BOROUGH OF RIDGEFIELD

Financial Statements With Supplementary Information

December 31, 2011

(With Independent Auditors' Reports Thereon)

BOROUGH OF RIDGEFIELD

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Borough Council
Borough of Ridgefield
County of Bergen, New Jersey

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Ridgefield in the County of Bergen, as of and for the six month period ended December 31, 2011, and the related statements of operations and changes in fund balance - regulatory basis for the period then ended and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the six month period ended December 31, 2011. The financial statements for the year ended December 31, 2010 were audited by other auditors whose report dated October 5, 2011 expressed an unqualified opinion. These financial statements are the responsibility of the Borough of Ridgefield's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared in conformity with the accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

FWCC

In our opinion, because of the Borough of Ridgefield's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of Ridgefield, New Jersey as of the six month period ended December 30, 2011, or the results of its operations for the period then ended.

However, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position - regulatory basis of the various funds of the Borough of Ridgefield at December 31, 2011, and the results of operations and changes in fund balances - regulatory basis of such funds for the period then ended and the statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the six month period ended December 31, 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated September 19, 2012 on our consideration of the Borough of Ridgefield's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants and other matters. The purpose of that report is to describe the score of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Ridgefield, State of New Jersey taken as a whole. The supplementary information schedules and exhibits listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Ridgefield, State of New Jersey. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.

Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CROO413

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

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

September 19, 2012

FWCC

Exhibit A

BOROUGH OF RIDGEFIELD

Comparative Balance Sheet-Regulatory Basis

Current Fund

Six Month Period Ended December 31, 2011 and Twelve Month Period Ended June 30, 2011

Assets	Ref.	Dec. 31, 2011	June 30, 2011
Current Fund:			
Cash	A-4	$ 4,978,217	2,952,102
Change Fund	A-5	450	450
Due from State of New Jersey:			
Senior citizens' and veterans' deductions	A-11	40,332	120,147
Grants Receivable	A-24	217,837	185,692
		5,236,836	3,258,391
Receivables and other assets with full reserves:			
Delinquent property taxes receivable	A-6	357,357	560,198
Tax Title Liens	A-23	42,893	60,307
Property Aquired for Taxes			
Assessed Valuations	A-10	81,180	81,180
Revenue accounts receivable	A-7	26,126	31,102
Interfunds Receivable:			
Animal License Trust Fund	A-21	275	
Other Trust Fund	A-21	2,787	
Payroll Account	A-21	15,889	28
Payroll Agency Account	A-21	13,632	
Public Assistance	A-21	6	228
General Capital Fund	A-21	1	
		540,146	733,043
Deferred Charges:			
Special Emergency	A-8	90,000	
Over-expenditure of Budget Appropriations	A-9		3,048
		90,000	3,048
		$ 5,866,982	3,994,482

Exhibit A

BOROUGH OF RIDGEFIELD

Comparative Balance Sheet-Regulatory Basis

Current Fund

Six Month Period Ended December 31, 2011 and Twelve Month Period Ended June 30, 2011

	Ref.		Dec. 31, 2011	June 30, 2011
Liabilities, Reserves and Fund Balance				
Current Fund:				
Appropriation reserves	A-3, A-15	$	543,017	652,872
Encumbrances payable	A-16		467,229	526,073
Accounts Payable	A-19		34,822	14,913
Tax overpayments	A-17		3,824	62,716
Prepaid Taxes	A-18		147,982	
Due to State of New Jersey	A-20		25,508	3,093
Due to County of Bergen	A-14		5,065	
Interfunds Payable:				
Unemployment Compensation Trust Fund	A-21			3,048
Swim Pool Utility Operating Fund	A-21		3,065	2,289
General Capital Fund	A-21			4,996
Other Trust Fund	A-21			22
Appropriated reserves	A-25		201,396	182,985
Unappropriated reserves	A-26		29,879	37,764
Reserve for:				
Tax Appeals	A-22		425,535	177,537
Re-Assessment	A-22		63,450	
			1,950,772	1,668,308
Reserve for receivables and other assets	A		540,146	733,043
Fund balance	A-1		3,376,064	1,593,131
			3,916,210	2,326,174
		$	5,866,982	3,994,482

See accompanying notes to financial statements.

Exhibit A-1

BOROUGH OF RIDGEFIELD

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

Current Fund

Six Month Period Ended December 31, 2011 and Twelve Month Period Ended June 30, 2011

	Dec. 31, 2011	June 30, 2011
Revenue and other income realized:		
Fund balance utilized	$	875,000
Miscellaneous revenue anticipated	7,651,850	9,777,437
Receipts from delinquent taxes	556,165	530,870
Receipts from current taxes	14,723,016	30,147,270
Nonbudget revenues	122,645	159,519
Other credits to income:		
Unexpended balance of appropriations		41,784
Unexpended balance of appropriation reserves	590,318	374,976
Tax overpayments cancelled	62,716	17,279
Adjustment to appropriated grant reserves	15,589	
Interfunds Returned	256	81,823
Total revenue	23,722,555	42,005,958
Expenditures:		
Budget and emergency appropriations:		
Operations:		
Salaries and wages	3,341,315	6,507,300
Other expenses	5,559,504	9,659,328
Deferred charges and statutory expenditures	650,831	2,110,147
Capital improvements	834,488	75,000
Municipal debt service	1,059,379	1,458,390
County taxes	1,786,393	4,212,564
Due county for added taxes	5,065	
Local district school taxes	8,792,647	16,906,430
Total expenditures	22,029,622	40,929,159
Excess in Revenue	1,692,933	1,076,799
Adjustments to income before fund balance-expenditures which are by statute deferred charges to budget of succeeding year		
Special Emergency Authorization	90,000	
Statutory excess to fund balance	1,782,933	1,076,799
Fund balance - July 1,	1,593,131	1,391,332
Decreased by utilization as anticipated revenue		875,000
Fund balance	$ 3,376,064	$ 1,593,131

See accompanying notes to financial statements.

Exhibit A-2

BOROUGH OF RIDGEFIELD

Statement of Revenues-Regulatory Basis

Current Fund

Six Month Period Ended December 31, 2011

	Budget	Realized	Excess (deficit)
Miscellaneous revenues:			
Alcoholic beverages			
Other	$ 19,000	1,927	(17,073)
Fees and permits:			
Other	65,000	85,157	20,157
Fines and costs municipal court	195,000	160,463	(34,537)
Interest and costs on taxes	55,000	64,475	9,475
Interest on investments and deposits	1,000	948	(52)
Hackensack Meadowlands Adjustment to Tax Sharing	600,000	805,707	205,707
Energy Receipts Tax	5,242,420	5,242,420	
Uniform Construction Code Fees	125,000	360,050	235,050
Recycling Tonnage Grant	12,480	12,480	
Clean Communities Grant	14,075	14,075	
Over the Limit Under Arrest	4,400	4,400	
Body Armor Replacement	2,629	2,629	
Bullet Proof Vest	1,483	1,483	
Green Communities	3,000	3,000	
Uniform Fire Safety Act	17,500	26,960	9,460
Rental of Borough Property - Shaler Lease	250,000	250,000	
Rental of Borough Property - Shaler Lease - Debt Service Payments	280,100	280,100	
Sewer Charges	65,000	137,224	72,224
Sewer Charges - Additional - Tier II User Charges	150,000	141,862	(8,138)
Municipal Court Inspection Fees	10,000	5,490	(4,510)
Hudson Transmission Partners Agreement - Interim Fees	12,000	51,000	39,000
Total miscellaneous revenues	7,125,087	7,651,850	526,763
Receipts from delinquent taxes	265,000	556,165	291,165
Amount to be raised by taxes for support of municipal budget	4,704,561	4,863,910	159,349
Budget total	$ 12,094,648	13,071,925	977,277
Nonbudget revenue		122,645	
		$ 13,194,570	

Exhibit A-2

BOROUGH OF RIDGEFIELD

Statement of Revenues-Regulatory Basis

Current Fund

Six Month Period Ended December 31, 2011

Analysis of Realized Revenue

Allocation of current tax collections;	
Revenue from collections	$ 14,723,016
Allocated to:	
Local district school tax	8,792,647
County taxes	1,791,459
	10,584,106
Balance for support of municipal budget appropriations	4,138,910
Reserve for uncollected taxes	725,000
	$ 4,863,910
Receipts from:	
Delinquent tax collections	530,354
Tax Title Liens	25,811
	$ 556,165

Analysis of Miscellaneous Revenue Not Anticipated

Housing Inspections	$ 160
Poll Rental	200
Sale of Assets	1,440
Bank Charges Refunded	260
Ambulance Donations	1,310
Reimbursed Legal Fees	60,000
Hotel Tax	18,754
Flu Shots	6,468
Fees	6,395
Offsets Not Applied	16,690
Health Benefit Contributions	5,514
Other	5,454
	$ 122,645

See accompanying notes to financial statements.

Exhibit A-3

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Six Month Period Ended December 31, 2011

Description		Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Operations-within "CAPS"						
Administrative and executive:						
Salaries and wages	$	30,000	30,000	30,000		
Other expenses		20,000	20,000	18,560	1,440	
Rent Leveling:						
Salaries and wages		3,000	3,000	3,000		
Other expenses		2,500	2,500	591	1,909	
Mayor and Council:						
Salaries and wages		22,500	20,500	20,375	125	
Other expenses		9,000	9,000	6,810	2,190	
Municipal Clerk:						
Salaries and wages		42,000	39,000	38,774	226	
Other expenses:		52,000	42,000	27,373	14,627	
Financial Administration:						
Salaries and wages		75,000	75,000	72,462	2,538	
Annual Audit		38,000	38,000	27,500	10,500	
Miscellaneous Other expenses		28,000	28,000	17,774	10,226	
Collection of taxes:						
Salaries and wages		44,000	44,000	42,823	1,177	
Other expenses		13,000	19,300	19,290	10	
Assessment of Taxes:						
Salaries and wages		8,500	8,500	8,337	163	
Other expenses		1,500	1,500	761	739	
Professional Services		5,500	5,500	169	5,331	
Legal services and costs:						
Retainer		25,000	22,800	22,800		
Other expenses		100,000	114,000	113,287	713	

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Six Month Period Ended December 31, 2011

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Engineering:					
Other expenses	65,000	75,500	75,266	234	
Municipal Land Use Law (NJSA 40:55D-1):					
Planning Board:					
Salaries and wages	3,000	3,100	3,081	19	
Other expenses	9,000	9,000	5,664	3,336	
Insurance:					
Unemployment Insurance	50,000	75,000	75,000		
Liability	185,000	185,000	180,354	4,646	
Workers Compensation	190,000	150,000	148,761	1,239	
Group Insurance for Employees	1,200,000	1,178,185	926,420	251,765	
PUBLIC SAFETY:					
Fire:					
Clothing Allowance	125,000	150,000	147,588	2,412	
Fire hydrant service	58,000	58,800	58,783	17	
Miscellaneous	72,500	64,500	62,300	2,200	
Fire Prevention Bureau:					
Salaries and wages	33,000	34,000	33,795	205	
Other expenses	11,000	11,000	10,776	224	
Police:					
Salaries and wages	1,815,000	1,842,000	1,775,921	66,079	
Other expenses	55,000	59,100	58,608	492	
Purchase of Police Vehicles	65,000	60,900	60,832	68	
Police Dispatching/911:					
911 Service Agreement	200,000	200,000	200,000		

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Six Month Period Ended December 31, 2011

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
First Aid Organization:					
Clothing Allowance	42,000	46,300	46,251	49	
Miscellaneous	13,000	13,000	11,916	1,084	
Community Service Officer					
Salaries and wages	50,000	50,000	49,177	823	
Other expenses	3,000	3,000	2,602	398	
Emergency Management Services:					
Salaries and wages	13,000	9,700	9,033	667	
Other expenses	3,000	1,000	410	590	
Municipal Prosecutor:					
Salaries and wages	7,000	7,000	6,250	750	
Streets and Roads:					
Road Repairs and Maintenance:					
Salaries and wages	675,000	665,000	659,363	5,637	
Other expenses	75,000	85,000	75,573	9,427	
Maintenance of Borough Vehicles:					
Streets and Roads	30,000	35,000	31,933	3,067	
Fire	20,000	20,000	16,571	3,429	
Police	18,000	18,000	13,808	4,192	
Ambulance	2,000	3,400	3,357	43	
Garage	15,000	18,000	16,288	1,712	
Building	500	500		500	
Health	250	250		250	
Sanitation:					
Garbage and Trash Removal:					
Salaries and wages	140,000	115,000	113,564	1,436	
Other expenses	40,000	47,000	38,643	8,357	

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Six Month Period Ended December 31, 2011

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Sanitary Landfill - Contractual	180,000	155,000	145,042	9,958	
Recycling Program:					
Salaries and wages	4,000	4,000	3,780	220	
Public Building and Grounds:					
Other Expenses - Maintenance & Repair	90,000	100,000	92,427	7,573	
Health and Welfare:					
Board of Health:					
Salaries and wages	75,000	79,300	79,239	61	
Other expenses	40,000	39,500	38,420	1,080	
Bergen County Animal Shelter	7,000	5,900	5,833	67	
Environmental Commission (NJSA 40:56A-1):					
Other expenses - miscellaneous	1,500	1,500	1,500		
Other expenses - arborist	1,500	1,500	1,476	24	
Administration of Public Assistance:					
Miscellaneous Other expenses	5,500	1,000		1,000	
Recreation and Education:					
Parks and Recreation:					
Salaries and wages	120,000	115,000	114,047	953	
Other expenses	75,000	77,000	76,188	812	
Youth Commission					
Salaries and wages	6,000	8,115	8,113	2	
Other expenses	750	50		50	
Celebration of Public Events:					
Other expenses	22,000	22,000	15,576	6,424	
Uniform Construction Code-Appropriations Offset by					
Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Uniform construction code official:					
Salaries and wages	85,000	79,000	78,603	397	
Other expenses	13,000	8,000	4,918	3,082	

Exhibit A-3

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Six Month Period Ended December 31, 2011

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Property Maintenance					
Salaries and wages	3,600	3,600	3,534	66	
Other expenses	1,000	1,000	675	325	
Municipal Court:					
Salaries and wages	100,000	106,500	105,096	1,404	
Other expenses	18,000	18,000	14,965	3,035	
Public Defender:					
Other expenses	5,000	5,000	3,000	2,000	
UNCLASSIFIED:					
Utilities:					
Street lighting	100,000	93,000	77,625	15,375	
Electric & Gas	150,000	150,000	142,192	7,808	
Telephone	55,000	55,000	41,522	13,478	
Water	12,000	13,500	13,413	87	
Gasoline	110,000	110,000	104,871	5,129	
Accumulated Absences	5,000	10,000	5,000	5,000	
Reassessment of Real Property		90,000	90,000		
Total Operations within "CAPS"	7,088,600	7,168,300	6,655,629	512,671	
Contingent	2,500	2,500		2,500	
Total Operations Including Contingent-within "CAPS"	7,091,100	7,170,800	6,655,629	515,171	
Detail:					
Salaries & Wages	3,354,600	3,341,315	3,258,367	82,948	
Other Expenses (Including Contingent)	3,736,500	3,829,485	3,397,262	432,223	
	7,091,100	7,170,800	6,655,629	515,171	

Exhibit A-3

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Six Month Period Ended December 31, 2011

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Deferred Charges and Statutory Expenditures-					
Municipal within "CAPS"					
DEFERRED CHARGES					
Deficit in Unemployment Trust	3,048	3,048	3,048		
Anticipated Deficit in Swim Pool Utility	128,550	128,550	118,065		10,485
STATUTORY EXPENDITURES:					
Contribution to:					
Social Security System (O.A.S.I.)	180,000	189,000	187,213	1,787	
Pension of Widow Volunteer Firemen	7,200	8,500	8,406	94	
Volunteer Fireman's Pension	17,000	17,000	14,400	2,600	
Volunteer Fireman's Over Age Burial Fund	2,500	2,500		2,500	
Defined Contribution Retirement Program	2,000	2,000	416	1,584	
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	340,298	350,598	331,548	8,565	10,485
Total General Appropriations for Municipal Purposes within "CAPS"	7,431,398	7,521,398	6,987,177	523,736	10,485
Operations-Excluded from "CAPS"					
Bergen County Utilities Authority:					
Sewage Processing and Disposal	1,000,000	1,000,000	998,622	1,378	
Maintenance of Free Public Library:					
Contribution to Library	330,000	330,000	330,000		
Recycling Tax	10,000	10,000	4,239	5,761	
Reserve for Tax Appeals	351,952	351,952	351,952		

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Six Month Period Ended December 31, 2011

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Public and Private Programs Offset by Revenues:					
Clean Communities	14,075	14,075	9,606	4,469	
Body Armor Grant	2,629	2,629	1,436	1,193	
Over the Limit Under Arrest	4,400	4,400	4,400		
Bullet Proof Vest - Federal	1,483	1,483	1,483		
Recycling Tonnage Grant	12,480	12,480	6,000	6,480	
Green Communities	3,000	3,000	3,000		
Total Operations-Excluded from "CAPS"	1,730,019	1,730,019	1,710,738	19,281	
Detail:					
Salaries and Wages					
Other Expenses	1,730,019	1,730,019	1,710,738	19,281	
	1,730,019	1,730,019	1,710,738	19,281	
Capital Improvements - Excluded from CAPS					
Capital Improvement Fund	834,488	834,488	834,488		
Total Capital Improvements - Excluded from CAPS	834,488	834,488	834,488		
Municipal Debt Service-Excluded from "CAPS"					
Payment of Bond Principal	690,000	690,000	690,000		
Interest on Bonds	311,730	311,730	309,667		2,063
Interest on Notes	7,013	7,013	7,012		1
Infrastructure Trust Loan	54,000	54,000	52,700		1,300
Total Municipal Debt Service-Excluded from "CAPS"	1,062,743	1,062,743	1,059,379		3,364
Deferred Charges- Municipal Excluded from "CAPS"					
Cancelled Capital Grants	311,000	311,000	310,718		282
Total Deferred Charges-Municipal-Excluded from "CAPS"	311,000	311,000	310,718		282

Exhibit A-3

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Six Month Period Ended December 31, 2011

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	3,938,250	3,938,250	3,915,323	19,281	3,646
Subtotal General Appropriations	11,369,648	11,459,648	10,902,500	543,017	14,131
Reserve for Uncollected Taxes	725,000	725,000	725,000		
Total General Appropriations	$ 12,094,648	12,184,648	11,627,500	543,017	14,131

Adopted Budget	12,093,165
Added by N.J.S.A. 40A:4-87	1,483
Special Emergency Authorization	90,000
	$ 12,184,648

Analysis of Paid or Charged	
Reserve for Uncollected Taxes	725,000
Interfunds	313,766
Reserve for Tax Appeals	351,952
Reserve for Re-Assessment	63,450
Reserve for Encumbrances	467,229
Cash	9,706,103
	$ 11,627,500

See accompanying notes to financial statements.

Exhibit B

BOROUGH OF RIDGEFIELD

Comparative Balance Sheet-Regulatory Basis

Trust Funds

Six Month Period Ended December 31, 2011 and Twelve Month Period ended June 30, 2011

Assets	Ref.	Dec. 31, 2011	June 30, 2011
Animal License Fund:			
Cash	B-1	$ 12,450	8,007
		12,450	8,007
Unemployment Compensation Trust Fund:			
Cash	B-1	33,862	19,425
Accounts Receivable	B-9	1,631	
Inferfund Receivables:			
Current Fund	B-6		3,048
		35,493	22,473
Other Trust Funds:			
Cash	B-1	1,932,584	2,038,412
Interfund Receivables:			
Due from Current Fund	B-6		22
		1,932,584	2,038,434
		$ 1,980,527	2,068,914

Exhibit B

BOROUGH OF RIDGEFIELD

Comparative Balance Sheet-Regulatory Basis

Trust Funds

Six Month Period Ended December 31, 2011 and Twelve Month Period ended June 30, 2011

Liabilities and Reserves	Ref.	Dec. 31, 2011	June 30, 2011
Animal License Fund:			
Reserve for Dog License Fund expenditures	B-2	11,934	4,235
Due to State of New Jersey	B-3	241	377
Prepaid Licenses	B-4		3,395
Due to Current Fund	B-6	275	28
		12,450	8,035
Unemployment Compensation Trust Fund:			
Unemployment claims Payable	B-10	6,878	22,473
Reserve for Expenditures	B-8	28,615	
		35,493	22,473
Other Trust Funds:			
Due to Criminal Disposition and Review	B-5	4,442	4,442
Interfunds Payable:			
Due to Current Fund - Other Trust	B-6	2,787	
Reserve for:			
Other Trust Deposits	B-7	1,925,355	2,033,964
		1,932,584	2,038,406
		$ 1,980,527	2,068,914

See accompanying notes to financial statements.

Exhibit C

BOROUGH OF RIDGEFIELD

Comparative Balance Sheet-Regulatory Basis

General Capital Fund

Six Month Period Ended December 31, 2011 and Twelve Month Period Ended June 30, 2011

	Ref.	Dec. 31, 2011	June 30, 2011
Assets			
Cash:			
Checking	C-2,C-3	$ 1,735,266	442,339
Grants Receivable	C-7	136,654	274,117
Deferred charges to future taxation:			
Funded	C-4	14,314,048	15,034,670
Unfunded	C-5	1,385,000	965,000
Cancelled Grants			310,718
Interfund Receivable	C-6		4,996
		$ 17,570,968	17,031,840
Liabilities, Reserves and Fund Balance			
Serial Bonds	C-8	13,801,000	14,476,000
NJ Environmental Infrastructure Trust Loan	C-9	513,048	558,670
Bond Anticipation Notes	C-10	795,000	900,000
Capital Improvement Fund	C-11	571,763	7,275
Contracts Payable	C-12		44,515
Reserve for:			
Payment of Debt	C-13	444,071	35,148
Capital Projects	C-14	6,650	6,650
Interfund Payable	C-6	1	
Improvement authorizations:			
Funded	C-15	766,297	592,298
Unfunded	C-15	537,831	275,977
Fund Balance	C-1	135,307	135,307
		$ 17,570,968	17,031,840

There were bonds and notes authorized but not issued at December 31, 2011 and June 30, 2011 of $590,000 and $65,000 respectively. See exhibit C-16.

See accompanying notes to financial statements.

Exhibit C-1

BOROUGH OF RIDGEFIELD

Schedule of Fund Balance

General Capital Fund

Six Month Period Ended December 31, 2011

Balance - June 30, 2011	$ 135,307
Balance - December 31, 2011	$ 135,307

See Accompanying Notes to Financial Statements

Exhibit D

BOROUGH OF RIDGEFIELD

Comparative Balance Sheet - Regulatory Basis

Swimming Pool Utility Fund

Six Month Period Ended December 31, 2011 and
Twelve Month Period Ended December 31, 2011

	Ref.	December 31, 2011	June 30, 2011
Assets			
Operating Fund:			
Cash	D-5	$ 12,520	38,400
Petty Cash		100	
Interfunds Receivable:			
Due from Swimming Pool Utility Capital Fund	D-8	13,630	13,630
Due from Current Fund	D-8	3,065	2,289
		29,315	54,319
Total Operating Fund		29,315	54,319
Capital Fund:			
Cash	D-5,D-6	1,136	1,136
Fixed capital	D-10	1,820,236	1,820,236
Fixed capital authorized and uncompleted	D-11	1,342	1,342
Total Capital Fund		1,822,714	1,822,714
		$ 1,852,029	1,877,033
Liabilities, Reserves and Fund Balance			
Operating Fund:			
Appropriation Reserves	D-4,D-7	$ 5,195	22,724
Encumbrances Payable	D-4,D-7	4,767	17,242
Fund Balance	D-1	19,353	14,353
Total Operating Fund		29,315	54,319
Capital Fund:			
Bond Anticipation Notes Payable			
Improvement Authorizations - Funded	D-12	1,342	1,342
Reserve for Amortization	D-13	1,783,236	1,783,236
Reserve for Capital Outlay	D-14	21,355	21,355
Deferred Reserve for Amortization	D-15	1,342	1,342
Due to Swimming Pool Operating Fund	D-9	13,630	13,630
Fund Balance	D-2	1,809	1,809
Total Capital Fund		1,822,714	1,822,714
		$ 1,852,029	1,877,033

There were bonds and notes authorized but not issued on December 31, 2011 and June 30, 2011 in the amount of of $37,000 (per Exhibit D-16).

See accompanying notes to financial statements.

Exhibit D-1

BOROUGH OF RIDGEFIELD

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

Swimming Pool Utility Fund

Six Month Period Ended December 31, 2011 and Twelve Month Period Ended December 31, 2011

	December 31, 2011	June 30, 2011
Revenue and other income realized:		
Membership fees	$ 22,155	179,140
Reserve for Capital Outlay		5,100
Miscellaneous revenues	23,121	77,139
Other credits to income:		
Unexpended balance of appropriation reserves	21,159	6,432
Total income	66,435	267,811
Expenditures:		
Operations:		
Salaries and wages	127,000	150,000
Other expenses	43,000	97,000
Capital Improvement Fund		5,000
Statutory Expenditures & Deferred Charges	9,500	18,100
Total expenditures	179,500	270,100
Excess (Deficit)	(113,065)	(2,289)
Adjustments to income before fund balance- Realized from General Fund Budget for Anticipated Deficit	118,065	2,289
	5,000	
Fund balance, January 1	14,353	14,353
Fund balance, December 31	$ 19,353	14,353

See accompanying notes to financial statements.

Exhibit D-2

BOROUGH OF RIDGEFIELD

Statement of Changes in Capital Fund Balance - Regulatory Basis

Swimming Pool Utility Capital Fund

Six Month Period Ended December 31, 2011

Balance - June 30, 2011	$ 1,809
Balance - December 31, 2011	$ 1,809

Exhibit D-3

BOROUGH OF RIDGEFIELD

Statement of Revenues-Regulatory Basis

Swimming Pool Utility Fund

Six Month Period ended December 31, 2011

		Anticipated	Realized	Excess (deficit)
Membership fees	$	40,000	22,155	(17,845)
Miscellaneous revenues		10,950	23,121	12,171
		50,950	45,276	(5,674)
Deficit (General Budget)		128,550	118,065	(10,485)
Total Swim Pool Utility Revenue	$	179,500	163,341	(16,159)

Analysis of Miscellaneous Revenues

Guest Fees	$	23,121

Cash	160,276
Due from Current Fund	3,065
	$ 163,341

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Swimming Pool Utility Fund

Six Month Period Ended December 31, 2011

	Appropriations		Expended	
	Budget	Budget after modification	Paid or charged	Reserved
Operating:				
Salaries and wages	$ 120,000	127,000	126,187	813
Other expenses	50,000	43,000	40,815	2,185
Total Operating	170,000	170,000	167,002	2,998
Statutory Expenditures:				
Contribution To:				
Social Security System (O.A.S.I.)	9,500	9,500	7,303	2,197
Total Statutory Expenditures	9,500	9,500	7,303	2,197
	$ 179,500	179,500	174,305	5,195
		Encumbrances	4,767	
		Cash Disbursed	169,538	
			$ 174,305	

See accompanying notes to financial statements.

Exhibit E

BOROUGH OF RIDGEFIELD

Comparative Balance Sheet - Regulatory Basis

Public Assistance Fund

Six Month Period Ended December 31, 2011 and Twelve Month Period Ended June 30, 2011

	Ref.	Dec. 31 2011	June 30, 2011
Assets			
Cash	E-1	$ 12,296	12,526
		$ 12,296	12,526
Liabilities			
Due to Current Fund	E-2	$ 6	228
Reserve for Public Assistance	E-3	12,290	12,298
		$ 12,296	12,298
			12,526

See accompanying notes to the financial statements.

Exhibit F

BOROUGH OF RIDGEFIELD

Statement of Net Payroll and Withholdings Payable

Six Month Period Ended December 31, 2011

	December 31, 2011
Assets	
Cash	
Net Payroll	$ 15,889
Payroll Agency	13,632
	$ 29,521
Liabilities:	
Due to Current Fund	$ 29,521
	$ 29,521

See accompanying notes to financial statements.

Exhibit G

BOROUGH OF RIDGEFIELD

Statement of General Fixed Assets-Regulatory Basis

General Fixed Assets Account Group

Six Month Period Ended December 31, 2011 and Twelve Month Period Ended June 30, 2011

	Dec. 31, 2011	June 30, 2011
Land	$ 19,927,700	19,927,700
Land Improvements	761,702	758,052
Buildings and Improvements	11,015,990	11,015,990
Automobiles and Vehicles	6,103,137	6,046,805
Machinery and Equipment	1,083,346	1,034,523
	$ 38,891,875	38,783,070

See accompanying notes to financial statements.

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

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

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

The Borough has the following funds and account group:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

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

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds.

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

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

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes. Effective March 1, 2011, the Borough transferred administration of the general assistance program to the Bergen County Board of Social Services.

Swimming Pool Utility Fund – This fund is used to account for revenues and expenditures for operation of the Borough's swimming facilities and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities for the pool are accounted for in the capital section of the fund.

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

Payroll Account - This account is used for all net payroll checks distributed to employees and all payroll agency transactions.

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

Basis of Accounting

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

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of $1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. 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 tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

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

Basis of Accounting, (continued)

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

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

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

General Capital Fund
Trust Fund
Public Assistance Fund
Swimming Pool Utility Capital Fund

The governing body shall introduce and approve the annual budget not later than August 10, of the fiscal year. The budget shall be adopted not later than September 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.

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

Basis of Accounting, (continued)

Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2011, the Mayor and Council approved several budget transfers and $1,483 in additional grant awards in accordance with N.J.S.A. 40A:4-87. The Mayor and Council also approved a $90,000 Special Emergency Appropriation for the reassessment of real property.

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 June 30, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at June 30, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - Contractual orders outstanding at June 30 are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

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

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

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

Basis of Accounting, (continued)

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

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

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost which approximates fair value and are limited by N.J.S.A. 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Borough establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

General Fixed Assets - The Borough of Ridgefield has developed a fixed assets accounting and reporting system as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

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

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

Basis of Accounting, (continued)

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

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

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

C. Basic Financial Statements

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

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2011, $-0- of the Borough's bank balance of $9,156,785 was exposed to custodial credit risk.

Investments

Investment Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2011 consisted of the following:

	Balance June 30, 2011	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds Payable:					
General Obligation Debt	$14,476,000	$2,780,000	$3,455,000	$13,801,000	$855,000
Other Liabilities:					
General Capital:					
NJ Infrastructure Trust Loans Payable	558,670		45,622	513,048	49,826
Compensated Absences	675,933		30,824	645,109	
	$15,710,603	$2,780,000	$3,531,446	$14,959,157	$904,826

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

The Borough's debt is summarized as follows:

	Six Months Ended December 31, 2011	Year Ended June 30, 2011	Year Ended June 30, 2010
Issued			
General - Bonds, Notes and Loans	$15,109,048	$15,934,670	$15,840,668
Authorized But Not Issued			
General - Bonds and Notes	590,000	65,000	1,388,000
Swim Pool Utility - Bonds and Notes	37,000	37,000	42,100
	627,000	102,000	1,430,100
Total Bonds, Notes and Loans Issued and Authorized But Not Issued	15,736,048	16,036,670	17,270,768
Less: Deductions	481,071	77,248	5,648
Net Debt	$15,254,977	$15,959,422	$17,265,120

NOTE 3. MUNICIPAL DEBT, (continued)

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENTS

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .80%.

	Gross Debt	Deductions	Net Debt
School District Debt	$7,023,000	$7,023,000	$0
Swimming Pool Utility Debt	37,000		37,000
General Debt	15,699,048	444,071	15,254,977
	$22,759,048	$7,467,071	$15,291,977

Net Debt $15,291,977 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended of $1,916,508,592 equals .80%.

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

3 ½% of equalized valuation basis (municipal)	$67,077,801
Net Debt	15,291,977
Remaining borrowing power	$51,785,824

CALCULATION OF "SELF-LIQUIDATING PURPOSE", SWIMMING POOL UTILITY PER N.J.S.A. 40A:2-45

Cash receipts from fees, rents or other charges for year	$45,276
Deductions:	
Operating and Maintenance Cost	179,500
Deficit in Revenue - Not Self Liquidating	($134,224)

NOTE 3. MUNICIPAL DEBT, (continued)

The Borough's long term debt consisted of the following at December 31, 2011:

Paid by Current Fund:

General Serial Bonds:

	Amount Outstanding
$6,200,000 General Serial Bonds - with an interest rate of 3.50% to 4.25% issued August 1, 2002, due through August 1, 2013	$505,000
$4,950,000 General Serial Bonds - with an interest rate of 4.00%, issued October 16, 2006, due through October 15, 2026	4,060,000
$6,656,000 General Serial Bonds - with an interest rate of 4.125% to 4.625% issued October 15, 2008, due through April 15, 2025	6,456,000
$2,780,000 Refunding Bonds - with an interest rate of 2.00% to 4.00% issued December 29, 2011, due through August 1, 2017	2,780,000
Total General Serial Bonds	$13,801,000

General Capital New Jersey Infrastructure Trust Loan

The Borough entered into a loan agreement with the New Jersey Department of Environmental Protection under the Infrastructure Trust program. The loan was obtained to fund sewer improvements in the amount of $990,000.

	Amount Outstanding
The sewer improvement project award is a rate of 5.00% to 5.25%, in the amount of $990,000 with principal and interest payments commencing August 1, 2004 and continuing on a semiannual basis through August 1, 2020	$513,048

NOTE 3. MUNICIPAL DEBT, (continued)

Aggregate debt service requirements during the next five years and thereafter are as follows:

	General Capital Bonds			General Capital Loans		
	Principal	Interest	Total	Principal	Interest	Total
2012	$855,000	$644,555	$1,499,555	$49,825	$14,688	$64,513
2013	840,000	534,453	1,374,453	49,043	13,437	62,480
2014	1,060,000	501,853	1,561,853	56,389	12,187	68,576
2015	1,080,000	464,240	1,544,240	55,451	10,688	66,139
2016	1,100,000	425,553	1,525,553	54,489	9,150	63,639
2017-2021	4,540,000	1,493,244	6,033,244	247,851	19,425	267,276
2022-2026	4,326,000	448,059	4,774,059			
	$13,801.00	$4,511,957	$18,312,95	$513,048	$79,575	$592,623

General capital serial bonds and loans are direct obligations of the Borough for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Borough.

At December 31, 2011, the Borough had authorized but not issued debt as follows:

General Capital Fund	$590,000
Swim Pool Utility Capital Fund	37,000

NOTE 4. BOND ANTICIPATION NOTES

The Borough issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

NOTE 4. BOND ANTICIPATION NOTES, (continued)

On December 31, 2011, the Borough had $795,000 outstanding in general capital bond anticipation notes maturing on October 30, 2012 at an interest rate of 1.09%.

On December 31, 2011, the Borough had $795,000 in outstanding General Capital bond anticipation notes.

	Beginning Balance	Additions	Reductions	Ending Balance
General Capital Notes Payable:				
Capital One Bank	$900,000	$795,000	$900,000	$795,000

NOTE 5. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2011, the following deferred charges are shown on the balance sheet of the Current Fund:

	Balance December 31, 2011	2012 Budget Appropriation	Balance to Succeeding Years
Current Fund			
Special Emergency	$90,000	$18,000	$72,000

NOTE 6. PENSION PLANS

Description of Systems:

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

NOTE 6. PENSION PLANS, (continued)

Description of Systems, (continued)

Public Employees' Retirement System (PERS)

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

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

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

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed

NOTE 6. PENSION PLANS, (continued)

Description of Systems, (continued)

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

the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal year 2012.

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

Chapter 78, P.L. 2011, provides that new members of PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65. Tier 5 members will be eligible for a service retirement benefit at age 65.

Police and Firemens' Retirement System (PFRS)

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

Enrolled members of the Police and Firemens' Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Special retirement is permitted to members who have 25 or more years of creditable service in the system. Benefits fully vest on reaching 10 years of service. Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

NOTE 6. PENSION PLANS, (continued)

Description of Systems, (continued)

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

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

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

Contribution Requirements

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

NOTE 6. PENSION PLANS, (continued)

Contribution Requirements, (continued)

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

Period	PERS	PFRS
Six Months Ended December 31, 2011	$ -0-	$ -0-
Year Ended June 30, 2011	820,895	325,311
Year Ended June 30, 2010	642,787	253,287

Defined Contribution Retirement Program

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

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

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

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

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

NOTE 6: PENSION PLANS, (continued)

Defined Contribution Retirement Program, (continued)

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

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

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

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

NOTE 7. OTHER POST EMPLOYMENT BENEFITS

The Borough of Ridgefield approved a resolution to participate in the Health Program provided by the New Jersey State Health Benefits Act of the State of New Jersey (N.J.S.A. 52:14-17.25 et seq.) and to authorize the coverage for all the employees and their dependents thereunder in accordance with the statute and regulations adopted by the State Health Benefits Commission. The State Health Benefits Program was established in 1961 to provide health benefits to State employees, retirees and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

NOTE 7. OTHER POST EMPLOYMENT BENEFITS, (continued)

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at http://www.state.nj.us/treasury/pensions/ gasb-43-aug2011.pdf

Plan Coverage

Any employee who retires after twenty-five (25) years or more of service within a state administered retirement system shall be entitled to be continued in the above health insurance coverage on a family-plan basis, with the cost thereof to be paid by the Borough. This does not include dental benefits.

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Borough of Ridgefield on a monthly basis. The rates charged by the system for the six month period ended December 31, 2011 and the twelve month period ended June 30, 2011 were as follows:

The Borough of Ridgefield contributions to SHBP for post-retirement benefits for the six month period ended December 31, 2011 was $252,735 and $617,434 for the twelve month period ended June 30, 2011, which equaled the required contribution for each year.

NOTE 8. FUND BALANCES

Fund balances as of December 31, 2011 that have been anticipated as revenue in the 2012 budget is as follows:

Current Fund	$900,000
Swimming Pool Operating Fund	-0-

NOTE 9. ACCUMULATED VACATION AND SICK PAY

Under the existing policies and labor agreements of the Borough, employees are allowed to accumulate (with certain restrictions) sick pay over the life of their working careers and to redeem such unused leave time in cash (with certain limitations) upon death or retirement. Employees are not allowed to accumulate unused vacation pay.

It is estimated that the current cost of such unpaid compensation would approximate $645,109 and $675,933 at December 31, 2011 and June 30, 2011, respectively. This amount which is considered material to the financial statements, is not reported either as an expenditure or liability.

NOTE 10. FIXED ASSETS

The following is a summary of changes in the General Fixed Assets Account Group as of December 31, 2011:

	Balance June 30, 2011	Additions	Deletions	Balance December 31, 2011
Land	$19,927,700	$	$	$19,927,700
Land Improvements	758,052	3,650		761,702
Buildings and Improvements	11,015,990			11,015,990
Automobiles and Vehicles	6,046,805	56,332		6,103,137
Machinery and Equipment	1,034,523	61,822	12,999	1,083,346
	$38,783,070	$121,804	$12,999	$38,891,875

NOTE 11. DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at December 31, 2011 consist of the following:

$15,889	Due to Current Fund from the Net Payroll Account for excess funds in the account.
13,632	Due to the Current Fund from the Payroll Agency Account for excess funds in the account.
275	Due to Current Fund from the Animal Control Trust Fund for statutory excess.
2,787	Due to Current Fund from the Other Trust Fund for unallocated Tax Title Lien Premiums and reimbursement for expense paid.
1	Due to Current Fund from the General Capital Fund for interest earnings not turned over.
6	Due to the Current Fund from the Public Assistance Trust Fund for interest earnings not turned over.
3,065	Due to the Swim Pool Utility Operating Fund from the Current Fund for operating deficit.
13,630	Due to the Swim Pool Utility Operating Fund from the Swim Pool Capital Fund for reimbursement for expenses paid in prior years.
$49,285	

NOTE 12. LEASES

Capital Leases Payable

The Borough had not entered into any Capital Leases as of December 31, 2011.

NOTE 13. RISK MANAGEMENT

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

NOTE 13. RISK MANAGEMENT, (continued)

The Borough of Ridgefield is a member of the Public Alliance Insurance Coverage Fund (PAICF). The joint insurance fund is 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 PAICF is a risk-sharing public entity pool. The PAICF coverage amounts are on file with the Borough.

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

The fund provides 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.

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.

NOTE 14. TAXES COLLECTED IN ADVANCES

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	Balance Dec 31, 2011	Balance Jun. 30, 2011
Prepaid Taxes	$147,982	$ -0-
Cash Liability for Taxes Collected in Advance	$147,982	$ -0-

NOTE 15. COMMITMENTS AND CONTINGENT LIABILITIES

We are advised by the Borough Counsel that the Borough is involved in several legal suits. The material ones are as follows:

NOTE 15. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)

The Borough has become aware that its Mayor Anthony Suarez was making direct claim against the Borough's insurance carrier for reimbursement of legal fees incurred by him in connection with the successful defense of certain federal criminal charges brought against him. Mayor Suarez is an insured under the policies and accordingly is pressing a first party claim against the Borough's insurance carrier. If the claim is not paid in full by the insurance carrier, the Borough may well be responsible for all or some of that claim based on the Borough's ordinance pertaining to defense and indemnification of officers and employees and based on a common law duly to defend officers and employees who become the target of criminal charges from which the officer or employee is later vindicated. The full amount of the claim for legal fees is in the range of $800,000.

Following the close of the period in question (December 31, 2011), the Borough did receive from an attorney on behalf of Mayor Suarez what can best be described as a formal notice of claim seeking indemnification from the Borough for those same legal fees in the event those fees are not paid by the insurance carrier. As a result, the Borough has also made a claim on its behalf to its various insurance carriers on the theory that the Borough's obligation to indemnify Mayor Suarez is a monetary claim that is covered by the public official's liability policy. Those claims have been denied by the carriers. As to some of those insurance carriers, the claims of both the Mayor and borough are scheduled to be decided in binding arbitration.[1] The result of the Mayor's direct claim against the insurance carrier, and the Borough's claim against its insurance carriers, is less than certain. Accordingly, in the event both the Mayor and the Borough were unsuccessful in obtaining indemnification for all of the legal fees incurred by Mayor Suarez, the Borough may be potentially liable to Mayor Suarez for this claim. The outside limit of the claim is in the range of $800,000, although it is my opinion, based on the uncertainties involved, that it is a settlement in an amount significantly less than the $800,000 that is likely, even in a worst case scenario.

In addition, the Borough was, during the period in question, a defendant in litigation brought by former Borough Administrator Gary Bonacci. Bonacci's claim is that he was improperly terminated from his former position as Borough Administrator. The complaint seeks compensatory damanges, front pay, back pay and statutory damages, as well as interest and counsel fees. The Borough's EPL carrier has denied coverage based, in part, upon what I believe is an erroneous conclusion about when the Borough gave the carrier's representative notice of the litigation. Nonetheless, it appears that the complaint in essence seeks damages for back pay and front pay, and is not a claim that is covered by the Borough's policy of insurance. The claim has been defended by the Borough's employment counsel, Chasan Leyner and Lamperello, P.C.. At this point in the litigation, the trial judge has ruled that Bonacci was in fact improperly terminated and has scheduled a hearing in the immediate future to determine the amount of damages. Counsel for the Borough has estimated that the worst case scenario for the Borough would be a judgment of approximately $200,000.

[1]Because (1) there were different carriers for different policy years, (2) the policies are all "claims made" policies and (3) there is uncertainty as to when the "claim" was made, the Borough may well have recourse against other carriers even if the decision in the pending arbitration is negative.

SUPPLEMENTARY DATA AND SCHEDULES

BOROUGH OF RIDGEFIELD

Supplementary Data

Comparative Schedule of Tax Rate Information

	December 31, 2011	June 30, 2011	June 30, 2010
Tax rate	1.647	1.647	1.615
Apportionment of tax rate:			
Local school	0.931	0.931	0.889
County	0.208	0.208	0.225
Municipal	0.508	0.508	0.501

Assessed valuation:

TY 2011	$ 1,852,199,033
FY 2011	1,852,199,033
FY 2010	1,839,532,405

Comparison of Tax Levies and Collections Currently

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

Year		Tax Levy	Cash Collections	Percentage of Collections
TY 2011	$	15,109,822	14,723,016	97.44%
FY 2011		30,844,431	30,147,270	97.74%
FY 2010		29,083,544	28,442,872	97.80%

BOROUGH OF RIDGEFIELD

Supplementary Data

Delinquent Taxes and Tax Title Liens

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

Year	Amount of tax title liens	Amount of delinquent taxes	Total delinquent	Percentage of tax levy
TY 2011	42,893	357,357	400,250	2.65%
FY 2011	60,307	560,198	620,505	2.01%
FY 2010	17,934	569,888	587,822	2.02%

Property Acquired By Tax Title Lien Liquidation

No properties have been acquired in 2011 by foreclosure or deed, as a result of liquidation of tax title liens.

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, was as follows:

Year		Amount
TY 2011	$	81,180
FY 2011		81,180
FY 2010		81,180

Comparative Schedule of Fund Balances

	Year		Year ended	Utilized in budget of succeding year
Current Fund:	TY 2011	$	3,376,064	900,000
	FY 2011		1,593,131	
	FY 2010		1,391,332	875,000
	FY 2009		1,373,802	850,000
	FY 2008		1,038,372	700,000
Swim Pool	TY 2011		19,353	
Utility Operating	FY 2011		14,353	
Fund	FY 2010		14,353	
	FY 2009		24,353	10,000
	FY 2008		44,353	20,000

BOROUGH OF RIDGEFIELD

Supplementary Data

Official in Office and Surety Bonds

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

Name	Title	Amount of bond	Name of corporate surety
Anthony Suarez	Mayor		
Russell Castelli	Councilman		
Javier Acosta	Councilman		
Hugo Jimenez	Councilman		
Angelo Severino	Councilman		
Angus Todd	Councilman		
Warren Vincentz	Councilman		
Linda Prina	Borough Clerk	150,000	Western Surety Co.
Joseph Luppino	Chief Financial Officer	(A)	
Frank Berardo	Tax Collector	150,000	Western Surety Co.
Erik Lenander	Treasurer/Assistant to CFO	150,000	RLI Insurance Co.
Alexis Melchionne	Payroll/Finance Clerk	(A)	
Joan Gallagher	Assistant to Tax Assessor/Tax Clerk	(A)	
Jennifer Kees	Tax Clerk/Tax Search Officer	50,000	Western Surety Co.
Stephen Pellino	Borough Attorney	(A)	
Robert Binetti	Magistrate	10,000	Western Surety Co.
Jasna Gego	Court Administrator	75,000	Western Surety Co.
Andrea Beth Novak	Deputy Court Administrator	(A)	
George Reggo	Tax Assessor	(A)	
Armand Marini	Construction Code Official	(A)	

(A) All officials handling cash were covered by a blanket crime coverage issued by the Public Alliance Joint Insurance Fund($50,000) and Public Alliance Insurance Fund (Excess Crime Policy - Public Employee Bond - $950,000)

BOROUGH OF RIDGEFIELD

Schedule of Expenditures of Federal Awards

Six month period ended December 31, 2011

Federal grantor	Program	CFDA number	Grant period	Award Amount	Balance at June 30, 2011	Cash Received	Expenditures	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2011		(MEMO) Cumulative Expenditures
Department of Environmental Protection	Emergency Management Assistance	97.042	2012	5,000	$	5,000			5,000	*	
	Emergency Management Assistance	97.042	2011	5,000	90				90	*	4,910
					90	5,000			5,090	*	
Department of Housing and Urban Development (passed through County of Hudson):	Community Development Block Grant:									*	
	Current Fund:									*	
	ADA Borough Hall	14.219	FY2010	100,000	48,066			(66,000) B	(17,934)	*	17,934
	Capital Fund:									*	
	Slocum Avenue Improvements	14.219	Ord. 2153	160,000	5,673	100,000	(5,005)	(160,000) A	(49,322)	*	149,322
	ADA Borough Hall Improvements	14.219	Ord. 2153	40,000						*	34,000
					53,919	105,000	(5,005)	(226,000)	(62,076)	*	
Department of Agriculture (passed through State Department of Environmental Protection)	Green Communities Grant	10.664	2011	3,000			3,000		(3,000)	*	3,000
							3,000		(3,000)	*	
Department of Law and Public Safety	Bullet Proof Vest	16.607	2011	1,483		1,483	1,483			*	1,483
						1,483	1,483			*	
Total Federal Financial Assistance					$ 54,009	111,483	(522)	(226,000)	(59,986)	*	

A - The total award amount was recognized as revenue in the prior year audit report.

B - The total award amount was realized as revenue in prior year audits, in addition $34,000 was charged incorrectly in prior years and adjusted to Capital Ordinance 2153 in the current year.

Note: This schedule was not subject to an audit in accordance with OMB Circular A-133.

BOROUGH OF RIDGEFIELD

Schedule of Expenditures of State Awards and Other Financial Assistance

Six month period ended December 31, 2011

State grantor	Program	Grant number	Grant period	Award Amount	Balance June 30, 2011	Cash Received	Budgetary Expenditures	Adjustment	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2011		(MEMO) Cumulative Expenditures
Department of Environmental Protection	Recycling Tonnage Grant	4900-752-178840-60	2011	13,437	$	13,437			13,437	*	
	Recycling Tonnage Grant	4900-752-178840-60	2010	12,480			6,000	12,480 B	6,480	*	6,000
	Recycling Tonnage Grant	4900-752-178840-60	2009	13,437	12,342		11,043	1,900 A	3,199	*	14,765
					12,342	13,437	17,043	14,380	23,116	*	
Department of Environmental Protection	Clean Communities Program	4900-765-178900	2011	14,075			9,606	14,075 B	4,469	*	9,606
	Clean Communities Program	4900-765-178900	2010	14,970	7		9,287	11,108 A	1,828	*	13,142
	Clean Communities Program	4900-765-178900	2009	14,376	1,249		1,249			*	14,376
					1,256		20,142	25,183	6,297	*	
										*	
Department of Law and Public Safety	Body Armor Grant	1020-718-066-1020-001-YCJS	2011	2,801		2,801			2,801	*	
	Body Armor Grant	1020-718-066-1020-001-YCJS	2010	2,629			1,436	2,629 B	1,193	*	1,436
	Body Armor Grant	1020-718-066-1020-001-YCJS	2009	1,788				1,139 B	1,139	*	649
						2,801	1,436	3,768	5,133	*	
										*	
Department of Law and Public Safety	Over the Limit Under Arrest	1160-100-066-1160-111-YHTS-6010	2011	4,400		4,400	4,400			*	4,400
						4,400	4,400			*	
										*	
Department of Law and Public Safety	Secure Our Schools	100-066-1020-107	2011	98,000						*	
										*	
										*	
Administrative Offices of the Courts	Alcohol Education and Rehabilitation	4250-700-05000-063	PY	377				377 B	377	*	
		4250-700-05000-063	PY	4,353	1,256				1,256	*	3,097
		4250-700-05000-063	PY	1,757	1,399				1,399	*	358
		4250-700-05000-063	PY	2,270	1,770				1,770	*	500
		4250-700-05000-063	PY	1,663	1,663				1,663	*	
		4250-700-05000-063	PY	62	62				62	*	
					6,150			377	6,527	*	
										*	
County of Bergen	Municipal Alliance Grant Fund	100-082-2000-044	2010	20,712	7,170	4,855	12,695	(4,679) C	(5,349)	*	13,542
					7,170	4,855	12,695	(4,679)	(5,349)	*	

(continued next page) *

BOROUGH OF RIDGEFIELD

Schedule of Expenditures of State Awards and Other Financial Assistance

Six month period ended December 31, 2011

State grantor	Program	Grant number	Grant period	Award Amount	Balance June 30, 2011	Cash Received	Budgetary Expenditures	Adjustment	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2011		(MEMO) Cumulative Expenditures
General Capital Fund:											
New Jersey Smart Growth	Redemption Plan Overpeck Creek	100-022-8070-39-999000	Ord. 1919	60,000				(20,000)	C (20,000)	*	60,000
								(20,000)	(20,000)	*	
New Jersey Department of Transportation	Art Lane Improvements	6320-480-601385-61	Ord. 2062	150,000		3,463		(37,500)	C (34,037)	*	150,000
						3,463		(37,500)	(34,037)	*	
New Jersey Meadowlands Commission	Wolf Creek Flood Study	N/A	Ord. 1931	75,000						*	73,195
	NJDEP Stormwater Management	N/A	Ord. 1932	25,000				(497)	D (497)	*	10,685
								(497)	(497)	*	
Swim Pool Utility Capital Fund:											
New Jersey Department of Transportation	ADA Improvement Swim Pool	022-99-8030-100-652	Ord. 1835	50,000	1,342				1,342	*	48,656
					1,342				1,342	*	
Total State Financial Assistance					$ 28,260	28,956	55,716	(18,968)	(17,468)	*	

Note: This schedule was not subject to an audit in accordance with N.J. OMB 04-04.

A - Adjustment for prior year encumbrances.
B - Adjustment for prior year unappropriated grant reserves.
C - Adjustment for prior year accounts receivable.
D - Adjustment for prior year accounts receivable ($14,812) and prior year funded improvement authorization ($14,315)

Exhibit A-4

BOROUGH OF RIDGEFIELD

Schedule of Cash - Collector/Treasurer

Current Fund

Six Month Period Ended December 31, 2011

		Regular Fund
Balance - June 30, 2011	$	2,952,102
Increased by receipts:		
Revenue accounts receivable		7,613,783
Miscellaneous revenues not anticipated		116,069
Taxes receivable		15,253,370
Senior citizens and veterans deductions		79,815
Prepaid Taxes		147,982
Interfunds		128,559
Tax Overpayments		9,815
Due to State of NJ		33,506
Tax Title Lien Redemptions		25,811
Grants Receivable		10,738
Unappropriated reserves		21,299
		23,440,747
		26,392,849
Decreased by disbursements:		
2011 budget appropriations		9,706,103
2011 appropriation reserves		545,682
Tax overpayment refunds		5,991
Local district school tax		8,792,647
County taxes		1,786,393
Interfunds		424,191
Various Reserves		103,954
Accounts Payable		4,351
Due to State of NJ		11,046
Appropriated Reserves		34,274
		21,414,632
Balance, December 31, 2011		4,978,217

Exhibit A-5

BOROUGH OF RIDGEFIELD

Schedule of Cash - Change Fund

Current Fund

Six Month Period Ended December 31, 2011

Balance - June 30, 2011	$ 450
Balance, December 31, 2011	$ 450

Exhibit A-6

BOROUGH OF RIDGEFIELD

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Six Month Period Ended December 31, 2011

Year	Balance, June 30, 2011	TY 2011 Levy	Added 2011 Levy	Collected in 2011	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2011
FY2011	$ 560,198			530,354		29,844	
	560,198			530,354		29,844	
TY2011		15,069,807	40,015	14,723,016	4,861	24,588	357,357
	$ 560,198	15,069,807	40,015	15,253,370	4,861	54,432	357,357

Analysis of 2011 Tax Levy

Tax yield:		
General property tax		$ 15,069,807
Added tax (R.S.54:4-63.1 et seq.)		40,015
		$ 15,109,822
Tax Levy:		
Local District School Tax		$ 8,792,647
County Tax	$ 1,766,336	
County Open Space Preservation	20,057	
County Added and Omitted Taxes	5,065	
		1,791,458
Local Tax for Municipal Purposes	$ 4,704,561	
Add: Additional Taxes Levied	(178,844)	
Local Tax for Municipal Purposes		4,525,717
		$ 15,109,822

BOROUGH OF RIDGEFIELD

Schedule of Revenue Accounts Receivable

Current Fund

Six Month Period Ended December 31, 2011

	Balance, June 30, 2011	Accrued in 2011	Collected	Balance, Dec. 31, 2011
Clerk:				
Licenses:				
Other	$	1,927	1,927	
Fees and permits		107,873	107,873	
Municipal Court fines and costs	31,102	155,487	160,463	26,126
Interest and cost on taxes		64,475	64,475	
Interest on investments		948	948	
Hackensack Meadowlands Adjustment to Tax Sharing		805,707	805,707	
Energy Receipts Tax		5,242,420	5,242,420	
Uniform Construction Code Fees		337,334	337,334	
Uniform Fire Safety Act		26,960	26,960	
Rental of Borough Property - Shaler Lease		250,000	250,000	
Rental of Borough Property - Shaler Lease - Debt Service Payments		280,100	280,100	
Sewer Charges		137,224	137,224	
Sewer Charges - Additional - Tier II User Charges		141,862	141,862	
Municipal Court Inspection Fees		5,490	5,490	
Hudson Transmission Partners Agreement - Interim Fees		51,000	51,000	
	$ 31,102	7,608,807	7,613,783	26,126

BOROUGH OF RIDGEFIELD

Schedule of Deferred Charges N.J.S.A. 40A:4-53, Special Emergency Authorizations

Current Fund

Six Month Period Ended December 31, 2011

Purpose	Date	Amount Authorized	Not Less Than 1/5 of Amount Authorized	Added in 2011	Balance, Dec. 31, 2011
Re-Assessment of Real Property	July 2011	90,000	18,000	90,000	90,000
				$ 90,000	90,000

Exhibit A-9

BOROUGH OF RIDGEFIELD

Schedule of Deferred Charges

Current Fund

Six Month Period Ended December 31, 2011

	Balance, June 30, 2011	Amount in TY 2011 Budget
Overexpenditure of Appropriations	$ 3,048	$ 3,048
	$ 3,048	$ 3,048

Exhibit A-10

BOROUGH OF RIDGEFIELD

Schedule of Property Aquired for Taxes

Current Fund

Twelve Months Ended December 31, 2011

Balance - June 30, 2011	$ 81,180
Balance December 31, 2011	$ 81,180

Exhibit A-11

BOROUGH OF RIDGEFIELD

Schedule of Due from State of New Jersey
Senior Citizens' and Veterans' Deductions

Current Fund

Six Month Period Ended December 31, 2011

Balance - June 30, 2011	$	120,147
Decreased by:		
Cash received		79,815
Balance - December 31, 2011	$	40,332

Exhibit A-12

Schedule of Local District School Taxes Payable

Current Fund

Six Month Period Ended December 31, 2011

Increased by:		
TY 2011 Levy	$	8,792,647
Decreased by:		
Cash Disbursed	$	8,792,647

Exhibit A-13

BOROUGH OF RIDGEFIELD

Schedule of County Taxes Payable

Current Fund

Six Month Period Ended December 31, 2011

Increased by:		
County Tax Levy	$ 1,766,336	
County Open Space Tax Levy	20,057	
		$ 1,786,393
Decreased by:		
Cash Disbursed		$ 1,786,393

Exhibit A-14

Schedule of Due County for Added and Omitted Taxes

Current Fund

Six Month Period Ended December 31, 2011

Increased by:	
2011 Added Levy	$ 5,065
Balance - December 31, 2011	$ 5,065

BOROUGH OF RIDGEFIELD

Schedule of Appropriation Reserves

Current Fund

Six Month Period Ended December 31, 2011

	Balance, June 30, 2011	Balance after Transfers	Paid or Charged	Balance Lapsed
Salaries and Wages Within "CAPS":				
General Administration	$ 20,353	20,353		20,353
Rent Leveling	100	100		100
Mayor and Council	2,250	2,250		2,250
Municipal Clerk's Office	7,719	7,719		7,719
Financial Administration	4,185	4,185		4,185
Collection of Taxes	131	131		131
Assessment of Taxes	308	308		308
Planning Board	215	215		215
Board of Adjustment	83	83		83
Fire Prevention Bureau	227	227		227
Police	11,973	11,973	9,800	2,173
Police Dispatching/Communications	2,000	2,000		2,000
Community Service Officers	601	601		601
Emergency Management Services	1,237	1,237		1,237
Municipal Prosecutor	500	500		500
Garbage and Trash Removal	2,925	2,925		2,925
Recycling Program	255	255		255
Board of Health	85	85		85
Administration of Public Assistance	373	373		373
Parks and Recreation	4,083	83		83
Youth Commission	650	650		650
Municipal Court	4,841	4,841		4,841
Construction Code Official	4,662	4,662		4,662
Property Maintenance	763	763		763
Total Salaries and Wages Within "CAPS"	70,519	66,519	9,800	56,719
Other Expenses Within "CAPS":				
General Administration	52	746	593	153
Rent Leveling	2,234	2,234	361	1,873
Legal Services	400	4,200	3,800	400
Mayor and Council	6,423	8,693	2,270	6,423
Municipal Clerk's Office	3,694	18,542	13,819	4,723
Financial Administration	15,542	31,113	21,182	9,931
Auditing and Accounting Services		26,082	26,075	7
Collection of Taxes	346	392	46	346
Assessment of Taxes:				
Other Expenses	4	4		4
Professional Services	392	11,784	11,692	92
Legal Services:				
Other Expenses	8,344	39,098	12,399	26,699
State Controller/Mayor Investigation	11	8,811	7,774	1,037
Engineering	51,602	63,521	21,400	42,121
Planning Board:				
Other Expenses	963	963	879	84
Professional Services	8,106	8,106	2,506	5,600
Board of Adjustment	725	725		725
Insurance:				
Liability	16,880	16,880		16,880
Workers Compensation	1,814	1,814		1,814
Employee Group Health	28,743	30,478	1,735	28,743

Exhibit A-15

BOROUGH OF RIDGEFIELD

Schedule of Appropriation Reserves

Current Fund

Six Month Period Ended December 31, 2011

	Balance, June 30, 2011	Balance after Transfers	Paid or Charged	Balance Lapsed
Fire:				
Clothing Allowance	14,670	47,120	41,100	6,020
Fire Hydrant Service	385	10,061	9,676	385
Miscellaneous	7,494	28,797	21,424	7,373
Fire Prevention Bureau	598	781	389	392
Police:				
Other Expenses	2,708	21,234	20,561	673
Purchase of Police Vehicles	481	481		481
First Aid Organization:				
Clothing Allowance		35,855	35,800	55
Miscellaneous	5,092	7,038	1,848	5,190
Community Service Officers	958	1,660	802	858
Emergency Management Services	677	677		677
Road Repairs and Maintenance	5,035	24,317	22,110	2,207
Maintenance of Borough Vehicles:				
Streets and Roads	3,487	8,707	7,970	737
Fire	698	6,704	6,006	698
Police	4,160	6,444	6,137	307
Ambulance	1,238	1,479	241	1,238
Garbage	3,370	15,537	15,180	357
Building	1,000	1,000		1,000
Health	500	500		500
Sanitation:				
Garbage and Trash Removal	6,915	15,866	7,654	8,212
Sanitary Landfill Disposal Costs - Contractual	56,692	129,418	88,641	40,777
Public Buildings and Grounds	6,586	23,395	17,204	6,191
Health and Welfare:				
Board of Health	9,549	20,600	12,718	7,882
Bergen County Animal Shelter	19	19		19
Environmental Commission:				
Arborist	27	2,127	2,100	27
Administration of Public Assistance:				
Other Expenses	28	28		28
Other Expenses - Miscellaneous	5,000	5,000		5,000
Parks and Recreation	4,350	17,006	16,793	213
Youth Commission	82	82		82
Celebration of Public Events	60	2,370	2,310	60
Municipal Court	10,047	12,754	2,707	10,047
Public Defender	550	800	200	600
Construction Code Official	14,928	17,235	2,307	14,928
Property Maintenance		4,900	4,900	
Street Lighting	2,578	16,578	12,500	4,078
Electricity	15,995	36,995	24,096	12,899
Telephone	4,647	27,673	22,312	5,361
Water	5,592	7,192	6,145	1,047
Gasoline	49	18,049	18,049	
Contingent	5,000	5,000		5,000
Total Other expenses Within "CAPS"	347,520	855,665	556,411	299,254

Exhibit A-15

BOROUGH OF RIDGEFIELD

Schedule of Appropriation Reserves

Current Fund

Six Month Period Ended December 31, 2011

	Balance, June 30, 2011	Balance after Transfers	Paid or Charged	Balance Lapsed
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security (O.A.S.I.)	19,306	19,306		19,306
Fire Widow's Pension (NJS 43:12-28)	2,691	2,691		2,691
Volunteer Fireman's Pension	2,750	2,750		2,750
Volunteer Fireman's Over Age Burial Fund	5,000	5,000		5,000
Defined Contribution Retirement Program	5,143	5,143	371	4,772
Total Deferred Charges and Statutory Expenditures Within "CAPS"	34,890	34,890	371	34,519
Total Reserves Within "CAPS"	452,929	957,074	566,582	390,492
Operations - Excluded from "CAPS"				
Public and Private Programs Offset by Revenues:				
Recycling Tonnage Grant		1,900	1,900	
Municipal Alliance		5,677	5,677	
Clean Communities Program		11,108	11,108	
Total Public and Private Programs Offset by Revenues		18,685	18,685	
Other Expenses Excluded From "CAPS":				
Maintenance of Free Public Library	4	4		4
Bergen County Utility Authority				
Sewarge Processing and Disposal	45,375	45,375		45,375
Health Insurance CAP Exception	146,846	146,846		146,846
Recycling Tax	7,718	10,961	3,360	7,601
Total Other Expenses Excluded from "CAPS"	199,943	203,186	3,360	199,826
Total Reserves Excluded from "CAPS"	199,943	221,871	22,045	199,826
Total Reserves	$ 652,872	1,178,945	588,627	590,318

Appropriation reserves	652,872
Encumbrances	526,073
	$ 1,178,945

Cash Disbursements	545,682
Transferred to Appropriated Reserves	18,685
Transferred to Accounts Payable	24,260
	$ 588,627

Exhibit A-16

BOROUGH OF RIDGEFIELD

Schedule of Reserve for Encumbrances

Current Fund

Six Month Period Ended December 31, 2011

Balance - June 30, 2011	$	526,073
Increased by:		
2011 encumbrances		467,229
		993,302
Decreased by:		
Transferred to appropriation reserves		526,073
Balance - December 31, 2011	$	467,229

Exhibit A-17

Schedule of Tax Overpayments

Current Fund

Six Month Period Ended December 31, 2011

Balance - June 30, 2011			$ 62,716
Increased by:			
Cash Receipts			9,815
			72,531
Decreased by:			
Cash Disbursements	$	5,991	
Cancelled to Operations		62,716	
			68,707
Balance - December 31, 2011			$ 3,824

Exhibit A-18

BOROUGH OF RIDGEFIELD

Schedule of Prepaid Taxes

Current Fund

Six Month Period Ended December 31, 2011

Increased by:		
2012 prepaid taxes collected	$	147,982
Balance - December 31, 2011	$	147,982

Exhibit A-19

Schedule of Accounts Payable

Current Fund

Six Month Period Ended December 31, 2011

Balance - June 30, 2011	$	14,913
Increased by:		
Transferred from Appropriation Reserves		24,260
		39,173
Decreased by:		
Cash Disbursements		4,351
Balance - December 31, 2011	$	34,822

BOROUGH OF RIDGEFIELD

Schedule of Amount Due to the State of New Jersey

Current Fund

Six Month Period Ended December 31, 2011

	Marriage License Fee	Burial Permit Fee	Construction Training Fee	Total
Balance - June 30, 2011	$ 395	270	2,428	$ 3,093
Increased by:				
Collections	775	15	32,716	33,506
	1,170	285	35,144	36,599
Decreased by:				
Prior year adjustment	45			45
Payments	875	15	10,156	11,046
	920	15	10,156	11,091
Balance - December 31, 2011	$ 250	270	24,988	$ 25,508

Exhibit A-21

BOROUGH OF RIDGEFIELD

Schedule of Interfunds Due from/(to) Other Funds

Current Fund

Six Month Period Ended December 31, 2011

	Balance June 30, 2011	Increased	Decreased	Balance Dec. 31, 2011
Trust Funds:				
Animal License Fund	$	275		275
Payroll Account	28	41,737	25,876	15,889
Payroll Agency		15,467	1,835	13,632
Other Trust Fund	(22)	2,824	15	2,787
Unemployment Trust Fund	(3,048)	3,048		
General Capital Fund	(4,996)	315,715	310,718	1
Swim Pool Utility Operating Fund	(2,289)	102,289	103,065	(3,065)
Public Assistance Trust Fund	228	52	274	6
	$ (10,099)	481,407	441,783	29,525

Cash Receipts	$ 1,000	127,559
Cash Disbursement	424,191	
Statutory Excess	275	
Operating Deficit		3,048
Reimbursement for expenses paid	54,088	458
Unallocated Tax Title Lien Premiums	1,800	
Deferred Charge raised in Budget		310,718
Interest Earned	53	
	$ 481,407	441,783

Exhibit A-22

BOROUGH OF RIDGEFIELD

Schedule of Various Reserves

Current Fund

Six Month Period Ended December 31, 2011

	Balance, June 30, 2011	Increased	Decreased	Balance, Dec. 31, 2011
Reserve for:				
Tax Appeals	$ 177,537	351,952	103,954	425,535
Re-Assessment		63,450		63,450
	$ 177,537	415,402	103,954	488,985
Cash Disbursements			103,954	
Transferred from Budget Appropriations		415,402		
		$ 415,402	103,954	

Exhibit A-23

BOROUGH OF RIDGEFIELD

Schedule of Tax Title Liens

Current Fund

Six Month Period Ended December 31, 2011

Balance - June 30, 2011		$ 60,307
Increased by:		
Interest and costs	$ 3,536	
Transferred from taxes receivable	4,861	
		8,397
		68,704
Decreased by:		
Cash received		25,811
Balance - December 31, 2011		$ 42,893

BOROUGH OF RIDGEFIELD

Schedule of Grants Receivable

State and Federal Grant Fund

Six Month Period Ended December 31, 2011

Purpose	Balance, June 30, 2011	2011 Budget Revenue Realized	Received	Adjustment	Balance, Dec. 31, 2011
NJ Meadowlands Grant - COAH	$ 11,336				11,336
Municipal Alliance	10,356		4,855		5,501
Community Development Block Grant - ADA Borough Hall	66,000			34,000	100,000
US Dept of Justice - Secure Our Schools	98,000				98,000
Recycling Tonnage Grant		12,480	12,480		
Clean Communities		14,075	14,075		
Over the Limit Under Arrest		4,400	4,400		
Body Armor		2,629	2,629		
Green Communities		3,000			3,000
Bullet Proof Vest		1,483	1,483		
	$ 185,692	38,067	39,922	34,000	217,837

Cash receipts	$ 10,738
Unappropriated Reserves	29,184
	$ 39,922

Exhibit A-25

BOROUGH OF RIDGEFIELD

Schedule of Appropriated Grant Reserves

State and Federal Grant Fund

Six Month Period Ended December 31, 2011

Purpose	Balance, June 30, 2011	Expended	Prior Year Encumbrances from Appropriation Reserves	Adjustment	Balance, Dec. 31, 2011
Clean Communities Program	$ 1,256	10,536	(11,108)		1,828
NJ Meadowlands Grant - COAH	9,911				9,911
Municipal Alliance	7,170	12,695	(5,677)		152
Emergency Management Grant	90				90
Community Development Block Grant - ADA Borough Hall	48,066			34,000	82,066
NJ Alcohol Education and Rehab. Fund	6,150				6,150
NJ Recycling Tonnage Grant	12,342	11,043	(1,900)		3,199
US Dept. of Justice - Secure Our Schools	98,000				98,000
	$ 182,985	34,274	(18,685)	34,000	201,396

Exhibit A-26

BOROUGH OF RIDGEFIELD

Schedule of Unappropriated Grant Reserves

State and Federal Grant Fund

Six Month Period Ended December 31, 2011

Purpose	Balance, June 30, 2011	Received	Appropriated in TY2011 Budget	Balance, Dec. 31, 2011
Body Armor Grant	$ 3,768	2,801	2,629	3,940
Emergency Management Assistance	5,000			5,000
Drunk Driving Enforcement Fund	2,064			2,064
Recycling Tonnage Grant	12,480	13,437	12,480	13,437
Clean Communities Program	14,075		14,075	
Alcohol Education and Rehab. Fund	377			377
NJ Department of Motor Vehicles - Drunk Driving Enforcement Fund		5,061		5,061
	$ 37,764	21,299	29,184	29,879

Exhibit B-1

BOROUGH OF RIDGEFIELD

Schedule of Cash - Treasurer

Trust Funds

Six Month Period Ended December 31, 2011

		Animal License Fund	Unemployment Compensation Fund	Other Trust Funds
Balance - June 30, 2011	$	8,007	19,425	2,038,412
Increased by:				
Interfunds			3,048	
Interest Earnings due Current Fund				22
Employee payroll deductions			5,055	
Budget Approriation			75,000	
Dog License Fees		5,745		
State Fees		877		
Miscellaneous Reserves				299,768
		6,622	83,103	299,790
		14,629	102,528	2,338,202
Decreased by:				
State Fees		1,013		
Interfunds				15
Animal license expenditures		1,166		
Unemployment Claims payable			68,666	
Transferred to Payroll Fund				28,888
Miscellaneous Reserves				376,715
		2,179	68,666	405,618
Balance - December 31, 2011	$	12,450	33,862	1,932,584

Exhibit B-2

BOROUGH OF RIDGEFIELD

Schedule of Reserve for Expenditures

Animal License Fund

Six Month Period Ended December 31, 2011

Balance - June 30, 2011		$ 4,235
Increased by:		
Dog license fees	$ 4,725	
Prepaid licenses applied	3,395	
Postage/late fees	1,020	
		9,140
		13,375
Decreased by:		
Statutory Excess due to Current Fund	275	
Disbursements	1,166	
		1,441
Balance - December 31, 2011		$ 11,934

Dog License Fees Collected	
FY2011	7,332
2010	4,602
	$ 11,934

Exhibit B-3

BOROUGH OF RIDGEFIELD

Schedule of Due to State of New Jersey-
Animal License Fees

Animal License Trust Fund

Six Month Period Ended December 31, 2011

Balance - June 30, 2011	$	377
Increased by:		
TY2011 fees collected		877
		1,254
Decreased by:		
Paid to State Treasurer		1,013
Balance - December 31, 2011	$	241

Exhibit B-4

Schedule of Prepaid Licenses

Animal License Fund

Six Month Period Ended December 31, 2011

Balance - June 30, 2011	$	3,395
Decreased by:		
Prepaid licenses applied	$	3,395

Exhibit B-5

BOROUGH OF RIDGEFIELD

Schedule of Due to Criminal Disposition and Review

Other Trust Fund

Six Month Period Ended December 31, 2011

Balance - June 30, 2011	$ 4,442
Balance - December 31, 2011	$ 4,442

Exhibit B-6

BOROUGH OF RIDGEFIELD

Schedule of Interfunds

Trust Funds

Six Month Period Ended December 31, 2011

	Balance Due from/(to) June 30, 2011	Increased	Decreased	Balance, from/(to) Dec. 31, 2011
Animal License Fund:				
Current Fund	$	275		(275)
Unemployment Trust Fund:				
Current Fund	3,048	3,048		
Other Trust Fund:				
Current Fund	22	2,824	15	(2,787)
Payroll Fund:				
Current Fund	(28)		28	
	$ 3,042	6,147	43	(3,062)

Cash Receipts	$ 3,048	
Cash Disbursements		15
Unallocated balance in Tax Title Lien Premiums	1,800	
Statutory Excess	275	
Transferred to Payroll Fund		28
Reimbursement for expenditures made	1,002	
Interest Earnings	22	
	$ 6,147	43

Exhibit B-7

BOROUGH OF RIDGEFIELD

Schedule of Miscellaneous Reserves

Other Trust Funds

Six Month Period Ended December 31, 2011

	Balance, June 30, 2011	Increased	Decreased	Balance, Dec. 31, 2011
Reserve for:				
P.O.A.A.	$ 3,046	746		3,792
Fire Prevention	17,323	17,750	5,946	29,127
Landlord Security and Maintenance	60,424	125		60,549
Tax Sale Premiums	243,700	25,600	105,000	164,300
Recycling Program	178,698	29,754	60,835	147,617
Community Gardens	1,256	20	49	1,227
Shade Tree Commission	1,913	9,000		10,913
Recreation Fees	33,534	8,735	13,649	28,620
Public Defender	7,000	1,651		8,651
Library Donation	2,250			2,250
COAH	896,647	1,131	210	897,568
Affordable Housing	153,071			153,071
Police Outside Duty	39,417	135,571	134,258	40,730
Accumulated Unused Sick Leave	133,541	5,000		138,541
Snow Removal	54,755			54,755
Youth Commission	21,432	4,791	9,294	16,929
Marriage Ceremony Fees		2,997		2,997
Road Opening Deposits		1,250	1,250	
Miscellaneous Deposits	17,120		5,100	12,020
Escrow	139,977	57,144	45,423	151,698
Payroll and Payroll Deductions Payable	28,860		28,860	
	$ 2,033,964	301,265	409,874	1,925,355
Cash Receipts		299,768		
Cash Disbursments			376,715	
Interfunds			2,802	
Transferred to Payroll Fund			28,860	
Re-allocation		1,497	1,497	
		$ 301,265	409,874	

Exhibit B-8

BOROUGH OF RIDGEFIELD

Schedule of Reserve for Unemployment Compensation Insurance

Unemployment Insurance Compensation Trust

Six Month Period Ended December 31, 2011

Increased by:		
Employee payroll deductions	$ 6,686	
Budget Appropriation	75,000	
		81,686
		81,686
Decreased by:		
Payment of Unemployment Insurance claims		53,071
Balance - December 31, 2011		$ 28,615

Exhibit B-9

BOROUGH OF RIDGEFIELD

Schedule of Accounts Receivable

Unemployment Compensation Trust Fund

Six Month Period Ended December 31, 2011

Increased by:		
Unemployment Insurance Payroll Deductions	$	6,686
Decreased by:		
Cash Receipts		5,055
Balance - December 31, 2011	$	1,631

Analysis of Balance:	
4th quarter 2011	1,631
	$ 1,631

Exhibit B-10

BOROUGH OF RIDGEFIELD

Schedule of Due to State of New Jersey

Unemployment Compensation Trust Fund

Six Month Period Ended December 31, 2011

Balance - June 30, 2011	$	22,473
Increased by:		
Quarterly Billings		53,071
		75,544
Decreased by:		
Disbursements		68,666
Balance - December 31, 2011	$	6,878

Exhibit C-2

BOROUGH OF RIDGEFIELD

Schedule of Cash - Treasurer

General Capital Fund

Six Month Period Ended December 31, 2011

Balance - June 30, 2011		$ 442,339
Increased by receipts:		
Interfunds	$ 315,715	
Grants Receivable	103,463	
Bond Anticipation Notes Issued	795,000	
Reserve for Payment of Debt	408,923	
Capital Improvement Fund	834,488	
		2,457,589
		2,899,928
Decreased by disbursements:		
Bond Anticipation Notes Payable	900,000	
Contracts Payable	44,515	
Improvement Authorizations	220,147	
		1,164,662
Balance - December 31, 2011		$ 1,735,266

Exhibit C-3

BOROUGH OF RIDGEFIELD

Schedule of General Capital Fund Cash

General Capital Fund

Six Month Period Ended December 31, 2011

Capital Improvement Fund		$ 571,763
Grant Receivable		(170,654)
Due to Current Fund		1
Reserve for Payment of Debt		444,071
Reserve for Capital Projects		6,650
Fund Balance		135,307
	Improvement description	
1842	Construction of New Library	1,021
1888	Addition to Shaler Academy	70,117
1899	Stormwater Pollution Prevention Plan	19
1918	Improvements to Veterans Field	2,040
1924	Resurfacing of Prospect Avenue	435
1917/1927	Various Improvements	85,046
1928	Various Road Improvements	6,715
1930	Construction of New Library	189
1931	Wolf Creek Flood Study	1,805
1932	NJDEP Stormwater Management	14,315
1944/2059	Improvements to Ridgefield Library	104,542
1952	Various Road Improvements	(21,291)
2005/2012	Various Public Improvements	154,327
2062	Art Lane Improvements	27,387
2065/2069	Construction of a Salt Barn	287
2108	Synthetic Turf Athletic Field, Willis Field	53,014
2116	Acquisition of Pumper Ladder	(83,892)
2117/2154	Various Public Improvements	26,197
2153	Various Improvements	50,678
2187	Sidewalk Improvements/Improvements to the 9-11 Memorial Path	30,177
2188	Acquisition of a Compacting Garbage Truck	225,000
		$ 1,735,266

Exhibit C-4

BOROUGH OF RIDGEFIELD

Schedule of Deferred Charges to Future Taxation - Funded

General Capital Fund

Six Month Period Ended December 31, 2011

Balance - June 30, 2011		$ 15,034,670
Increased by:		
Refunding Bond Issued		2,780,000
		17,814,670
Decreased by:		
Budget appropriations:		
Bond Principal	$ 690,000	
Bond Refunding	2,765,000	
NJ Environmental Infrastructure Trust Loan	45,622	
		3,500,622
Balance - December 31, 2011		$ 14,314,048

Exhibit C-5

BOROUGH OF RIDGEFIELD

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Six Month Period Ended December 31, 2011

Ordinance number	Improvement description	Balance, June 30, 2011	2011 Authorizations	Decreased by:	Balance, Dec. 31, 2011	Analysis of Balance - December 31, 2011 Funded by Bond Anticipation Notes	Expenditures	Unexpended improvement authorization
1952	Various Road Improvements	$ 65,000			65,000		21,291	43,709
2108	Synthetic Turf Athletic Field, Willis Field	500,000			500,000	500,000		
2116	Acquisition of Pumper Ladder	400,000			400,000	295,000	105,000	
2185	Refunding Bond Ordinance		2,780,000	2,780,000				
2187	Sidewalk Improvements/Improvements to the 9-11 Memorial Path		45,000	45,000				
2188	Acquisition of a Compacting Garbage Truck		225,000	225,000				
		$ 965,000	3,050,000	3,050,000	965,000	795,000	126,291	43,709

Bond Issuance	$ 2,780,000
Capital Improvement Fund	270,000
	$ 3,050,000

Improvement Authorizations - Unfunded	$ 537,831
Less: Unexpended note proceeds:	
Ord. 2108	53,014
Ord. 2116	21,108
	$ 463,709

Exhibit C-6

BOROUGH OF RIDGEFIELD

Schedule of Due From/(To) Current Fund

General Capital Fund

Six Month Period Ended December 31, 2011

Balance - June 30, 2011		$ 4,996
Increased by:		
Prior year deffered charges - cancelled grants		310,718
		315,714
Decreased by:		
Cash Receipts	$ 315,714	
Interest earnings	1	
		315,715
Balance - December 31, 2011		$ (1)

Exhibit C-7

BOROUGH OF RIDGEFIELD

Schedule of Grants Receivable

General Capital Fund

Six Month Period Ended December 31, 2011

	Grant Amount	Year	Ordinance	Balance June 30, 2011	Received	Adjustment	Balance Dec. 31, 2011
New Jersey Meadowlands Commission							
Wolf Creek Flood Study	75,000	2005	1931	$ 1,805			1,805
NJDEP Stormwater Management	25,000	2007	1932	14,812			14,812
New Jersey Smart Growth							
Redemption Plan Overpeck Creek	60,000	2005	1919	20,000			20,000
New Jersey Department of Transportation							
Art Lane Improvements	150,000	2008	2062	37,500	3,463		34,037
Community Development Block Grant							
Various Improvements	200,000	2009	2153	200,000	100,000	34,000	66,000
				$ 274,117	103,463	34,000	136,654

Exhibit C-8

BOROUGH OF RIDGEFIELD

Schedule of Serial Bonds

General Capital Fund

Six Month Period Ended December 31, 2011

Purpose	Date of issue	Original issue	Maturities of bonds outstanding Date	Amount	Interest rate	Balance, June 30, 2011	Issued	Decreased	Balance, Dec. 31, 2011
General Obligation Bonds of 2002	August 1, 2002	6,200,000	August 1, 2012	505,000	4.125%	$ 3,765,000		3,260,000	505,000
General Obligation Bonds of 2006	October 15, 2006	4,950,000	October 15, 2012	205,000	4.000%	4,255,000		195,000	4,060,000
			October 15, 2013	215,000	4.000%				
			October 15, 2014	225,000	4.000%				
			October 15, 2015	235,000	4.000%				
			October 15, 2016	245,000	4.000%				
			October 15, 2017	255,000	4.000%				
			October 15, 2018	265,000	4.000%				
			October 15, 2019	275,000	4.000%				
			October 15, 2020	280,000	4.000%				
			October 15, 2021	290,000	4.000%				
			October 15, 2022	300,000	4.000%				
			October 15, 2023	310,000	4.000%				
			October 15, 2024-26	320,000	4.000%				
General Improvement Bonds of 2008	October 15, 2008	6,656,000	April 15, 2012-13	100,000	4.125%	6,456,000			6,456,000
			April 15, 2014	300,000	4.125%				
			April 15, 2015	300,000	4.250%				
			April 15, 2016-17	300,000	4.375%				
			April 15, 2018	300,000	4.500%				
			April 15, 2019	650,000	4.625%				
			April 15, 2020-23	675,000	4.625%				
			April 15, 2024	700,000	4.625%				
			April 15, 2025	706,000	4.625%				

BOROUGH OF RIDGEFIELD

Schedule of Serial Bonds

General Capital Fund

Six Month Period Ended December 31, 2011

Purpose	Date of issue	Original issue	Maturities of bonds outstanding Date	Amount	Interest rate	Balance, June 30, 2011	Issued	Decreased	Balance, Dec. 31, 2011
Refunding Bonds of 2011	December 31, 2011	2,780,000	April 1, 2012	45,000	2.000%		2,780,000		2,780,000
			April 1, 2013	525,000	3.000%				
			April 1, 2014	535,000	3.000%				
			April 1, 2015	545,000	3.000%				
			April 1, 2016	555,000	4.000%				
			April 1, 2017	575,000	4.000%				
						$ 14,476,000	2,780,000	3,455,000	13,801,000

Refunding	$ 2,765,000
Budget Appropriations	690,000
	$ 3,455,000

Exhibit C-9

BOROUGH OF RIDGEFIELD

Schedule of New Jersey Infrastructure Trust Loan

General Capital Fund

Six Month Period Ended December 31, 2011

Purpose	Date of issue	Original issue	Maturities of bonds outstanding Date	Amount	Interest rate	Balance, June 30, 2011	Decreased	Balance, Dec. 31, 2011
NJ Environmental Infrastructure Trust Loan	November 9, 2000	990,000	February 1, 2012	4,594	5%-5.25%	$ 558,670	45,622	513,048
			August 1, 2012	45,232				
			February 1, 2013	4,203				
			August 1, 2013	44,841				
			February 1, 2014	3,812				
			August 1, 2014	52,577				
			February 1, 2015	3,343				
			August 1, 2015	52,108				
			February 1, 2016	2,862				
			August 1, 2016	51,627				
			February 1, 2017	2,381				
			August 1, 2017	59,274				
			February 1, 2018	1,806				
			August 1, 2018	58,699				
			February 1, 2019	1,231				
			August 1, 2019	58,125				
			February 1, 2020	657				
			August 1, 2020	65,676				
						$ 558,670	45,622	513,048

Exhibit C-10

BOROUGH OF RIDGEFIELD

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Six Month Period Ended December 31, 2011

Ord. Number	Purpose	Date of original issue	Original issue	Date of Maturity	Interest rate	Balance, June 30, 2011	Increased	Decreased	Balance, Dec. 31, 2011
2108	Synthetic Turf Willis Field	December 10, 2010	Oct. 31, 2011	Oct. 30, 2012	1.09%	$ 500,000	500,000	500,000	500,000
2116	Acquisition of Pump Ladder	December 10, 2010	Oct. 31, 2011	Oct. 30, 2012	1.09%	400,000	295,000	400,000	295,000
						$ 900,000	795,000	900,000	795,000
						Renewed	795,000	795,000	
						Paid via Budget Appropriation		105,000	
							$ 795,000	900,000	

Exhibit C-11

BOROUGH OF RIDGEFIELD

Schedule of Capital Improvement Fund

General Capital Fund

Six Month Period Ended December 31, 2011

Balance - June 30, 2011	$	7,275
Increased by:		
Budget Appropriation		834,488
		841,763
Decreased by:		
Appropriated to Finance Improvement Authorizations		270,000
Balance - December 31, 2011	$	571,763

Exhibit C-12

Schedule of Contracts Payable

General Capital Fund

Six Month Period Ended December 31, 2011

Balance - June 30, 2011	$	44,515
Decreased by:		
Cash Disbursements	$	44,515

Exhibit C-13

BOROUGH OF RIDGEFIELD

Schedule of Reserve for Payment of Debt

General Capital Fund

Six Month Period Ended December 31, 2011

Balance - June 30, 2011	$	35,148
Increased by:		
2006 General Obligation Bonds		408,923
Balance - December 31, 2011	$	444,071

Exhibit C-14

Schedule of Reserve for Capital Projects

General Capital Fund

Six Month Period Ended December 31, 2011

Balance - June 30, 2011	$	6,650
Balance - December 31, 2011	$	6,650

BOROUGH OF RIDGEFIELD

Schedule of Improvement Authorizations

General Capital Fund

Six Month Period Ended December 31, 2011

Ordinance number	Improvement description	Ordinance Date	Amount	Balance, June 30, 2011 Funded	Balance, June 30, 2011 Unfunded	Authorized	Expended	Balance, Dec. 31, 2011 Funded	Balance, Dec. 31, 2011 Unfunded
1842	Construction of New Library	11/10/2003	75,000	$ 1,021				1,021	
1888	Addition to Shaler Academy	9/27/2004	5,198,000	70,117				70,117	
1899	Stormwater Pollution Prevention Plan	11/8/2004	10,207	19				19	
1918	Improvements to Veterans Field	2/28/2005	53,000	2,040				2,040	
1924	Resurfacing of Prospect Avenue	6/13/2005	152,000	435				435	
1917/1927	Various Improvements	5/23/2005	670,600	85,046				85,046	
1928	Various Road Improvements	5/23/2005	160,000	6,715				6,715	
1930	Construction of New Library	5/23/2005	571,667	189				189	
1931	Wolf Creek Flood Study	5/23/2005	75,000	1,805				1,805	
1932	NJDEP Stormwater Management	5/23/2005	25,000	14,315				14,315	
1944/2059	Improvements to Ridgefield Library	8/8/2005	450,000	159,598			55,056	104,542	
1952	Various Road Improvements	10/24/2005	200,000		43,709				43,709
2005/2012	Various Public Improvements	11/13/2006	1,949,000	154,649			322	154,327	
2062	Art Lane Improvements	9/8/2008	243,350	27,387				27,387	
2065/2069	Construction of a Salt Barn	11/10/2008	190,000	287				287	
2108	Synthetic Turf Athletic Field, Willis Field	7/27/2009	550,000		215,254		162,240		53,014
2116	Acquisition of Pumper Ladder	11/23/2009	810,000		17,014		(4,094)		21,108
2117/2154	Various Public Improvements	11/22/2010	245,000	23,002			(3,195)	26,197	
2153	Various Improvements	11/22/2010	200,000	45,673			28,995	16,678	
2185	Refunding Bond Ordinance	10/24/2011	3,200,000			2,780,000	2,780,000		
2187	Sidewalk Improvements/Improvements to the 9-11 Memorial Path	11/14/2011	45,000			45,000	14,823	30,177	
2188	Acquisition of a Compacting Garbage Tru	12/12/2011	225,000			225,000		225,000	
				$ 592,298	275,977	3,050,000	3,034,147	766,297	117,831

Capital Improvement Fund	$ 270,000
Deferred Charges Unfunded	2,780,000
	$ 3,050,000

Cash Disbursements	220,147
Interfunds	34,000
Refunding Bond Ordinance	2,780,000
	$ 3,034,147

Exhibit C-16

BOROUGH OF RIDGEFIELD

Schedule of Bonds and Notes Authorized but not Issued

General Capital Fund

Six Month Period Ended December 31, 2011

Ordinance number	Improvement description	Balance, June 30, 2011	Authorized	Decreased	Balance, Dec. 31, 2011
1952	Various Road Improvements	$ 65,000			65,000
2116	Acquisition of a Pump Ladder Truck		105,000		105,000
2185	Refunding Bond Ordinance		2,780,000	2,780,000	
		$ 65,000	2,885,000	2,780,000	170,000

Re-establish authorized not issued (not renewed at note sale)	$	105,000
Debt Authorized		2,780,000
	$	2,885,000

Refunding Bond Issued	$	2,780,000

Exhibit D-5

BOROUGH OF RIDGEFIELD

Schedule of Cash - Collector-Treasurer

Swimming Pool Utility Fund

Six Month Period Ended December 31, 2011

		Operating	Capital
Balance - June 30, 2011	$	38,400	1,136
Increased by receipts:			
Membership Fees		22,155	
Miscellaneous		23,121	
Deficit (General Budget)		115,000	
Interfund		102,289	
		262,565	
		300,965	1,136
Decreased by disbursements:			
2011 Appropriations		169,538	
Appropriation Reserve		18,807	
Petty Cash		100	
Interfunds:			
Current Fund		100,000	
		288,445	
Balance - December 31, 2011	$	12,520	1,136

Exhibit D-6

BOROUGH OF RIDGEFIELD

Schedule of Analysis of Cash

Swimming Pool Utility Capital Fund

Six Month Period Ended December 31, 2011

Due to Swim Pool Operating		$ 13,630
Reserve for Capital Outlay		21,355
Fund Balance		1,809
Improvement authorizations:		
Ordinance number	Improvement description	
1771	Various Improvements	(37,000)
1835	ADA Improvements	1,342
		$ 1,136

Exhibit D-7

BOROUGH OF RIDGEFIELD

Schedule of 2011 Reserves - Operating Fund

Swimming Pool Utility Fund

Six Month Period Ended December 31, 2011

	Balance, June 30, 2011	Balance after transfers	Paid or charged	Balance lapsed
Salaries and Wages	$ 4,156	4,156		4,156
Other expenses	16,264	33,506	18,807	14,699
Total Operating	20,420	37,662	18,807	18,855
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	2,304	2,304		2,304
Total Deferred Charges and Statutory Expenditures	2,304	2,304		2,304
	$ 22,724	39,966	18,807	21,159

Appropriation Reserves	22,724
Encumbrances	17,242
	$ 39,966

Exhibit D-8

BOROUGH OF RIDGEFIELD

Schedule of Interfund Receivables/(Payable)

Swimming Pool Utility - Operating Fund

Six Month Period Ended December 31, 2011

	Balance June 30, 2011	Increased	Decreased	Balance Dec. 31, 2011
Swim Pool Utility Capital Fund	$ 13,630			13,630
Current Fund	2,289	103,065	102,289	3,065
	$ 15,919	103,065	102,289	16,695

Cash Receipts	$	102,289
Cash Disbursement	100,000	
Operating Deficit	3,065	
	$ 103,065	102,289

Exhibit D-9

BOROUGH OF RIDGEFIELD

Schedule of Interfund Receivables/(Payable)

Swimming Pool Utility - Capital Fund

Six Month Period Ended December 31, 2011

	Balance June 30, 2011	Balance Dec. 31, 2011
Swim Pool Utility Operating Fund	$ (13,630)	(13,630)
	$ (13,630)	(13,630)

Exhibit D-10

BOROUGH OF RIDGEFIELD

Schedule of Fixed Capital

Swimming Pool Utility Capital Fund

Six Month Period Ended December 31, 2011

Balance - June 30, 2011		$ 1,820,236
Balance - December 31, 2011		$ 1,820,236
	Analysis of Balance	
	Swim Pool Improvements	$ 1,820,236

Exhibit D-11

Schedule of Fixed Capital Authorized and Uncompleted

Swimming Pool Utility Capital Fund

Six Month Period Ended December 31, 2011

Balance - June 30, 2011		$ 1,342
Balance - December 31, 2011		$ 1,342
	Analysis of Balance	
	Ord. 1835	$ 1,342
		$ 1,342

Exhibit D-12

BOROUGH OF RIDGEFIELD

Schedule of Improvement Authorizations

Swimming Pool Utility Capital Fund

Six Month Period Ended December 31, 2011

Ordinance number	Improvement description	Ordinance Date	Ordinance Amount	Balance June, 30, 2011 Funded	Balance June, 30, 2011 Unfunded	Balance December 31, 2011 Funded	Balance December 31, 2011 Unfunded
1835	ADA Improvements	Sept. 8, 2003	50,000	$ 1,342		1,342	
				$ 1,342		1,342	

Exhibit D-13

BOROUGH OF RIDGEFIELD

Schedule of Reserve for Amortization

Swimming Pool Utility Capital Fund

Six Month Period Ended December 31, 2011

Balance - June 30, 2011	$ 1,783,236
Balance - December 31, 2011	$ 1,783,236

Exhibit D-14

Schedule of Reserve for Capital Outlay

Swimming Pool Utility Capital Fund

Six Month Period Ended December 31, 2011

Balance - June 30, 2011	$ 21,355
Balance - December 31, 2011	$ 21,355

Exhibit D-15

BOROUGH OF RIDGEFIELD

Schedule of Deferred Reserve for Amortization

Swimming Pool Utility Capital Fund

Six Month Period Ended December 31, 2011

Ordinance number	Improvement description	Ordinance Date	Balance June 30, 2011	Balance Dec. 31, 2011
1835	ADA Improvements	Sept. 8, 2003	$ 1,342	$ 1,342
			$ 1,342	$ 1,342

Exhibit D-16

BOROUGH OF RIDGEFIELD

Schedule of Bonds and Notes Authorized but not Issued

Swimming Pool Utility Capital Fund

Six Month Period Ended December 31, 2011

Ordinance number	Improvement description	Balance June 30 2011	Balance Dec. 31, 2011
1771	Various Improvements	$ 37,000	$ 37,000
		$ 37,000	$ 37,000

Exhibit E-1

BOROUGH OF RIDGEFIELD

Schedule of Cash-Treasurer

Public Assistance Fund

Six Month Period Ended December 31, 2011

	Total	P.A.T.F. Account #1/ Petty Cash	Relocation Account
Balance - December 31, 2010	$ 12,526	6,814	5,712
Increased by:			
Due to Current Fund	44	24	20
	12,570	6,838	5,732
Decreased by:			
Due to Current Fund	266	21	245
Transfer to Current Fund	8	4	4
	274	25	249
Balance - December 31, 2011	$ 12,296	6,813	5,483

Exhibit E-2

BOROUGH OF RIDGEFIELD

Schedule of Due from/(to) Current Fund

Public Assistance Fund

Six Month Period Ended December 31, 2011

Balance - December 31, 2010	$	(228)
Increased by:		
Interest Earned		44
		(272)
Decreased by:		
Cash Disbursements	$	266
Balance - December 31, 2011	$	(6)

Exhibit E-3

BOROUGH OF RIDGEFIELD

Schedule of Reserve for Public Assistance

Public Assistance Fund

Six Month Period Ended December 31, 2011

	Total	P.A.T.F. Account #1/ Petty Cash	Relocation Account
Balance - June 30, 2011	$ 12,298	6,589	5,709
Decreased by:			
Transferred to Current Fund	8	4	4
Balance - December 31, 2011	$ 12,290	6,585	5,705

BOROUGH OF RIDGEFIELD

LETTERS ON COMPLIANCE AND ON INTERNAL CONTROL

GENERAL COMMENTS AND RECOMMENDATIONS

DECEMBER 31, 2011

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

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

Honorable Mayor and
Members of the Borough Council
Borough of Ridgefield
County of Bergen, New Jersey

We have audited the financial statements of the Borough of Ridgefield in the County of Bergen as of and for the six months ended December 31, 2011, and have issued our report thereon dated September 19, 2012. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Ridgefield prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with generally accepted auditing standards; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Borough of Ridgefield is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Borough of Ridgefield's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Ridgefield's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of Ridgefield internal control over financial reporting.

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

FWCC

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain immaterial instances of noncompliance that we have reported to the management of the Borough of Ridgefield in the accompanying Comments and Recommendations section of this report.

This report is intended solely for the information of management, The Division of Local Government Services, Department of Community Affairs, State of New Jersey, Federal Awarding Agencies and Pass Through Entities and is not intended to be and should not be used by anyone other than these specified parties.

Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CROO413

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

September 19, 2012

BOROUGH OF RIDGEFIELD

GENERAL COMMENTS

Contracts and Agreements

N.J.S.A. 40A:11-3 states:

a. When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of $17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to $25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198(C.40A:11-2), and shall round the adjustment to the nearest $1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made.

N.J.S.A. 40A:11-4 states:

a. Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act of specifically by any other law. The governing body of a contracting unit may, be resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder.

GENERAL COMMENTS, (continued)

Effective January 1, 2011, the bid threshold, in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is $17,500 with a qualified purchasing agent the threshold may be up to $36,000.

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

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

HVAC Repairs at the Library

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

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

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

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 6, 2011 adopted the following resolution authorizing interest to be charged on delinquent taxes:

> WHEREAS, taxes are payable in quarterly installments on February 1, May 1, August 1 and November 1 of each year and installments become delinquent if not paid on or before these dates,
>
> THEREFORE, BE IT RESOLVED that Mayor and Council authorize an interest charge of 8% per annum, upon delinquent installments of taxes and assessments; and

BE IT FURTHER RESOLVED, that the Mayor and Council authorize an interest charge of 18% per annum upon delinquent installments of taxes in excess of $1,500.00 and an additional penalty of 6% on delinquencies in excess of $10,000.00 at the end of the calendar year and,

BE IT FURTHER RESOLVED, that the Mayor and Council provide a grace period of 10 days, within which an installment of taxes or assessment may be received without an additional charge of interest; and

BE IT FURTHER RESOLVED, that any installment received after the expiration of the grace period shall bear interest from the due date,

BE IT FURTHER RESOLVED, that the rate of interest to be charged upon tax liens is hereby set at 18% per annum, and a copy of this resolution is to be filed with the Tax Collector - Treasurer and the Tax Assessor of the Borough of Ridgefield.

Delinquent Taxes and Tax Title Liens

A tax sale was held on October 10, 2011 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of tax title liens receivable on June 30, of the last three years:

	Number of Liens
Six Month Period Ended December 31, 2011	3
Year Ended June 30, 2011	3
Year Ended June 30, 2010	1

It is essential to good management that all means provided by the statute to utilize to liquidate tax title liens in order to get each property back on a tax-paying basis.

BOROUGH OF RIDGEFIELD
COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2011

Comments:

Finance:

1. Goods and/or services are being ordered prior to being encumbrance as prescribed by Technical Directive #1.
2. The Borough does not maintain an analysis of Appropriated or Unappropriated Reserves for Federal and State Grants in the system.
3. Prior year balances for burial permits and dog license fees recorded as "Due to State of New Jersey" were not liquidated in the current year.
4. There was one instance in which a refund resulting from a Tax Court Judgment was calculated using the incorrect tax rate.

Departments:

1. The Department of Public Works does not maintain a cash receipts journal for all collections as required by the Division of Local Government Services: Requirements of Audit.
2. Funds collected at the Youth Commission are not being deposited in a timely manner as required by N.J.S.A. 40A:5-15.
3. There are 51 tickets Assigned over 180 days on the Court's December Monthly Management Report.
4. There are 116 tickets Eligible for FTA over 14 days on the Court's December Monthly Management Report.

Payroll:

1. Completed W-4 forms for selected individuals were unable to be located for review.

Recommendations:

Finance:

1. That all goods/services be encumbered prior to being ordered.
2. That an analysis of Appropriated and Unapproriated Grants be maintained by the Borough's operating system.
3. That prior year balances be investigated for accuracy and liquidated or cancelled by resolution if necessary.
4. That more care be taken when calculating refunds resulting from Tax Court Judgments.

Departments:

1. That all departments maintain a cash receipts journal for all collections.
2. That all funds collected by the Youth Commission be deposited within 48 hours of collection.
3. That tickets Over 180 days be recalled by the Court Administrator.
4. That tickets Eligible for FTA be processed in a timely manner.

Payroll:

1. That all completed W-4 forms be maintained and made available for review.

STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS

A review was performed on all prior year recommendations and corrective action was taken on all with the exception of those marked with an "*", which are included in this year's recommendations.

ACKNOWLEDGMENT

We received the complete cooperation of all the officials of the municipality and we greatly appreciate the courtesies extended to all members of the audit team.

Respectfully submitted,

Steven D. Wielkotz
Registered Municipal Accountant
No. CR00413

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

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

September 19, 2012