-
Total General Appropriations	<u>\$ 13,117,836</u>	<u>\$ 13,651,287</u>	<u>\$ 13,136,226</u>	<u>\$ 512,253</u>	<u>\$ 2,808</u>

**2012 STATEMENT OF EXPENDITURES**  
**CURRENT FUND**

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**TOWNSHIP OF RIVER VALE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>2012 Appropriations</u>		<u>2012 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT FUNCTIONS					
Department of Administration					
Salaries and Wages	\$ 47,000	\$ 49,000	\$ 48,997	\$ 3	
Other Expenses	88,400	81,400	79,318	2,082	
Mayor and Council					
Salaries and Wages	19,000	19,000	19,000		
Other Expenses	810	810	799	11	
Township Clerk					
Salaries and Wages	49,050	53,950	53,928	22	
Other Expenses	22,200	20,700	20,441	259	
Financial Administration					
Salaries and Wages	171,240	197,740	197,600	140	
Other Expenses	8,500	8,500	7,576	924	
Audit Services					
Other Expenses	31,620	31,620	2,700	28,920	
Revenue Administration					
Salaries and Wages	42,475	47,075	47,056	19	
Other Expenses	2,970	1,970	1,910	60	
Tax Assessment Administration					
Salaries and Wages	17,340	17,340	17,340		
Other Expenses	20,450	13,450	13,431	19	
Tax Appeal Refunds		88,000	88,000		
Advisory Committees					
Other Expenses	200	200	200		
Department of Law					
Salaries and Wages	3,100	3,100	3,100		
Other Expenses	100,000	111,500	110,328	1,172	
Department of Engineering					
Other Expenses	87,500	61,900	55,643	6,257	
LAND USE ADMINISTRATION					
Municipal Land Use Law (N.J.S.A. 40:55-1):					
Planning Board					
Salaries and Wages	13,400	12,400	11,902	498	
Other Expenses	17,570	15,570	13,687	1,883	
Zoning Board of Adjustment					
Salaries and Wages	5,200	3,700	2,840	860	
Other Expenses	2,880	2,880	2,459	421	
INSURANCE					
Unemployment Compensation Insurance	10,000	10,000	10,000		
Joint Insurance Fund	163,250	163,250	120,566	42,684	
Other Insurance Premiums	33,000	33,000	25,212	7,788	
Worker Compensation Insurance	182,109	182,109	136,838	45,271	
Group Insurance Plan for Employees	1,184,040	1,179,040	1,108,641	70,399	
Health Benefit Waiver	10,000	15,000	15,000		
Eyeglass - Dental Reimbursement	17,000	17,000	11,773	5,227	



**TOWNSHIP OF RIVER VALE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>2012 Appropriations</u>		<u>2012 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Cont'd)					
PUBLIC SAFETY FUNCTIONS					
Department of Police					
Salaries and Wages	\$ 2,981,527	\$ 2,966,338	\$ 2,956,956	\$ 9,382	
Other Expenses	132,700	122,940	115,838	7,102	
Emergency - Hurricane Sandy		40,000	40,000		
Office of Emergency Management					
Salaries and Wages	5,000	5,000	4,562	438	
Other Expenses	2,436	2,436	2,408	28	
Contribution to Volunteer Ambulance Corps.	42,000	42,000	42,000		
Fire Department					
Stipends	35,665	35,665	35,665		
Miscellaneous Other Expenses	51,200	51,200	47,075	4,125	
Fire Prevention Bureau					
Salaries and Wages	13,594	13,594	10,758	2,836	
Other Expenses	194,374	194,374	178,316	16,058	
Municipal Prosecutor					
Salaries and Wages	8,736	8,736	8,736		
PUBLIC WORKS FUNCTIONS					
Streets and Roads Maintenance					
Salaries and Wages	767,600	767,600	765,732	1,868	
Other Expenses	59,900	59,900	45,396	14,504	
Emergency - Hurricane Sandy		160,000	122,813	37,187	
Snow and Ice Removal					
Salaries and Wages	15,000	15,000	13,555	1,445	
Other Expenses	30,000	30,000	14,158	15,842	
Recycling and Garbage Removal					
Other Expenses	323,200	323,200	305,581	17,619	
Director's Office					
Salaries and Wages	128,274	128,274	127,706	568	
Other Expenses	9,765	10,015	8,702	1,313	
Buildings and Grounds					
Miscellaneous Other Expenses	43,150	48,050	47,237	813	
Vehicle Maintenance					
Salaries and Wages	71,152	70,152	70,093	59	
Other Expenses	42,800	45,800	44,958	842	
HEALTH AND HUMAN SERVICES FUNCTIONS					
Public Health Services					
Salaries and Wages	14,245	14,245	13,626	619	
Other Expenses	10,000	10,000	10,000		
Social Services					
Salaries and Wages	7,000	7,000	7,000		

**TOWNSHIP OF RIVER VALE  
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>2012 Appropriations</u>		<u>2012 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<b>PARK AND RECREATION FUNCTIONS</b>					
Department of Athletics					
Salaries and Wages	\$ 7,000	\$ 7,000	\$ 7,000		
Other Expenses	24,486	24,486	14,060	\$ 10,426	
Department of Social and Cultural Affairs					
Salaries and Wages	10,000	10,000	10,000		
Other Expenses	18,630	18,630	15,042	3,588	
<b>OTHER COMMON OPERATING FUNCTIONS</b>					
Summer Camp Program					
Salaries and Wages					
Accumulated Leave Compensation					
Salaries and Wages	1	1		1	
Municipal Court					
Salaries and Wages	73,956	73,956	71,441	2,515	
Other Expenses	7,385	7,385	6,280	1,105	
Public Defender					
Other Expenses	3,960	3,960	2,400	1,560	
OSHA	2,600	2,600	2,600		
Community Services Act	10,000	10,000		10,000	
<b>UTILITY EXPENSES AND BULK PURCHASES</b>					
Utilities					
Street Lighting	55,000	55,000	49,183	5,817	
Telephone	50,500	55,500	53,784	1,716	
Other (Electric, Gas, Water)	163,000	158,000	137,592	20,408	
<b>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)</b>					
State Uniform Construction Construction Code Officials					
Salaries and Wages	136,360	136,360	132,977	3,383	
Other Expenses	5,800	5,800	2,493	3,307	-
Total Operations Within "CAPS"	7,908,300	8,181,401	7,770,008	411,393	-
Contingent	-	-	-	-	-
Total Operations Including Contingent - Within "CAPS"	7,908,300	8,181,401	7,770,008	411,393	-
Detail					
Salaries and Wages	4,607,250	4,626,561	4,601,905	24,656	-
Other Expenses (Including Contingent)	3,301,050	3,554,840	3,168,103	386,737	-

**TOWNSHIP OF RIVER VALE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>2012 Appropriations</u>		<u>2012 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Statutory Expenditures:					
Public Employees Retirement System	\$ 222,499	\$ 222,499	\$ 222,499		
Police and Fireman's Retirement System	563,692	563,692	563,692		
Contribution to Social Security (O.A.S.I.)	<u>335,000</u>	<u>335,000</u>	<u>332,113</u>	\$ 2,887	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>1,121,191</u>	<u>1,121,191</u>	<u>1,118,304</u>	<u>2,887</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>9,029,491</u>	<u>9,302,592</u>	<u>8,888,312</u>	<u>414,280</u>	<u>-</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
Other Operations - Excluded from "CAPS"					
Flow and Other Charges					
Bergen County Utilities Authority	777,993	777,993	777,993		
Montvale	3,000	3,000	3,000		
Maintenance of Free Public Library	680,775	680,775	680,775		
Group Insurance Plan for Employees	4,560	4,560	4,560		
Length of Service Award Program	<u>47,500</u>	<u>47,500</u>	<u>45,625</u>	<u>1,875</u>	<u>-</u>
Total Other Operations - Excluded from "CAPS"	<u>1,513,828</u>	<u>1,513,828</u>	<u>1,511,953</u>	<u>1,875</u>	<u>-</u>
Interlocal Municipal Service Agreements					
Dispatching and 911 Services					
Borough of Old Tappan					
Police					
Salaries and Wages	108,438	108,438	108,438		
Borough of Paramus					
Police					
Salaries and Wages		6,650	6,600	50	
Gasoline					
Borough of Old Tappan					
Gasoline	125,000	133,250	133,222	28	
County of Bergen					
Dog Warden Service	15,000	15,647	15,647		
Health Services	<u>50,096</u>	<u>49,449</u>	<u>49,318</u>	<u>131</u>	<u>-</u>
Total Interlocal Municipal Service Agreements	<u>298,534</u>	<u>313,434</u>	<u>313,225</u>	<u>209</u>	<u>-</u>

**TOWNSHIP OF RIVER VALE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>2012 Appropriations</u>		<u>2012 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<b>OPERATIONS - EXCLUDED FROM "CAP"</b>					
(Continued)					
Public and Private Programs Offset by Revenues					
Clean Communities Act Grant	\$ 15,632	\$ 15,632	\$ 9,869	\$ 5,763	
Body Armor Replacement Fund	2,947	2,947	2,318	629	
Drunk Driving Enforcement Fund		3,674	2,175	1,499	
Municipal Recycling Assistance Program		15,770	2,000	13,770	
Municipal Alliance on Alcoholism and Drug Abuse					
State Share	10,356	10,356	10,356		
Local Match	2,589	2,589	450	2,139	
Alcohol Education and Rehabilitation		971		971	
FEMA Assistance Grant		1,000	741	259	
Community Policing Program	5,100	5,100	3,501	1,599	
Community Development - Senior Program	3,638	3,638	3,638	-	-
	<u>40,262</u>	<u>61,677</u>	<u>35,048</u>	<u>26,629</u>	<u>-</u>
Total Public and Private Programs Offset by Revenues					
	<u>40,262</u>	<u>61,677</u>	<u>35,048</u>	<u>26,629</u>	<u>-</u>
Total Operations - Excluded from "CAPS"	<u>1,852,624</u>	<u>1,888,939</u>	<u>1,860,226</u>	<u>28,713</u>	<u>-</u>
Detail:					
Salaries and Wages	108,438	108,438	108,438		
Other Expenses	1,744,186	1,780,501	1,751,788	28,713	-
	<u>1,852,624</u>	<u>1,888,939</u>	<u>1,860,226</u>	<u>28,713</u>	<u>-</u>
<b>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>					
Capital Improvement Fund	56,300	56,300	56,300		
Public & Private Programs Off-Set by Revenues					
Bergen County					
ADA Ramps		132,816	132,816		
Grove Field Recreational Complex		30,000	30,000		
Town Hall Pocket Park Improvements		20,000	20,000		
NJ DOT Road Improvement Grant	-	146,500	146,500	-	-
	<u>56,300</u>	<u>385,616</u>	<u>385,616</u>	<u>-</u>	<u>-</u>
Total Capital Improvements-Excluded from "CAPS"	<u>56,300</u>	<u>385,616</u>	<u>385,616</u>	<u>-</u>	<u>-</u>
<b>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>					
Payment of Bond Principal	575,000	575,000	575,000		
Interest on Bonds	380,000	380,000	379,531		\$ 469
Interest on Notes	86,000	86,000	85,332	-	668
	<u>1,041,000</u>	<u>1,041,000</u>	<u>1,039,863</u>	<u>-</u>	<u>1,137</u>
Total Municipal Debt Service - Excluded from "CAPS"	<u>1,041,000</u>	<u>1,041,000</u>	<u>1,039,863</u>	<u>-</u>	<u>1,137</u>

**TOWNSHIP OF RIVER VALE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>2012 Appropriations</u>		<u>2012 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
DEFERRED CHARGES MUNICIPAL - EXCLUDED FROM "CAPS"					
Emergency Authorizations	\$ 100,000	\$ 100,000	\$ 100,000		
Deferred Charges Unfunded - Ordinance 128-2005	<u>850</u>	<u>850</u>	<u>850</u>	<u>-</u>	<u>-</u>
Total Deferred Charges Municipal - Excluded from "CAPS"	<u>100,850</u>	<u>100,850</u>	<u>100,850</u>	<u>-</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>3,050,774</u>	<u>3,416,405</u>	<u>3,386,555</u>	<u>\$ 28,713</u>	<u>\$ 1,137</u>
Subtotal General Appropriations	12,080,265	12,718,997	12,274,867	442,993	1,137
RESERVE FOR UNCOLLECTED TAXES	<u>652,000</u>	<u>652,000</u>	<u>652,000</u>	<u>-</u>	<u>-</u>
Total General Appropriations	<u>\$ 12,732,265</u>	<u>\$ 13,370,997</u>	<u>\$ 12,926,867</u>	<u>\$ 442,993</u>	<u>\$ 1,137</u>
Budget as Adopted		\$ 12,732,265			
Added by N.J.S. 40A:4-87		350,732			
Emergency Authorization		88,000			
Special Emergency Authorization		<u>200,000</u>			
		<u>\$ 13,370,997</u>			

**TOWNSHIP OF RIVER VALE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS  
AS OF DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
<b>ANIMAL CONTROL FUND</b>		
Cash	\$ 12,982	\$ 13,466
<b>OTHER TRUST FUND</b>		
Cash	941,858	988,979
Due from Current Fund	<u>-</u>	<u>5,631</u>
	<u>941,858</u>	<u>994,610</u>
<b>UNEMPLOYMENT INSURANCE TRUST FUND</b>		
Cash	<u>9,168</u>	<u>2,226</u>
<b>LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)</b>		
Investments	688,851	525,824
Due from Current Fund	<u>49,324</u>	<u>45,625</u>
	<u>738,175</u>	<u>571,449</u>
<b>MUNICIPAL OPEN SPACE TRUST FUND</b>		
Cash	101,898	93,261
Due from Current Fund	<u>996</u>	<u>493</u>
	<u>102,894</u>	<u>93,754</u>
<b>Total Assets</b>	<b><u>\$ 1,805,077</u></b>	<b><u>\$ 1,675,505</u></b>

**TOWNSHIP OF RIVER VALE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS  
AS OF DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>		
<b>ANIMAL CONTROL FUND</b>		
Due to Current Fund	\$ 3,650	\$ 3,768
Reserve for Animal Control Trust Expenditures	<u>9,332</u>	<u>9,698</u>
	<u>12,982</u>	<u>13,466</u>
<b>OTHER TRUST FUND</b>		
Reserves for		
Miscellaneous Deposits	866,139	950,831
Payroll Deductions	2,277	43,779
Due to Current Fund	<u>73,442</u>	<u>-</u>
	<u>941,858</u>	<u>994,610</u>
<b>UNEMPLOYMENT INSURANCE TRUST FUND</b>		
Due to State of New Jersey	165	163
Reserve for Unemployment Insurance Claims	<u>9,003</u>	<u>2,063</u>
	<u>9,168</u>	<u>2,226</u>
<b>LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)</b>		
Reserve for LOSAP	<u>738,175</u>	<u>571,449</u>
	<u>738,175</u>	<u>571,449</u>
<b>MUNICIPAL OPEN SPACE TRUST FUND</b>		
Reserve for Open Space Preservation	<u>102,894</u>	<u>93,754</u>
	<u>102,894</u>	<u>93,754</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 1,805,077</u>	<u>\$ 1,675,505</u>

**TOWNSHIP OF RIVER VALE  
STATEMENT OF REVENUES - REGULATORY BASIS -  
MUNICIPAL OPEN SPACE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>2013</u>		<u>2013</u>	
	<u>Anticipated</u>	<u>Realized</u>	<u>Anticipated</u>	<u>Realized</u>
Amount to be Raised by Taxation	\$ 207,587	\$ 208,090	\$ 208,114	\$ 208,607
Interest Income	-	-	-	211
	<u>\$ 207,587</u>	<u>\$ 208,090</u>	<u>\$ 208,114</u>	<u>\$ 208,818</u>

EXHIBIT B-2a

**STATEMENT OF EXPENDITURES - REGULATORY BASIS -  
MUNICIPAL OPEN SPACE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>2013</u>	<u>2013</u>	<u>Reserved</u>
	<u>Budget</u>	<u>Paid or Charged</u>	
Salaries and Wages	\$ 70,466	\$ 70,466	
Other Expenses	35,000	35,000	
Debt Service			
Payment of Loan Principal	51,217	51,217	
Interest on Loans	10,967	10,967	
Reserved for Future Use	<u>39,937</u>	<u>31,300</u>	<u>\$ 8,637</u>
	<u>\$ 207,587</u>	<u>\$ 198,950</u>	<u>\$ 8,637</u>

EXHIBIT B-2b

**STATEMENT OF EXPENDITURES - REGULATORY BASIS -  
MUNICIPAL OPEN SPACE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>2012</u>	<u>2012</u>	<u>Reserved</u>
	<u>Budget</u>	<u>Paid or Charged</u>	
Salaries and Wages	\$ 70,333	\$ 70,333	
Other Expenses	30,000	30,000	
Debt Service			
Payment of Loan Principal	50,208	50,208	
Interest on Loans	11,976	11,976	
Reserved for Future Use	<u>45,597</u>	<u>15,132</u>	<u>\$ 30,465</u>
	<u>\$ 208,114</u>	<u>\$ 177,649</u>	<u>\$ 30,465</u>



**TOWNSHIP OF RIVER VALE**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**AS OF DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Cash	\$ 882,473	\$ 990,723
Deferred Charges to Future Taxation		
Funded	10,421,847	11,128,064
Unfunded	8,311,467	7,668,967
Due from Current Fund	<u>-</u>	<u>6,615</u>
 Total Assets	 <u>\$ 19,615,787</u>	 <u>\$ 19,794,369</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>		
Serial Bonds Payable	\$ 9,912,000	\$ 10,567,000
Green Acres Loan Payable	509,847	561,064
Bond Anticipation Notes	8,236,500	7,594,000
Improvement Authorizations		
Funded	54,128	143,044
Unfunded	598,233	521,405
Encumbrances Payable	111,740	241,252
Capital Improvement Fund	4,126	3,626
Reserve for Future Capital Improvements	16,000	6,000
Reserve for Payment of Debt	23,207	23,207
Due to Current Fund	4,178	
Fund Balance	<u>145,828</u>	<u>133,771</u>
 Total Liabilities, Reserves and Fund Balance	 <u>\$ 19,615,787</u>	 <u>\$ 19,794,369</u>

There were \$74,967 and \$74,967 in bonds and notes authorized but not issued at December 31, 2013 and 2012.

**TOWNSHIP OF RIVER VALE**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Balance, January 1	\$ 133,771	\$ 136,536
Increased by:		
Premium on Issuance of Bonds and Notes	72,057	38,978
Cancellation of Funded Improvement Authorizations	<u>-</u>	<u>48,257</u>
	<u>205,828</u>	<u>223,771</u>
Decreased by:		
Anticipated as Current Fund Budgeted Revenue	<u>60,000</u>	<u>90,000</u>
Balance, December 31	<u>\$ 145,828</u>	<u>\$ 133,771</u>

**TOWNSHIP OF RIVER VALE**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - GOLF COURSE UTILITY FUND**  
**AS OF DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Operating Fund		
Cash	\$ 113,010	\$ 533,904
Grants Receivable	77,000	
Due from Golf Course Utility Capital Fund	1,048	160
Deferred Charges		
Emergency Appropriation	<u>245,000</u>	<u>-</u>
Total Operating Fund	<u>436,058</u>	<u>534,064</u>
Capital Fund		
Cash	608,023	197,062
Fixed Capital	13,750,000	13,750,000
Fixed Capital Authorized and Uncompleted	<u>1,148,500</u>	<u>936,500</u>
Total Capital Fund	<u>15,506,523</u>	<u>14,883,562</u>
Total Assets	<u>\$ 15,942,581</u>	<u>\$ 15,417,626</u>

**TOWNSHIP OF RIVER VALE**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - GOLF COURSE UTILITY FUND**  
**AS OF DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>		
Operating Fund		
Appropriation Reserves	\$ 49,437	\$ 3,837
Encumbrances Payable		1,063
Accounts Payable		3,077
Sales Tax Payable	552	1,314
Accrued Interest on Notes	32,816	138,479
Reserve for Prepaid Membership Fees	<u>156,925</u>	<u>197,456</u>
	239,730	345,226
Fund Balance	<u>196,328</u>	<u>188,838</u>
Total Operating Fund	<u>436,058</u>	<u>534,064</u>
Capital Fund		
Bond Anticipation Note Payable	14,653,500	14,450,000
Improvement Authorizations - Unfunded	200,192	174,065
Contracts Payable	40,066	68,817
Due to Golf Course Utility Operating Fund	1,048	160
Reserve for Amortization	245,000	
Fund Balance	<u>366,717</u>	<u>190,520</u>
Total Capital Fund	<u>15,506,523</u>	<u>14,883,562</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 15,942,581</u>	<u>\$ 15,417,626</u>

There were \$-0- and \$236,500 in bonds and notes authorized but not issued at December 31, 2013 and 2012.

**TOWNSHIP OF RIVER VALE**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS - GOLF COURSE UTILITY OPERATING FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Revenue and Other Income Realized		
Golf Fees	\$ 2,025,179	\$ 2,075,899
Reserve for Prepaid Membership Fees	197,456	279,898
Public and Private Programs Offset with Appropriations	77,000	
Miscellaneous Revenue Not Anticipated	7,231	5,835
Other Credits to Income		
Unexpended Balance of Appropriation Reserves	<u>4,900</u>	<u>36,911</u>
	<u>2,311,766</u>	<u>2,398,543</u>
Expenditures		
Budget Appropriations		
Operating	2,129,456	2,141,170
Deferred Charges		38,819
Debt Service	419,820	145,974
Refund of Prior Year Revenue	<u>-</u>	<u>1,890</u>
	<u>2,549,276</u>	<u>2,327,853</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(237,510)	70,690
Adjustment to Income Before Fund Balance		
Expenditures Included Above Which by Statute are Required to be Raised in Succeeding Year's Budget	<u>245,000</u>	<u>-</u>
Statutory Excess to Fund Balance	7,490	70,690
Fund Balance, January 1	<u>188,838</u>	<u>118,148</u>
Fund Balance, December 31	<u>\$ 196,328</u>	<u>\$ 188,838</u>

**TOWNSHIP OF RIVER VALE**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**GOLF COURSE UTILITY CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Balance, January 1	\$ 190,520	\$ 131,231
Increased by:		
Premium on Issuance of Bond Anticipation Notes	<u>176,197</u>	<u>59,289</u>
Balance, December 31	<u>\$ 366,717</u>	<u>\$ 190,520</u>

**STATEMENT OF REVENUES - REGULATORY BASIS**  
**GOLF COURSE UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>2013</u>		<u>2012</u>	
	<u>Budget</u>	<u>Realized</u>	<u>Budget</u>	<u>Realized</u>
Golf Fees	\$ 2,075,000	\$ 2,025,179	\$ 2,108,000	\$ 2,075,899
Reserve for Prepaid Membership Fees	197,456	197,456	271,989	279,898
Public and Private Programs Offset with Appropriations			-	-
ADA Improvements		27,000	-	-
Bergen County Open Space Grant	-	<u>50,000</u>	-	-
	<u>\$ 2,272,456</u>	<u>\$ 2,299,635</u>	<u>\$ 2,379,989</u>	<u>\$ 2,355,797</u>

**TOWNSHIP OF RIVER VALE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**GOLF COURSE UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Appropriation</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Operating					
Salaries and Wages					
Other Expenses	\$ 2,052,456	\$ 2,052,456	\$ 2,030,019	\$ 22,437	
Public and Private Programs Offset with Revenues					
ADA Improvements		27,000		27,000	
Bergen County Open Space		50,000	50,000		
Debt Service					
Payment of Note Principal		245,000	245,000		
Interest on Bonds	80,000	45,000			\$ 45,000
Interest on Notes	140,000	175,000	174,820	-	180
	<u>\$ 2,272,456</u>	<u>\$ 2,594,456</u>	<u>\$ 2,499,839</u>	<u>\$ 49,437</u>	<u>\$ 45,180</u>

EXHIBIT D-4b

**TOWNSHIP OF RIVER VALE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**GOLF COURSE UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Appropriation</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Operating					
Salaries and Wages	\$ 38,000				
Other Expenses	2,003,170	\$ 2,141,170	\$ 2,137,333	\$ 3,837	
Deferred Charges					
Emergency Authorization	38,819	38,819	38,819		
Debt Service					
Interest on Notes	200,000	200,000	145,974		\$ 54,026
Surplus (General Budget)	100,000	-	-	-	-
	<u>\$ 2,379,989</u>	<u>\$ 2,379,989</u>	<u>\$ 2,322,126</u>	<u>\$ 3,837</u>	<u>\$ 54,026</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**TOWNSHIP OF RIVER VALE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
PUBLIC ASSISTANCE FUND  
AS OF DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ <u>12,575</u>	\$ <u>10,798</u>
Total Assets	\$ <u>12,575</u>	\$ <u>10,798</u>
 <b>LIABILITIES AND RESERVES</b>		
Due to Current Fund	\$ 43	\$ 21
Reserve for Expenditures	<u>12,532</u>	<u>10,777</u>
	<u>\$ 12,575</u>	<u>\$ 10,798</u>



**TOWNSHIP OF RIVER VALE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
GENERAL FIXED ASSETS ACCOUNT GROUP  
AS OF DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u> (Restated)
<b>ASSETS</b>		
Land	\$ 15,727,514	\$ 15,727,514
Buildings	4,557,079	4,557,079
Machinery and Equipment	2,238,789	2,074,868
Vehicles	<u>4,541,095</u>	<u>4,475,971</u>
 Total Assets	 <u>\$ 27,064,477</u>	 <u>\$ 26,835,432</u>
 <b>FUND BALANCE</b>		
Investment in General Fixed Assets	<u>\$ 27,064,477</u>	<u>\$ 26,835,432</u>

**NOTES TO FINANCIAL STATEMENTS**

**TOWNSHIP OF RIVER VALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Township of River Vale (the "Township") was incorporated in 1906 and operates under the Faulkner Act, an elected (Mayor/Council) Plan B form of government. The Township's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, golf course operations 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 Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves the budget, the issuance of debt or the levying of taxes. The Township 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 Township do not include the municipal library, volunteer fire department or volunteer ambulance squad, which are 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 Township of River Vale 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 Township 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.

**TOWNSHIP OF RIVER VALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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

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

The Township 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 Township functions or activities. The Township also uses an account group, which is designed to provide accountability for certain assets that are not recorded in those Funds.

The Township 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 Township 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.

Other Trust Fund - This fund is established to account for the assets and resources, which are held by the Township 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 Township as collateral.

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

Length of Service Award 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 Township.

Open Space Preservation Trust Fund - This fund is used to account for the resources, which have accumulated from a dedicated tax, to be used for the preservation of open space, recreation and farmland property.

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.

Golf Course Utility Fund - This fund is used to account for the revenues and expenditures for the operation of the Township's golf course facility and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities and other capital assets for the golf course utility is accounted for in the capital section of the fund.

**TOWNSHIP OF RIVER VALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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

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

*Public Assistance Fund* - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey Statutes. During 2008, the Township transferred administration of its State of New Jersey public assistance program to the County of Bergen. The fund is currently maintained to account for private donations.

*General Fixed Assets Account Group* - This account group is used to account for all general fixed assets of the Township, other than those accounted for in the golf course utility fund. The Township's infrastructure is not reported in the account group.

**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 Township's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

**Financial Statements – Regulatory Basis**

The GASB Codification also requires the financial statements of a governmental unit to be presented in the basic financial statements in accordance with GAAP. The Township 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 Township of River Vale 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.

**TOWNSHIP OF RIVER VALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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

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

**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.

**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 June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Township. 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 Township also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11<sup>th</sup> day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Township 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 Township'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).

**Utility Revenues/Receivables** - Utility charges are levied based upon a schedule of fees approved by Township ordinance. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's golf course utility operating fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

**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 Township's budget. GAAP requires such revenues to be recognized as soon as all eligibility requirements imposed by the grantor or provider have been met.

TOWNSHIP OF RIVER VALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

**Property Acquired for Taxes** – Property acquired for taxes is recorded in the Current Fund at the assessed valuation when such property was acquired, and is fully reserved. GAAP requires such property to be recorded as a capital asset in the government-wide financial statements at fair value on the date of acquisition.

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

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

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

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

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

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

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

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

**TOWNSHIP OF RIVER VALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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

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

**General Fixed Assets** - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Township of River Vale has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Township 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.

Fixed Assets purchased after December 31, 2008 are stated as cost. Donated fixed assets are recorded at estimated fair market value at the date of donation.

Fixed Assets purchased prior to December 31, 2008 are stated as follows:

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

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

Accounting for utility fund "fixed capital" remains unchanged under NJAC 5:30-5.6.

Property and equipment purchased by the golf course utility fund is recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Fund represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on 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.



**TOWNSHIP OF RIVER VALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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

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

**Use of Estimates** - The preparation of financial statements requires management of the Township 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.

**Reclassifications** - Certain reclassifications have been made to the December 31, 2012 balances to conform to the December 31, 2013 presentation.

**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 Township and approved by the State Division of Local Government Services as per N.J.S.A. 40A:4 et seq.

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

Trust Funds (except Open Space)  
Capital Funds  
Public Assistance 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 2013 and 2012 the Township Council increased the original budget by \$855,451 and \$638,732, respectively. The increase for 2013 was funded by additional aid allotted to the Township of \$463,451 and by emergency resolution of \$70,000 for debt service. The increase for 2012 was funded by additional aid allotted to the Township and by emergency resolutions of \$70,000 and \$30,000 for storm damage and legal services, respectively. In addition, the governing body approved several budget transfers during 2013 and 2012.

**TOWNSHIP OF RIVER VALE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 3 DEPOSITS AND INVESTMENTS**

The Township 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. Deposits**

The Township’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 Township 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 for interest bearing accounts are insured up to \$250,000 in the aggregate by the FDIC for each bank. Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, temporary unlimited deposit insurance coverage was provided for non-interest bearing accounts from December 31, 2010 through December 31, 2012. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2013 and 2012, the book value of the Township's deposits were \$6,750,177 and \$6,964,706 and bank and brokerage firm balances of the Township's deposits amounted to \$6,891,436 and \$6,975,510, respectively. The Township's deposits which are displayed on the various fund balance sheets as "cash" or “cash and cash equivalents” are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2013</u>	<u>2012</u>
Insured	<u>\$ 6,891,436</u>	<u>\$ 6,975,510</u>

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 Township does not have a formal policy for custodial credit risk. As of December 31, 2013 and 2012, the Township’s bank balances were not exposed to custodial credit risk.

**B. Investments**

The Township 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 Township or bonds or other obligations of the school districts which are a part of the Township or school districts located within the Township, 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 Township 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.

**TOWNSHIP OF RIVER VALE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2013 AND 2012**

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

**B. Investments**

As of December 31, 2013 and 2012, the Township had the following investments:

	<u>Fair Value</u>
<u>2013</u>	
Investment:	
Length of Service Award Program (LOSAP) (Unaudited)	\$ <u>688,851</u>
<u>2012</u>	
Investment:	
Length of Service Award Program (LOSAP) (Unaudited)	\$ <u>525,824</u>

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Township does not have a policy for custodial risk. As of December 31, 2013 and 2012, \$688,851 and \$525,824 of the Township’s investments was exposed to custodial credit risk as follows:

	<u>Fair Value (LOSAP)</u>	
	<u>2013</u>	<u>2012</u>
<u>2013</u>		
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Borough's name	\$ <u>688,851</u>	\$ <u>525,824</u>

Interest Rate Risk – The Township 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 Township does not have an investment policy that would further limit its investment choices.

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

The fair value of the above-listed investment was based on quoted market prices.

**TOWNSHIP OF RIVER VALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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

**B. Investments (Continued)**

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

**NOTE 4 TAXES RECEIVABLE**

Receivables at December 31, 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
<u>Current</u>		
Property Taxes	\$ 227,662	\$ 294,402
Tax Title Liens	<u>4,661</u>	<u>3,469</u>
	<u>\$ 232,323</u>	<u>\$ 297,871</u>

In 2013 and 2012, the Township collected \$272,516 and \$285,400 from delinquent taxes, which represented 100% and 85% of the prior year adjusted 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>2013</u>		<u>2012</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	\$ 81,313	\$ 50,320	\$ 3,789	\$ 58,364
Trust Funds				
Animal Control		3,650		3,768
Other Trust		73,442	5,631	
Open Space Preservation	996		493	
LOSAP	49,324		45,625	
General Capital Fund		4,178	6,615	
Golf Course Utility				
Operating	1,048		160	
Capital		1,048		160
Public Assistance Fund	<u>-</u>	<u>43</u>	<u>-</u>	<u>21</u>
Total	<u>\$ 132,681</u>	<u>\$ 132,681</u>	<u>\$ 62,313</u>	<u>\$ 62,313</u>

The above balances are the result of expenditures being paid by one fund on behalf of another.

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

**TOWNSHIP OF RIVER VALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Under the regulatory basis of accounting, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, the following deferred charges are reported on the balance sheets of the following funds:

	<u>Balance to Balance, December 31,</u>	<u>Subsequent Year Budget Appropriation</u>	<u>Succeeding Budgets</u>
<b><u>2013</u></b>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	\$160,000	\$40,000	\$120,000
Emergency Authorization	70,000	70,000	
Golf Course Utility			
Emergency Authorization	245,000	245,000	
<b><u>2012</u></b>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	\$200,000	\$40,000	\$160,000
Emergency Authorization	88,000	88,000	

**NOTE 7 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.

	<u>2013 Regional High School</u>	<u>2012 Regional High School</u>
Balance of Tax	\$5,393,738	\$5,336,835
Deferred Liability	<u>3,707,136</u>	<u>3,607,136</u>
Taxes Payable	<u>\$1,686,602</u>	<u>\$1,729,699</u>

**TOWNSHIP OF RIVER VALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 8 FUND BALANCES APPROPRIATED**

Under the regulatory basis of accounting, fund balances in the Current Fund and Utility Operating 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:

	Fund Balance December 31, <u>2013</u>	Utilized in Subsequent <u>Year's Budget</u>	Fund Balance December 31, <u>2012</u>	Utilized in Subsequent <u>Year's Budget</u>
<b>Current Fund</b>				
Cash Surplus	\$ 936,146	\$ 780,000	\$ 968,861	\$ 800,000
Non-Cash Surplus	<u>251,198</u>	<u>-</u>	<u>284,608</u>	<u>-</u>
	<u>\$ 1,187,344</u>	<u>\$ 780,000</u>	<u>\$ 1,253,469</u>	<u>\$ 800,000</u>
<b>Golf Course Utility Operating Fund</b>				
Cash Surplus	\$ (48,672)		\$ 188,838	
Non-Cash Surplus	<u>245,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 196,328</u>	<u>\$ -</u>	<u>\$ 188,838</u>	<u>\$ -</u>

**TOWNSHIP OF RIVER VALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 9 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, 2013 and 2012.

	Balance December 31, <u>2012</u> (Restated)	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2013</u>
<u>2013</u>				
Land	\$ 15,727,514			\$ 15,727,514
Buildings and Building Improvements	4,557,079			4,557,079
Vehicles	4,475,971	\$ 65,124		4,541,095
Machinery and Equipment	2,074,868	163,921	-	2,238,789
	<u>\$ 26,835,432</u>	<u>\$ 229,045</u>	<u>\$ -</u>	<u>\$ 27,064,477</u>
	Balance December 31, <u>2011</u> (Restated)	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2012</u> (Restated)
<u>2012</u>				
Land	\$ 15,672,434	\$ 55,080		\$ 15,727,514
Buildings and Building Improvements	4,554,214	2,865		4,557,079
Vehicles	4,502,829	116,533	\$ 143,391	4,475,971
Machinery and Equipment	1,989,708	85,160	-	2,074,868
	<u>\$ 26,719,185</u>	<u>\$ 259,638</u>	<u>\$ 143,391</u>	<u>\$ 26,835,432</u>

**TOWNSHIP OF RIVER VALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 9 FIXED ASSETS (Continued)**

**B. Golf Utility Fund Fixed Assets**

The following is a summary of changes in the utility fund fixed assets for the years ended December 31, 2013 and 2012.

<u><b>Golf Course Utility Fund</b></u>	Balance December 31, <u>2012</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2013</u>
<u><b>2013</b></u>				
Fixed Capital				
Acquisition of Golf Course and Facilities	\$ 13,750,000	\$ -	\$ -	\$ 13,750,000
	Balance December 31, <u>2011</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2012</u>
<u><b>2012</b></u>				
Fixed Capital				
Acquisition of Golf Course and Facilities	\$ 13,750,000	\$ -	\$ -	\$ 13,750,000



**TOWNSHIP OF RIVER VALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 10 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 both general capital and utility capital fund projects. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. 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 Township's debt is summarized as follows:

	<u>2013</u>	<u>2012</u>
Issued		
General		
Bonds, Notes and Loans	\$18,658,347	\$18,722,064
Golf Course Utility		
Notes	14,653,500	14,450,000
Less Funds Temporarily Held to Pay Bonds and Notes	<u>(23,207)</u>	<u>(23,207)</u>
Net Debt Issued	33,288,640	33,148,857
Authorized But Not Issued		
General		
Bonds and Notes	74,967	74,967
Golf Course Utility		
Bonds and Notes	<u>-</u>	<u>236,500</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$33,363,607</u>	<u>\$33,460,324</u>

**TOWNSHIP OF RIVER VALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 10 MUNICIPAL DEBT (Continued)**

**Statutory Net Debt**

The statement of debt condition that follows is extracted from the Township's Annual Debt Statement and indicates a statutory net debt of 1.184% and .92% at December 31, 2013 and 2012, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2013</u>			
General Debt	\$ 18,733,314	\$ 23,207	\$ 18,710,107
School Debt	11,237,571	11,237,571	
Utility Debt	<u>14,653,500</u>	<u>9,786,280</u>	<u>4,867,220</u>
Total	<u>\$ 44,624,385</u>	<u>\$ 21,047,058</u>	<u>\$ 23,577,327</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2012</u>			
General Debt	\$ 18,797,031	\$ 23,207	\$ 18,773,824
School Debt	12,302,505	12,302,505	
Utility Debt	<u>14,686,500</u>	<u>14,686,500</u>	<u>-</u>
Total	<u>\$ 45,786,036</u>	<u>\$ 27,012,212</u>	<u>\$ 18,773,824</u>

**Statutory Borrowing Power**

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

	<u>2013</u>	<u>2012</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 69,707,504	\$ 71,477,250
Net Debt	<u>(23,577,327)</u>	<u>(18,773,824)</u>
Remaining Borrowing Power	<u>\$ 46,130,177</u>	<u>\$ 52,703,426</u>

**TOWNSHIP OF RIVER VALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 10 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt**

The Township’s long-term debt consisted of the following at December31:

**General Obligation Bonds**

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

	<u>2013</u>	<u>2012</u>
\$2,480,000, 2002 Bonds, due in an annual installment of \$280,000 on June 1, 2013, interest at 3.75%		\$ 280,000
\$6,042,000, 2007 Bonds, due in annual installments of \$410,000 to \$427,000 through June 15, 2026, interest at 4.25% to 4.35%	\$ 5,367,000	5,492,000
\$4,965,000, 2011 Bonds, due in annual installments of \$250,000 to \$340,000 through August 15, 2027, interest at 2.00% to 3.25%	<u>4,545,000</u>	<u>4,795,000</u>
	<u>\$ 9,912,000</u>	<u>\$ 10,567,000</u>

**General Intergovernmental Loans Payable**

The Township has entered into a loan agreement with the State of New Jersey Green Acres Program for the financing relating to the acquisition of open space. The Township levies ad valorem taxes to pay debt service on general intergovernmental loans issued. General intergovernmental loans outstanding at December 31 are as follows:

	<u>2013</u>	<u>2012</u>
\$1,000,000, 2002 Loan, due in semi-annual installments of \$25,993 to \$30,784 through September 13, 2022, interest at 2.0%	<u>\$ 509,847</u>	<u>\$ 561,064</u>

**TOWNSHIP OF RIVER VALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 10 MUNICIPAL DEBT (Continued)**

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

The Township's principal and interest for long-term debt issued and outstanding as of December 31, 2013 is as follows:

Calendar Year	General Bonds		Intergovernmental Loans		Total
	Principal	Interest	Principal	Interest	
2014	680,000	338,700	52,246	9,937	1,080,883
2015	700,000	315,875	53,297	8,887	1,078,059
2016	730,000	292,650	54,367	7,816	1,084,833
2017	735,000	268,825	55,460	6,722	1,066,007
2018	735,000	244,900	56,575	5,608	1,042,083
2019-2023	3,710,000	846,938	237,902	10,832	4,805,672
2024-2027	2,622,000	189,124	-	-	2,811,124
Total	<u>\$ 9,912,000</u>	<u>\$ 2,497,012</u>	<u>\$ 509,847</u>	<u>\$ 49,802</u>	<u>\$ 12,968,661</u>

**Changes in Long-Term Municipal Debt**

The Township's long-term capital debt activity for the years ended December 31, 2013 and 2012 were as follows:

	Balance, December 31, <u>2012</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2013</u>	Due Within <u>One Year</u>
<u>2013</u>					
General Capital Fund					
Bonds Payable	\$ 10,567,000		\$ 655,000	\$ 9,912,000	\$ 680,000
Intergovernmental Loans Payable	<u>561,064</u>	<u>-</u>	<u>51,217</u>	<u>509,847</u>	<u>52,246</u>
General Capital Fund Long-Term Liabilities	<u>\$ 11,128,064</u>	<u>\$ -</u>	<u>\$ 706,217</u>	<u>\$ 10,421,847</u>	<u>\$ 732,246</u>

**TOWNSHIP OF RIVER VALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 10 MUNICIPAL DEBT (Continued)**

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

**Changes in Long-Term Municipal Debt (Continued)**

	Balance, December 31, <u>2011</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2012</u>	Due Within <u>One Year</u>
<u>2012</u>					
General Capital Fund					
Bonds Payable	\$ 11,142,000		\$ 575,000	\$ 10,567,000	\$ 655,000
Intergovernmental Loans Payable	<u>611,272</u>	<u>-</u>	<u>50,208</u>	<u>561,064</u>	<u>51,217</u>
General Capital Fund Long-Term Liabilities	<u>\$ 11,753,272</u>	<u>\$ -</u>	<u>\$ 625,208</u>	<u>\$ 11,128,064</u>	<u>\$ 706,217</u>

**B. Short-Term Debt**

The Township's short-term debt activity for the years ended December 31, 2013 and 2012 was as follows:

**Bond Anticipation Notes**

	Rate <u>(%)</u>	Maturity <u>Date</u>	Balance, December 31, <u>2012</u>	Renewed/ <u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31, <u>2013</u>
<u>2013</u>						
General Capital Fund						
<u>Purpose</u>						
Acquisition of Property	1.00%	10/10/2014	\$ 4,050,000	\$ 8,030,000	\$ 8,100,000	\$ 3,980,000
Installation of Turf Field	1.00%	8/15/2014	1,425,000	1,425,000	1,425,000	1,425,000
Various Capital Improvements	1.00%	8/15/2014	<u>2,119,000</u>	<u>2,831,500</u>	<u>2,119,000</u>	<u>2,831,500</u>
<u>Golf Course Utility Capital Fund</u>			<u>7,594,000</u>	<u>12,286,500</u>	<u>11,644,000</u>	<u>8,236,500</u>
Acquisition of Property	1.00%	10/10/2014	14,450,000	28,655,000	28,900,000	14,205,000
Various Golf Course Improvements	1.00%	8/15/2014	<u>-</u>	<u>448,500</u>	<u>-</u>	<u>448,500</u>
Total Bond Anticipation Notes Payable			<u>\$ 14,450,000</u>	<u>\$ 29,103,500</u>	<u>\$ 28,900,000</u>	<u>\$ 14,653,500</u>

**TOWNSHIP OF RIVER VALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 10 MUNICIPAL DEBT (Continued)**

**B. Short-Term Debt (Continued)**

**Bond Anticipation Notes (Continued)**

	Rate (%)	Maturity Date	Balance, December 31, <u>2011</u>	Renewed/ <u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31, <u>2012</u>
<b><u>2012</u></b>						
<u>General Capital Fund</u>						
<u>Purpose</u>						
Acquisition of Property	1.00%	1/11/2013	\$ 4,050,000	\$ 4,050,000	\$ 4,050,000	\$ 4,050,000
Various Capital Improvements	1.25%	8/15/2013	1,050,000	2,119,000	1,050,000	2,119,000
Installation of Turf Field	1.25%	8/15/2013	<u>1,425,000</u>	<u>1,425,000</u>	<u>1,425,000</u>	<u>1,425,000</u>
<u>Golf Course Utility Capital Fund</u>			<u>6,525,000</u>	<u>7,594,000</u>	<u>6,525,000</u>	<u>7,594,000</u>
<u>Purpose</u>						
Acquisition of Property	1.50%	1/11/2013	<u>14,450,000</u>	<u>14,450,000</u>	<u>14,450,000</u>	<u>14,450,000</u>
Total Bond Anticipation Notes Payable			<u>\$ 20,975,000</u>	<u>\$ 22,044,000</u>	<u>\$ 20,975,000</u>	<u>\$ 22,044,000</u>

The purpose of these short-time 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. The amounts issued for the golf course utility activities are accounted for in the Golf Course Utility Capital Fund.

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

In addition to the debt shown in the above schedule, municipalities may issue debt to finance emergency or special emergency appropriations or to meet cash flow needs (Tax Anticipation Notes) to temporarily finance operating expenditures. This debt which is not included in the Township's statutory debt limit calculation is reported in the Current Fund for the years 2013 and 2012 as follows:

**TOWNSHIP OF RIVER VALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 10 MUNICIPAL DEBT (Continued)**

**B. Short-Term Debt (Continued)**

**Emergency Notes**

Any local unit may borrow money and issue its negotiable notes to meet an emergency appropriation. All emergency notes, and any renewals thereof, shall mature not later than the last day of the fiscal year following the fiscal year in which the notes were issued and the emergency appropriation authorized.

**2013**

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	Balance, December 31, <u>2012</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	Balance, December 31, <u>2013</u>
Tax Appeal Refunds	1.31%	12/13/2013	<u>\$ 88,000</u>	<u>\$ -</u>	<u>\$ 88,000</u>	<u>\$ -</u>

**2012**

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	Balance, December 31, <u>2011</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	Balance, December 31, <u>2012</u>
Tax Appeal Refunds	1.31%	12/13/2013	<u>\$ -</u>	<u>\$ 88,000</u>	<u>\$ -</u>	<u>\$ 88,000</u>

**Special Emergency Notes**

Following the adoption of an ordinance or resolution for special emergency appropriations, the Township may borrow money and issue special emergency notes which may be renewed from time to time, but at least 1/3 or 1/5 (modify) of all such notes and the renewal thereof, shall mature and be paid in each year so that all notes have been paid by the end of the fifth year following the date of the special emergency resolution.

**2013**

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	Balance, December 31, <u>2012</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	Balance, December 31, <u>2013</u>
Storm Damage Hurricane Sandy	1.62%	12/12/2014	<u>\$ 200,000</u>	<u>\$ 160,000</u>	<u>\$ 200,000</u>	<u>\$ 160,000</u>

**2012**

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	Balance, December 31, <u>2011</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	Balance, December 31, <u>2012</u>
Storm Damage Hurricane Sandy	1.31%	12/13/2013	<u>\$ -</u>	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 200,000</u>

**TOWNSHIP OF RIVER VALE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 11 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

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

<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
<u>2013</u>		
Roof Replacement – River Vale Country Club	\$28,583	2014
Library and Amphitheater Lighting Improvements	66,970	2014
<u>2012</u>		
Bike Path Improvement Project	\$99,373	2013
Replacement of Irrigation Pumps at River Vale Country Club	51,522	2013

**NOTE 12 OTHER LONG-TERM LIABILITIES**

**Compensated Absences**

Under the existing policies and labor agreements of the Township, employees are allowed to accumulate (with certain restrictions) unused vacation benefits, personal and 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 \$918,000 and \$865,000 at December 31, 2013 and 2012, 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, 2013 and 2012, the Township has reserved in the Other Trust Fund \$40,068 and \$40,068, respectively, to fund compensated absences in accordance with NJSA 40A:4-39.

**NOTE 13 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 Township employees who are eligible for pension coverage.

**Police and Firemen’s Retirement System (PFRS)** – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership.



**TOWNSHIP OF RIVER VALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**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.

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 Township 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 employers 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.

**Other Pension Funds**

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

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

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

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

**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.

**TOWNSHIP OF RIVER VALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Significant Legislation**

P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which PERS and PFRS operate and to the benefit provisions of those systems.

This new legislation's provisions impacting employee pension and health benefits include:

- For new members of PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65. The eligibility age to qualify for a service retirement in the PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the active member contribution rates as follows: PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years; PFRS active member rates increase from 8.5 percent to 10 percent. For Fiscal Year 2013, the PERS member contribution rate was 6.64%. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

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

**Funded Status and Funding Progress**

As of July 1, 2012, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including CPFPPF, PERS and PFRS, is 64.5 percent with an unfunded actuarial accrued liability of \$47.2 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 56.7 percent and \$34.4 billion, respectively and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 76.1 percent and \$12.8 billion, respectively.

**TOWNSHIP OF RIVER VALE  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Funded Status and Funding Progress (Continued)**

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.

**Actuarial Methods and Assumptions**

In the July 1, 2012 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 except CPFPPF (2.00%) and (b) changes to projected salary increases, which vary by fund.

**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 6.50% plus an additional 1% phased-in over 7 years beginning in July 2012 for PERS, 10.0% for PFRS and 5.50% for DCRP of employees' annual compensation. The member contribution for PERS was 6.64% in fiscal year 2013.

**Annual Pension Cost (APC)**

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2013 for CPFPPF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. 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.

**TOWNSHIP OF RIVER VALE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Annual Pension Cost (APC) (Continued)**

During the years ended December 31, 2013, 2012 and 2011, the Township, was required to contribute for normal cost pension contributions, accrued liability pension contributions, early retirement incentive program contributions, deferred pension obligation 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>
2013	\$ 630,549	\$ 216,184	None
2012	563,692	222,499	None
2011	649,888	218,286	None

**NOTE 14 POST-RETIREMENT MEDICAL BENEFITS**

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

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 585 state and local participating employers and contributing entities for Fiscal Year 2013.

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

**TOWNSHIP OF RIVER VALE  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 14 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**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](http://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.

**Significant Legislation**

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary. For those employed on or after June 28, 2011 the 4-year phase in does not apply, and contributions based on the full percentage rate of contribution are required.

**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, 2012, the most recent actuarial valuation date, the State had a \$51.5 billion unfunded actuarial liability for other postemployment benefits (OPEB) which is made up of \$19.3 billion for state active and retired members and \$32.2 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 is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events in 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.

**TOWNSHIP OF RIVER VALE  
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**NOTE 14 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Funded Status and Funding Progress (Continued)**

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 contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the July 1, 2012 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 4.50 percent for investment rate of return for the OPEB.

**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, 2013, there were 100,134 retirees receiving post-retirement medical benefits, and the State contributed \$1.07 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 \$139.8 million for 9,404 eligible retired members for Fiscal Year 2013. 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 \$38.0 million in Fiscal Year 2013 to provide benefits under Chapter 330 to qualified retirees.

**TOWNSHIP OF RIVER VALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 14 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Post-Retirement Medical Benefits Contribution (Continued)**

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 Township's contributions to the State Health Benefits Program Fund-Local Government for post-retirement benefits for the years ended December 31, 2013, 2012 and 2011 were \$409,545, \$381,081 and \$341,565, respectively, which equaled the required contributions for each year (or were not available). In addition, the Township's reimbursements to eligible retired employees for Medicare Part B insurance coverage for the years ended December 31, 2013, 2012 and 2011 were \$23,770, \$23,261 and \$18,989, respectively.

**NOTE 15 RISK MANAGEMENT**

The Township 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 Township has obtained commercial insurance coverage to guard against these events to minimize the exposure to the Township should they occur.

The Township of River Vale 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 Township.

The relationship between the Township 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 Township 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.

**TOWNSHIP OF RIVER VALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 15 RISK MANAGEMENT (Continued)**

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

<u>Year Ended December 31</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2013	\$ 12,000	\$ 5,850	\$ 10,928	\$ 9,003
2012	10,000	6,384	14,345	2,063
2011	31,000	5,852	41,765	

**NOTE 16 CONTINGENT LIABILITIES**

The Township 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 Township’s Attorney, the potential claims against the Township not covered by insurance policies would not materially affect the financial condition of the Township.

**Pending Tax Appeals** - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2013 and 2012. Amounts claimed have not yet been determined. The Township 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 Township does not recognize a liability, if any, until these cases have been adjudicated. The Township expects such amounts, if any, could be material. Funding of any ultimate liability would be provided for in succeeding years’ budget or from fund balance.

The Township has entered into a Stipulation of Settlement with Edgewood Country Club pertaining to Tax Court Judgments for which the Edgewood Country Club is due a refund of property taxes previously paid. As part of the settlement, the parties have agreed to property tax credits, in lieu of refunds, in the amount of \$225,000. The parties have agreed that property tax credits of \$25,000 will be applied annually for the years 2008 through 2012; property tax credits of \$50,000 will be applied annually for the years 2013 and 2014.

**Federal and State Awards** - The Township 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 Township may be required to reimburse the grantor government. As of December 31, 2013 and 2012, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Township believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Township.



**TOWNSHIP OF RIVER VALE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 17 FEDERAL ARBITRAGE REGULATIONS**

The Township 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, 2013 and 2012, the Township has not estimated its estimated arbitrage earnings due to the IRS, if any.

**NOTE 18 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED**

The Township of River Vale Length of Service Award Program (the Plan) was created by a Township ordinance adopted in 1999 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 Township of River Vale approved the adoption of the Plan at the general election held on November 2, 1999.

The first year of eligibility for entrance into the Plan was calendar year 2000. The tax deferred income benefits for emergency services volunteers, consisting of the Volunteer Fire Department and the Volunteer Ambulance Squad, come from contributions made solely by the Township on behalf of those volunteers who meet the criteria of a plan created by the governing body.

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

The Township of River Vale has contributed \$1,233 for both 2013 and 2012 for each eligible volunteer member into the Plan.

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

Lincoln Financial is the administrator of the plan. The Township'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.

**TOWNSHIP OF RIVER VALE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 18 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED (Continued)**

**Reporting Requirements**

The New Jersey Administrative Code NJAC 5:30-14.49 requires that the Township 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 Township’s Trust Fund.

**NOTE 19 HURRICANE SANDY**

On October 29, 2012 Hurricane Sandy, the largest Atlantic hurricane on record made landfall in New Jersey and resulted in severe damage in numerous communities and a federal disaster was declared throughout the State. The Township has incurred significant costs in the clean up and recovery from this federal disaster. The Federal Emergency Management Agency (“FEMA”) provides emergency grant assistance (voluntary nonexchange transaction) to help government’s cope with losses. Although the Township has applied for reimbursement from FEMA, the total amount to be received in conjunction with this event is not considered to be measurable with sufficient reliability and therefore has not been recognized in the financial statements as of December 31, 2013. As of December 31, 2013, the Township has received \$160,000 in FEMA reimbursements relating to Hurricane Sandy which have been reflected in the financial statements.

**NOTE 20 SUBSEQUENT EVENTS**

**Debt Authorized**

On May 12, 2014 the Township adopted two (2) bond ordinances authorizing the issuance \$909,701 in bonds or bond anticipation notes to fund certain capital projects. Of this amount, \$699,941 was authorized to fund general improvements and \$209,760 was authorized for fund Golf Course Utility improvements. As of the date of this report the Township has not issued nor awarded the sale of said bonds or notes.

**NOTE 21 RESTATEMENT**

The December 31, 2012 fixed assets have been restated to reflect Township owned property which were previously unrecorded.

	<u>Balance Prior to Restatement</u>	<u>Adjustment</u>	<u>Balance Subsequent to Restatement</u>
General Fixed Assets Account Group			
Land	\$ 11,677,514	\$ 4,050,000	\$ 15,727,514
Total Assets	22,785,432	4,050,000	26,835,432

**APPENDIX C**

**PROPOSED FORM OF BOND COUNSEL OPINION**

*An opinion in substantially the following form  
will be delivered at Closing, assuming no  
material changes in facts or law*

October \_\_, 2014

Mayor and Township Council of the  
Township of River Vale, in the  
County of Bergen, New Jersey

Re: Township of River Vale, in the County of Bergen, New Jersey,  
\$9,600,000 Golf Course Utility Bonds, Series 2014

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the Township of River Vale, in the County of Bergen, New Jersey (the "Township"), of its Golf Course Utility Bonds, Series 2014, in the aggregate principal amount of \$9,600,000 (the "Bonds"). The Bonds are general obligations of the Township and the full faith, credit and taxing power of the Township is available to pay the principal of and interest on the Bonds. The Bonds are dated October \_\_, 2014 and mature on October 1 in the years and in the principal amounts and bear interest at the rates, payable on April 1, 2015 and semiannually thereafter on the first days of October and April in each year until maturity or earlier redemption, as follows:

Year	Principal Amount	Interest Rate	Year	Principal Amount	Interest Rate
2015	\$255,000		2028	\$380,000	
2016	\$260,000		2029	\$395,000	
2017	\$270,000		2030	\$415,000	
2018	\$280,000		2031	\$430,000	
2019	\$290,000		2032	\$450,000	
2020	\$300,000		2033	\$465,000	
2021	\$310,000		2034	\$485,000	
2022	\$320,000		2035	\$505,000	
2023	\$330,000		2036	\$510,000	
2024	\$340,000		2037	\$510,000	
2025	\$350,000		2038	\$510,000	
2026	\$360,000		2039	\$510,000	
2027	\$370,000				

The Bonds will be initially issued in book-entry form only in the form of one certificate for the principal amount of Bonds maturing in each year, registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. DTC will be responsible for maintaining the book-entry system for recording the interests of its participants or the transfers of such interests among such participants. Such participants shall be responsible for maintaining records regarding the beneficial ownership interests in the Bonds on behalf of individual purchasers. Individual purchases of the Bonds may be made in the principal amount of \$5,000 or multiples of \$1,000 in excess thereof through book-entries on the books and records of DTC and its participants.

The Bonds are issued under the provisions of the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, effective January 1, 1962, and the acts amendatory thereof and supplemental thereto (the "Act"), Bond Ordinance No. 239-2010 of the Township (the "Ordinance"), and a resolution adopted by the Township Council on September 8, 2014 (the "Resolution"). The Bonds are issued for the purpose of providing funds for the refinancing of the improvements described in the Ordinance.

The Bonds are subject to redemption prior to maturity as described in the Resolution.

In our capacity as Bond Counsel and as a basis for the opinions set forth below, we have examined the proceedings relating to the authorization and issuance of the Bonds, including (a) copies of the Resolution and the Ordinance; (b) such matters of law, including, *inter alia*, the Act and the Internal Revenue Code of 1986, as amended (the "Code"); and (c) such other agreements, proceedings, certificates, records, approvals, resolutions and documents as to various matters with respect to the issuance of the Bonds as we have deemed necessary. We have further assumed and relied upon the genuineness, accuracy and completeness of all of the documents and other instruments which we have examined. As to questions of fact material to our opinion, we have relied upon the proceedings and other certifications of public officials executed and furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that:

1. The Bonds have been duly authorized, issued, executed and sold by the Township; the Ordinance and the Resolution have been duly authorized and adopted by the Township; and the Bonds, the Ordinance and the Resolution are legal, valid and binding obligations of the Township enforceable in accordance with their respective terms.

2. The Township has covenanted to comply with any continuing requirements that may be necessary to preserve the exclusion from gross income for purposes of federal income taxation of interest on the Bonds under the Code. Failure to comply with certain requirements of

the Code could cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. In our opinion, assuming continuing compliance by the Township with its covenants, under current law, interest on the Bonds is not includable in gross income for federal income tax purposes and is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax; however, interest on the Bonds held by corporate taxpayers is included in the relevant income computation for calculation of the federal alternative minimum tax as a result of the inclusion of interest on the Bonds in “adjusted current earnings”.

3. Under current law, interest on the Bonds and any gain on the sale thereof are not includable as gross income under the New Jersey Gross Income Tax Act.

4. The power and obligation of the Township to pay the Bonds is unlimited, and the Township shall be required to levy *ad valorem* taxes upon all taxable real property within the Township for the payment of the principal of and interest on the Bonds without limitation as to rate or amount.

For purposes of this opinion, the enforceability (but not the validity) of the documents mentioned herein may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws now or hereafter enacted by any state or by the federal government affecting the enforcement of creditors’ rights generally, and by equitable principles, and the phrase “enforceable in accordance with their respective terms” shall not mean that specific performance would necessarily be available as a remedy in every situation.

Other than as set forth in Paragraphs 2 and 3 hereof, we express no opinion regarding other federal and state tax consequences arising with respect to the Bonds.

The opinions expressed herein are limited to and based upon the laws and judicial decisions of the State of New Jersey and the federal laws and judicial decisions of the United States of America as of the date hereof, and are subject to any amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for our opinions or to any laws or judicial decisions hereafter enacted or rendered.

We express no opinion herein as to the adequacy or accuracy of any official statement, private placement memorandum or other offering material pertaining to the offering of the Bonds.

DECOTIIS, FITZPATRICK & COLE, LLP

**APPENDIX D**

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Township of River Vale, in the County of Bergen, New Jersey (the "Issuer") in connection with the issuance by the Issuer of \$9,600,000 principal amount of its Golf Course Utility Bonds, Series 2014 (the "Bonds"). The Issuer covenants and agrees as follows:

*Section 1. Purpose of the Disclosure Certificate.* This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

*Section 2. Definitions.* In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Bondholder” shall mean any person who is the registered owner of any Bond, including holders of beneficial interests in the Bonds.

“Dissemination Agent” shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“EMMA” means the MSRB’s Electronic Municipal Markets Access System.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of New Jersey.



*Section 3. Provision of Annual Reports.*

(a) Not later than nine (9) months after the end of the Issuer's fiscal year, beginning with the fiscal year ending December 31, 2014, the Issuer shall, or shall cause the Dissemination Agent to, provide to the MSRB, in an electronic format as prescribed by the MSRB and accompanied by such identifying information as is prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information which has been made available to the public on the MSRB's website or filed with the Securities and Exchange Commission; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than fifteen (15) Business Days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall, if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided.

*Section 4. Content of Annual Reports.* The Issuer's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting standards (GAAS) as from time to time in effect, and as prescribed by the Division of Local Government Services in the Department of Community Affairs of the State pursuant to Chapter 5 of Title 40A of the New Jersey Statutes. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be provided pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements and the audited financial statements shall be provided in the same manner as the Annual Report when they become available.

(b) The financial information and operating data consisting of (a) information concerning the Issuer's debt, overlapping indebtedness, tax rate, levy and collection data, property valuation and fund balance of the type contained under the headings "Financial Information" and "Debt Information" in Appendix A of the Official Statement dated \_\_\_\_\_, 2014, pertaining to the sale of the Bonds and (b) the Issuer's most recent adopted budget.

*Section 5. Reporting of Significant Events.*

(a) Pursuant to the provisions of this Section 5, the Issuer will provide, in a timely manner not in excess of ten (10) business days after the occurrence of any of the

following events, to the MSRB through EMMA, notice of any of the following events with respect to the Bonds (each, a “Listed Event”):

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers or their failure to perform.
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
7. Modifications to rights of holders of the Bonds, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution or sale of property securing repayment of the Bonds, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Issuer.
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee, or the change of name of a trustee, if material.

(b) Upon the occurrence of a Listed Event, the Issuer shall promptly file, in a timely manner not in excess of ten (10) business days after the occurrence of the Listed Event, in an electronic format as prescribed by the MSRB and accompanied by such identifying information as is prescribed by the MSRB, a notice of such occurrence with the MSRB through

EMMA. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Bondholders of affected Bonds pursuant to the Resolution.

*Section 6.* Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

*Section 7.* Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

*Section 8.* Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(b), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

*Section 9.* Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

*Section 10.* Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Bondholder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default on the Bonds, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

*Section 11.* Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section 11 shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

*Section 12.* Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and the Bondholders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: \_\_\_\_\_, 2014

TOWNSHIP OF RIVER VALE, IN THE  
COUNTY OF BERGEN, NEW JERSEY

By: \_\_\_\_\_  
Chief Financial Officer

**EXHIBIT A**

**NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Township of River Vale, in the County of Bergen, New Jersey

Name of Bond Issue: \$9,600,000 Golf Course Utility Bonds, Series 2014

Dated Date: \_\_\_\_\_, 2014

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(a) of the Continuing Disclosure Certificate dated \_\_\_\_\_, 2014. The Issuer anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

TOWNSHIP OF RIVER VALE, IN THE  
COUNTY OF BERGEN, NEW JERSEY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_