

BOROUGH OF RIDGEFIELD

**Financial Statements With
Supplementary Information**

December 31, 2014

(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

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Ridgefield in the County of Bergen, as of and for the years ended December 31, 2014 and 2013, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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



Honorable Mayor and
Members of the Borough Council
Page 2.

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Ridgefield as of December 31, 2014 and 2013, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2014 and 2013, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2014 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.



Other Matters

Other Information

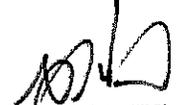
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Ridgefield's basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 6, 2015 on our consideration of the Borough of Ridgefield's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Ridgefield's internal control over financial reporting and compliance.


Steven D. Wielkocz, C.P.A.
Registered Municipal Accountant
No. CR00413


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

July 6, 2015

BOROUGH OF RIDGEFIELD

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2014 and 2013

<u>Assets</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Current Fund:			
Cash	A-4	\$ 4,960,041	4,613,051
Change Fund	A-5	450	450
Due from State of New Jersey:			
Senior citizens' and veterans' deductions	A-10	67,292	62,622
Grants Receivable	A-23	402	114,015
		<u>5,028,185</u>	<u>4,790,138</u>
Receivables and other assets with full reserves:			
Delinquent property taxes receivable	A-6	771,445	452,721
Tax Title Liens	A-22	77,678	65,852
Property Acquired for Taxes			
Assessed Valuations	A-9	81,180	81,180
Revenue accounts receivable	A-7	21,728	27,480
Prepaid Local School District Taxes	A-11		74,254
Interfunds Receivable:			
Animal License Trust Fund	A-20		2,668
Other Trust Fund	A-20		10,032
Payroll Account	A-20		1,132
Payroll Agency Account	A-20	51	6,616
Public Assistance	A-20	6	6
		<u>952,088</u>	<u>721,941</u>
Deferred Charges:			
Special Emergency	A-8	36,000	54,000
		<u>36,000</u>	<u>54,000</u>
		<u>\$ 6,016,273</u>	<u>5,566,079</u>

BOROUGH OF RIDGEFIELD

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2014 and 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation reserves	A-3, A-14 \$	844,110	430,147
Encumbrances payable	A-15	481,793	485,369
Tax overpayments	A-16	27,398	14,597
Prepaid Taxes	A-17	69,503	84,955
Accounts Payable	A-18	8,351	23,796
Due to State of New Jersey	A-19	12,195	2,510
Local School District Taxes Payable	A-11	42,306	
Due to County of Bergen	A-13		2,637
Appropriated reserves	A-24	15,543	130,489
Unappropriated reserves	A-25	39,416	26,502
Reserve for:			
Tax Appeals	A-21	178,563	148,011
Re-Assessment	A-21	4,500	4,500
Miscellaneous	A-21	50	
		<u>1,723,728</u>	<u>1,353,513</u>
Reserve for receivables and other assets	A	952,088	721,941
Fund balance	A-1	<u>3,340,457</u>	<u>3,490,625</u>
		<u>4,292,545</u>	<u>4,212,566</u>
		<u>\$ 6,016,273</u>	<u>5,566,079</u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

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

Current Fund

Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Revenue and other income realized:		
Fund balance utilized	\$ 1,000,000	880,000
Miscellaneous revenue anticipated	9,565,245	9,461,489
Receipts from delinquent taxes	437,565	792,621
Receipts from current taxes	32,296,472	31,698,405
Nonbudget revenues	189,834	248,646
Other credits to income:		
Accounts Payable Cancelled	10,899	
Unexpended balance of appropriation reserves	411,098	615,600
Adjustment to appropriated grant reserves	9,911	
Interfunds Returned	81,284	
	<u>44,002,308</u>	<u>43,696,761</u>
Expenditures:		
Budget and emergency appropriations:		
Operations:		
Salaries and wages	6,968,012	6,904,750
Other expenses	9,801,160	9,608,369
Deferred charges and statutory expenditures	1,558,310	1,514,165
Capital improvements		145,000
Municipal debt service	1,672,216	1,483,372
Judgements		196,730
County taxes	4,282,601	4,121,636
Due county for added taxes	7,156	2,637
Local district school taxes	18,851,685	18,301,601
Prepaid school taxes		74,254
Grants Receivable Cancelled	11,336	
	<u>43,152,476</u>	<u>42,352,514</u>
Excess in Revenue	849,832	1,344,247
Fund balance - January 1,	3,490,625	3,026,378
Decreased by utilization as anticipated revenue	<u>1,000,000</u>	<u>880,000</u>
Fund balance	<u>\$ 3,340,457</u>	<u>\$ 3,490,625</u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2014

	Budget	Realized	Excess (deficit)
Surplus anticipated	\$ 1,000,000	1,000,000	
Miscellaneous revenues:			
Licenses:			
Alcoholic beverages	32,000	30,688	(1,312)
Other	40,000	44,785	4,785
Fees and permits:			
Other	190,000	231,521	41,521
Fines and costs municipal court	360,000	319,073	(40,927)
Interest and costs on taxes	80,000	81,589	1,589
Interest on investments and deposits	800	907	107
Hackensack Meadowlands Adjustment to			
Tax Sharing	1,282,046	1,282,046	
Energy Receipts Tax	5,242,420	5,242,420	
Supplemental Energy Receipts Tax	255,930	255,930	
Uniform Construction Code Fees	265,000	397,053	132,053
Recycling Tonnage Grant	16,486	16,486	
Drunk Driving Enforcement Fund	4,087	4,087	
Clean Communities Grant	2,065	2,065	
Alcohol Education and Rehabilitation Fund	53	53	
Municipal Alliance on Alcoholism and Drug Abuse	4,938	4,938	
Federal Body Armor Grant	2,065	2,065	
Body Armor Replacement	3,811	3,811	
Uniform Fire Safety Act	35,000	37,939	2,939
Rental of Borough Property - Shaler Lease	250,000	250,000	
Rental of Borough Property - Shaler Lease -			
Debt Service Payments	370,600	370,600	
Sewer Charges	163,000	240,765	77,765
Sewer Charges - Additional - Tier II User Charges	300,000	301,811	1,811
Municipal Court Inspection Fees	2,500		(2,500)
Reserve for Payment of Debt - 2006 Bonds	215,000	215,000	
Capital Fund Balance	26,254	26,075	(179)
Hudson Transmission Partners Agreement - Interim Fees	51,000		(51,000)
EMS Medical Transport	100,000	72,102	(27,898)
Reserve for Payment of Debt - Ord. 2108	24,000	24,000	
Cable TV Franchise Fee	106,346	107,436	1,090
	<u>9,425,401</u>	<u>9,565,245</u>	<u>139,844</u>
Total miscellaneous revenues			
Receipts from delinquent taxes	<u>450,000</u>	<u>437,565</u>	<u>(12,435)</u>
Amount to be raised by taxes for support of municipal budget	<u>9,922,376</u>	<u>9,950,030</u>	<u>27,654</u>
Budget total	\$ <u>20,952,840</u>	<u>20,952,840</u>	<u>155,063</u>
Nonbudget revenue		<u>189,834</u>	
		\$ <u>21,142,674</u>	

BOROUGH OF RIDGEFIELD
Statement of Revenues-Regulatory Basis
Current Fund
Year Ended December 31, 2014

Analysis of Realized Revenue

Allocation of current tax collections;	
Revenue from collections	\$ 32,296,472
Allocated to:	
Local district school tax	18,851,685
County taxes	<u>4,289,757</u>
	<u>23,141,442</u>
Balance for support of municipal	
budget appropriations	9,155,030
Reserve for uncollected taxes	<u>795,000</u>
	<u>\$ 9,950,030</u>
Receipts from:	
Delinquent tax collections	<u>437,565</u>
	<u>\$ 437,565</u>

Analysis of Miscellaneous Revenue Not Anticipated

FEMA	\$ 57,723
BCUA	843
Pool Rental	5,344
Police Outside Detail	25,209
Pistol Range Rent	400
BOE Willis Field	3,000
Bank Charges Refunded	500
Ambulance Donations	2,530
Palisades Park Health Officer	15,000
Hotel Tax	35,764
Flu Shots	6,315
Insurance Claims	26,750
Housing Inspections	161
Insurance Refund	323
Other	<u>10,042</u>
	<u>\$ 189,904</u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2014

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance	
					Canceled	Overexpended
Operations-within "CAPS"						
Administrative and executive:						
Salaries and wages	\$ 65,000	65,000	64,225	775		
Other expenses	37,000	40,000	39,781	219		
Rent Leveling:						
Salaries and wages	6,000	6,000	6,000			
Other expenses	2,000	2,000	40	1,960		
Mayor and Council:						
Salaries and wages	40,750	40,750	40,750			
Other expenses	8,000	8,000	6,700	1,300		
Municipal Clerk						
Salaries and wages	111,000	111,000	106,646	4,354		
Other expenses	45,300	45,300	27,774	17,526		
Financial Administration:						
Salaries and wages	157,000	152,000	143,967	8,033		
Annual Audit	28,000	28,000	27,500	500		
Miscellaneous Other expenses	45,000	50,000	49,994	6		
Collection of taxes:						
Salaries and wages	88,800	97,800	96,089	1,711		
Other expenses	24,000	18,000	16,753	1,247		
Assessment of Taxes:						
Salaries and wages	17,700	17,700	17,179	521		
Other expenses	4,150	4,150	972	3,178		
Professional Services	9,000	9,000	1,615	7,385		

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2014

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>	<u>Overexpended</u>
Legal services and costs:						
Retainer	46,000	46,000	45,600	400		
Other expenses	125,000	125,000	101,521	23,479		
Engineering:						
Other expenses	120,000	140,000	137,408	2,592		
Municipal Land Use Law (NJSA 40:55D-1):						
Planning Board:						
Salaries and wages	6,000	7,000	6,877	123		
Other expenses	15,000	11,000	5,413	5,587		
Insurance:						
Unemployment Insurance	50,000	25,000	25,000			
Liability	482,000	482,000	476,375	5,625		
Workers Compensation	448,000	448,000	445,486	2,514		
Group Insurance for Employees	2,478,600	2,468,600	2,296,430	172,170		
PUBLIC SAFETY:						
Fire:						
Clothing Allowance	220,000	208,000	203,455	4,545		
Fire hydrant service	119,000	119,000	118,945	55		
Miscellaneous	108,000	108,000	106,498	1,502		
Fire Prevention Bureau:						
Salaries and wages	72,000	72,000	70,754	1,246		
Other expenses	33,000	33,000	32,657	343		
Police:						
Salaries and wages	4,000,000	4,000,000	3,902,799	97,201		
Other expenses	134,468	134,468	126,997	7,471		
Purchase of Police Vehicles	77,500	77,500	77,481	19		

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2014

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance</u>	
					<u>Canceled</u>	<u>Overexpended</u>
Police Dispatching/911:						
911 Service Agreement	200,000	200,000	200,000			
First Aid Organization:						
Clothing Allowance	90,000	90,000	77,366	12,634		
Miscellaneous	20,000	20,000	19,979	21		
Community Service Officer						
Salaries and wages	100,200	100,200	98,350	1,850		
Other expenses	22,000	22,000	19,736	2,264		
Emergency Management Services:						
Salaries and wages	19,000	16,700	15,501	1,199		
Other expenses	3,000	3,000	2,401	599		
Municipal Prosecutor:						
Salaries and wages	12,500	12,500	12,500			
Streets and Roads:						
Road Repairs and Maintenance:						
Salaries and wages	1,369,862	1,354,862	1,230,724	124,138		
Other expenses	162,000	162,000	145,606	16,394		
Maintenance of Borough Vehicles:						
Streets and Roads						
Fire	55,500	75,000	74,523	477		
Police	45,000	57,000	55,369	1,631		
Ambulance	38,000	38,000	21,395	16,605		
Garage	5,000	5,000	4,335	665		
Building	25,000	30,000	29,238	762		
Health	500	500	221	279		
	500	500	452	48		

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2014

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>	<u>Overexpended</u>
Sanitation:						
Garbage and Trash Removal:						
Salaries and wages	278,000	276,000	248,640	27,360		
Other expenses	65,000	65,000	64,886	114		
Sanitary Landfill - Contractual	300,000	300,000	272,800	27,200		
Recycling Program:						
Salaries and wages	7,000	9,000	8,740	260		
Public Building and Grounds:						
Other Expenses - Maintenance & Repair	152,500	177,500	163,036	14,464		
Health and Welfare:						
Board of Health:						
Salaries and wages	155,000	155,000	148,409	6,591		
Other expenses	80,500	80,500	74,958	5,542		
Bergen County Animal Shelter	10,500	10,500	7,000	3,500		
Environmental Commission (NJSA 40:56A-1):						
Other expenses - miscellaneous	3,000	3,000	3,000			
Other expenses - arborist	3,000	3,000	2,974	26		
Administration of Public Assistance:						
Miscellaneous Other expenses	1,000	1,000		1,000		
Recreation and Education:						
Parks and Recreation:						
Salaries and wages	165,500	165,500	165,498	2		
Other expenses	137,000	147,000	146,738	262		
Youth Commission						
Salaries and wages	14,000	14,000	11,385	2,615		
Other expenses	1,200	1,200	34	1,166		

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2014

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance
					Canceled Overexpended
Celebration of Public Events:					
Other expenses	28,000	28,000	24,825	3,175	
Uniform Construction Code-Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Uniform construction code official:					
Salaries and wages	145,500	145,500	144,285	1,215	
Other expenses	22,150	22,150	8,689	13,461	
Property Maintenance					
Salaries and wages	7,000	7,000	5,750	1,250	
Other expenses	2,000	2,000	1,805	195	
Municipal Court:					
Salaries and wages	142,500	142,500	139,224	3,276	
Other expenses	28,000	28,000	23,033	4,967	
Public Defender:					
Other expenses	2,500	2,500	2,100	400	
UNCLASSIFIED:					
Utilities:					
Street lighting	180,000	172,500	167,064	5,436	
Electric & Gas	300,000	300,000	289,224	10,776	
Telephone	108,000	108,000	103,652	4,348	
Water	19,000	19,000	19,000		
Gasoline	250,000	235,500	193,945	41,555	
Accumulated Absences	5,000	5,000	5,000		
Other Expenses	3,000	3,000	2,829	171	
Snow Removal Trust	5,000	5,000	5,000		

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2014

Description	Current Fund			Unexpended Balance Canceled	Overexpended
	Budget	Budget after modifications	Paid or charged		
Total Operations within "CAPS"	14,012,180	14,020,380	13,286,900	733,480	
Contingent	1,000	6,000	6,000		
Total Operations Including Contingent-within "CAPS"	14,013,180	14,026,380	13,292,900	733,480	
Detail:					
Salaries & Wages	6,980,312	6,968,012	6,684,292	283,720	
Other Expenses (Including Contingent)	7,032,868	7,058,368	6,608,608	449,760	
	14,013,180	14,026,380	13,292,900	733,480	
Deferred Charges and Statutory Expenditures- Municipal within "CAPS"					
DEFERRED CHARGES					
Anticipated Deficit in Swim Pool Utility	36,000	36,000	36,000		
STATUTORY EXPENDITURES:					
Contribution to:					
Social Security System (O.A.S.I.)	350,000	330,000	321,698	8,302	
Pension of Widow Volunteer Firemen	16,000	10,000	9,593	407	
Volunteer Fireman's Pension	16,000	16,000	15,900	100	
Volunteer Fireman's Over Age Burial Fund	10,000	10,500	10,500		
Defined Contribution Retirement Program	4,000	4,000	3,439	561	
Public Employees Retirement system	352,268	352,268	317,360	34,908	
Police and Firemans Retirement System of N.J.	781,542	781,542	731,013	50,529	

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2014

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled	Overexpended
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	<u>1,565,810</u>	<u>1,540,310</u>	<u>1,445,503</u>	<u>94,807</u>		
Total General Appropriations for Municipal Purposes within "CAPS"	<u>15,578,990</u>	<u>15,566,690</u>	<u>14,738,403</u>	<u>828,287</u>		
Operations-Excluded from "CAPS"						
Bergen County Utilities Authority:						
Sewage Processing and Disposal	2,030,000	2,030,000	2,022,404	7,596		
Maintenance of Free Public Library:						
Contribution to Library	600,752	610,752	610,752			
Insurance:						
Recycling Tax	15,000	15,000	11,135	3,865		
Reserve for tax appeals	50,000	50,000	50,000			
Public and Private Programs Offset by Revenues:						
Clean Communities	2,065	2,065	2,019	46		
Alcohol Education and Rehabilitation	53	53		53		
Body Armor Grant	3,811	3,811	1,770	2,041		
Drunk Driving Enforcement Fund	4,087	4,087	4,087			
Municipal Alliance	4,938	4,938	4,908	30		
Municipal Alliance - Matching Funds	1,235	3,535	3,492	43		
Federal Body Armor	2,065	2,065		2,065		
Recycling Tonnage Grant	16,486	16,486	16,402	84		
Total Operations-Excluded from "CAPS"	<u>2,730,492</u>	<u>2,742,792</u>	<u>2,726,969</u>	<u>15,823</u>		

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2014

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>	<u>Overexpended</u>
Detail:						
Salaries and Wages	2,730,492	2,742,792	2,726,969	15,823		
Other Expenses	2,730,492	2,742,792	2,726,969	15,823		
Municipal Debt Service-Excluded from "CAPS"						
Payment of Bond Principal	1,060,000	1,060,000	1,060,000			
Payment of Bond Anticipation Notes	38,295	38,295	38,295			148
Interest on Bonds	502,000	502,000	501,852			61
Interest on Notes	6,400	6,400	6,339			2,870
Infrastructure Trust Loan	68,600	68,600	65,730			
Total Municipal Debt Service-Excluded from "CAPS"	1,675,295	1,675,295	1,672,216			3,079
Deferred Charges- Municipal Excluded from "CAPS"						
Special Emergency Authorizations - 5 years (N.J.S. 40A:4-55)	18,000	18,000	18,000			
Total Deferred Charges-Municipal-Excluded from "CAPS"	18,000	18,000	18,000			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	4,423,787	4,436,087	4,417,185	15,823		3,079
Subtotal General Appropriations	20,002,777	20,002,777	19,155,588	844,110		3,079
Reserve for Uncollected Taxes	795,000	795,000	795,000			

BOROUGH OF RIDGEFIELD
Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2014

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled	Overexpended
Total General Appropriations	\$ 20,797,777	<u>20,797,777</u>	<u>19,950,588</u>	<u>844,110</u>	<u>3,079</u>	
Adopted Budget		20,795,712				
Added by N.J.S.A. 40A:4-87		2,065				
		<u>\$ 20,797,777</u>				
Analysis of Paid or Charged						
Reserve for Uncollected Taxes			795,000			
Interfunds			25,000			
Reserve for Encumbrances			481,793			
Cash			18,648,795			
			<u>\$ 19,950,588</u>			

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD
Comparative Balance Sheet-Regulatory Basis
Trust Funds
December 31, 2014 and 2013

<u>Assets</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Animal License Fund:			
Cash	B-1	\$ <u>10,577</u>	<u>13,977</u>
		<u>10,577</u>	<u>13,977</u>
Unemployment Compensation Trust Fund:			
Cash	B-1	48,061	50,810
Accounts Receivable	B-6	<u>1,408</u>	<u>1,314</u>
		<u>49,469</u>	<u>52,124</u>
Other Trust Funds:			
Cash	B-1	<u>1,732,043</u>	<u>1,719,408</u>
		<u>1,732,043</u>	<u>1,719,408</u>
		<u>\$ 1,792,089</u>	<u>1,785,509</u>

BOROUGH OF RIDGEFIELD
Comparative Balance Sheet-Regulatory Basis
Trust Funds
December 31, 2014 and 2013

<u>Liabilities and Reserves</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Animal License Fund:			
Reserve for Dog License Fund expenditures	B-2	10,551	11,008
Due to State of New Jersey	B-3	26	301
Due to Current Fund	B-4	<u> </u>	<u>2,668</u>
		<u>10,577</u>	<u>13,977</u>
Unemployment Compensation Trust Fund:			
Unemployment claims Payable	B-7	1,517	869
Reserve for Expenditures	B-8	<u>47,952</u>	<u>51,255</u>
		<u>49,469</u>	<u>52,124</u>
Other Trust Funds:			
Interfunds Payable:			
Due to Current Fund - Other Trust	B-4		10,032
Reserve for:			
Other Trust Deposits	B-5	<u>1,732,043</u>	<u>1,709,376</u>
		<u>1,732,043</u>	<u>1,719,408</u>
		<u>\$ 1,792,089</u>	<u>1,785,509</u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

Comparative Balance Sheet-Regulatory Basis

General Capital Fund

December 31, 2014 and 2013

<u>Assets</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Cash:			
Checking	C-2,C-3	\$ 956,520	1,378,159
Grants Receivable	C-7	465,710	492,909
Deferred charges to future taxation:			
Funded	C-4	11,403,789	12,520,178
Unfunded	C-5	2,144,775	1,566,055
		<u>\$ 14,970,794</u>	<u>15,957,301</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds	C-8	11,046,000	12,106,000
NJ Environmental Infrastructure Trust Loan	C-9	357,789	414,178
Bond Anticipation Notes	C-10	718,410	756,705
Capital Improvement Fund	C-11	206,128	626,428
Reserve for:			
Payment of Debt	C-13	831,905	1,003,492
Capital Projects	C-14	6,650	6,650
Acquisition of Employee Time System	C-15	25,000	25,000
Improvement authorizations:			
Funded	C-16	778,173	534,214
Unfunded	C-16	998,470	458,380
Fund Balance	C-1	2,269	26,254
		<u>\$ 14,970,794</u>	<u>15,957,301</u>

There were bonds and notes authorized but not issued at December 31, 2014 and 2013 of \$1,479,379 and \$809,350 respectively. See exhibit C-17.

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

Schedule of Fund Balance

General Capital Fund

Years Ended December 31,

	<u>2014</u>	<u>2013</u>
Balance - December 31,	\$ 26,254	146,254
Increased by :		
Funded Improvement Authorizations canceled	16,499	
Premium on Sale of Notes	<u>2,269</u>	
	<u>18,768</u>	
	45,022	146,254
Decreased by:		
Budgeted Revenue	26,075	100,000
Cancellation of Grants Receivable	<u>16,678</u>	<u>20,000</u>
	<u>42,753</u>	<u>120,000</u>
Balance - December 31,	<u>\$ 2,269</u>	<u>26,254</u>

See Accompanying Notes to Financial Statements

BOROUGH OF RIDGEFIELD

Comparative Balance Sheet - Regulatory Basis

Swimming Pool Utility Fund

December 31, 2014 and 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Operating Fund:			
Cash	D-5	\$ 2,162	17,856
Petty Cash		200	100
Interfunds Receivable:			
Due from Swimming Pool Utility Capital Fund	D-8	13,630	13,630
		<u>15,992</u>	<u>31,586</u>
Deferred Charges-			
Operating Deficit	D-1	4,340	
		<u>20,332</u>	<u>31,586</u>
Total Operating Fund			
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		<u>1,822,714</u>	<u>1,822,714</u>
		<u>\$ 1,843,046</u>	<u>1,854,300</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves	D-4,D-7	\$ 198	9,958
Encumbrances Payable	D-4,D-7	781	2,275
Fund Balance	D-1	19,353	19,353
Total Operating Fund		<u>20,332</u>	<u>31,586</u>
Capital Fund:			
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		<u>1,822,714</u>	<u>1,822,714</u>
		<u>\$ 1,843,046</u>	<u>1,854,300</u>

There were bonds and notes authorized but not issued on December 31, 2014 and 2013 in the amount of \$37,000 (per Exhibit D-16).

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

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

Swimming Pool Utility Fund

December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Revenue and other income realized:		
Membership fees	\$ 181,000	196,860
Miscellaneous revenues	50,323	47,513
Other credits to income:		
Unexpended balance of appropriation reserves	6,837	794
Total income	<u>238,160</u>	<u>245,167</u>
Expenditures:		
Operations:		
Salaries and wages	159,675	152,000
Other expenses	106,525	114,500
Statutory Expenditures & Deferred Charges	12,300	12,000
Total expenditures	<u>278,500</u>	<u>278,500</u>
Excess (Deficit)	(40,340)	(33,333)
Adjustments to income before fund balance- Realized from General Fund Budget for Anticipated Deficit	<u>36,000</u>	<u>33,333</u>
	<u>(4,340)</u>	
Fund balance, January 1	<u>19,353</u>	<u>19,353</u>
Fund balance, December 31	<u>\$ 19,353</u>	<u>19,353</u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

Statement of Changes in Capital Fund Balance - Regulatory Basis

Swimming Pool Utility Capital Fund

December 31, 2013 and 2014

	<u>2013</u>	<u>2014</u>
Balance - December 31,	\$ <u>1,809</u>	\$ <u>1,809</u>
Balance - December 31,	\$ <u><u>1,809</u></u>	\$ <u><u>1,809</u></u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

Statement of Revenues-Regulatory Basis

Swimming Pool Utility Fund

Year ended December 31, 2014

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Membership fees	\$ 195,000	181,000	(14,000)
Miscellaneous revenues	47,500	50,323	2,823
	<u>242,500</u>	<u>231,323</u>	<u>(11,177)</u>
Deficit (General Budget)	<u>36,000</u>	<u>36,000</u>	
Total Swim Pool Utility Revenue	\$ <u><u>278,500</u></u>	<u><u>267,323</u></u>	<u><u>(11,177)</u></u>

Analysis of Miscellaneous Revenues

Snack Bar Contract	\$ 8,550
Chair Rental	220
Guest Fees	36,484
Miscellaneous	<u>5,069</u>
	\$ <u><u>50,323</u></u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Swimming Pool Utility Fund

Year Ended December 31, 2013

	Appropriations		Expended	
	Budget	Budget after modification	Paid or charged	Reserved
Operating:				
Salaries and wages	\$ 160,000	159,675	159,572	103
Other expenses	105,000	106,525	106,523	2
Total Operating	265,000	266,200	266,095	105
Statutory Expenditures:				
Contribution To:				
Social Security System (O.A.S.I.)	13,500	12,300	12,207	93
Total Statutory Expenditures	13,500	12,300	12,207	93
	\$ 278,500	278,500	278,302	198
		Encumbrances	781	
		Cash Disbursed	277,521	
			\$ 278,302	

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD
Comparative Balance Sheet - Regulatory Basis
Public Assistance Fund
December 31, 2014 and 2013

	<u>Ref.</u>	<u>Dec. 31</u> <u>2014</u>	<u>Dec. 31,</u> <u>2013</u>
<u>Assets</u>			
Cash	E-1	\$ <u>12,296</u>	<u>12,296</u>
		\$ <u><u>12,296</u></u>	<u><u>12,296</u></u>
<u>Liabilities</u>			
Due to Current Fund	E-2	\$ 6	6
Reserve for Public Assistance	E-3	<u>12,290</u>	<u>12,290</u>
		\$ <u><u>12,296</u></u>	<u><u>12,296</u></u>

See accompanying notes to the financial statements.

BOROUGH OF RIDGEFIELD

Statement of Net Payroll and Withholdings Payable

December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<u>Assets</u>		
Cash		
Net Payroll	\$	1,132
Payroll Agency	51	6,616
Deficit in Payroll Account	<u>7,752</u>	<u> </u>
	<u>\$ 7,803</u>	<u>7,748</u>
 <u>Liabilities:</u>		
Cash Deficit	\$ 7,752	
Due to Current Fund	<u>51</u>	<u>7,748</u>
	<u>\$ 7,803</u>	<u>7,748</u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

Statement of General Fixed Assets-Regulatory Basis

General Fixed Assets Account Group

December 31, 2014 and 2013

	Dec. 31, <u>2014</u>	Dec. 31, <u>2013</u>
Land	\$ 19,927,700	19,927,700
Land Improvements	761,702	761,702
Buildings and Improvements	11,024,990	11,024,990
Automobiles and Vehicles	6,773,928	6,591,953
Machinery and Equipment	<u>1,655,435</u>	<u>1,437,390</u>
	<u>\$ 40,143,755</u>	<u>39,743,735</u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

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

A. Reporting Entity

The Borough of Ridgefield (the "Borough") operates under a Mayor/Council form of government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the Volunteer Fire Department, First Aid Organization or Public Library, which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

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

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

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

The Borough has the following funds and account 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.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

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 the 11th day of the 11th month in the fiscal year levied, 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.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

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 February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

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 the years ended December 31, 2014 and 2013, the Governing Body approved additional revenues and appropriations of \$2,065 and \$21,259, respectfully, in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were approved by the governing body in 2014 and 2013.

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

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

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

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

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

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.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

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.

Recent Accounting Pronouncements

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the entity's financial reporting. However, the provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

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

Basis of Accounting, (continued)

In January 2013, the Government Accounting Standards Board issued GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term “government combinations” includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement, which is effective for financial statements beginning after December 15, 2013, will not have any effect on the entity’s financial reporting.

In April of 2013, the Government Accounting Standards Board issued GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement is effective for reporting periods beginning after June 15, 2013 and will not have any impact on the entity’s financial statement disclosures.

In November 2013, the Government Accounting Standards Board issued GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an amendment of GASB Statement No. 68. The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The provisions of this statement will require significant modifications to the disclosure requirements related to the entity’s proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

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.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

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, 2014 and 2013, \$-0- of the Borough's bank balance of \$7,925,191 and \$7,978,028, respectfully, 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.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2014 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable:					
Obligation Debt	\$12,106,000	\$	\$1,060,000	\$11,046,000	\$1,080,000
Other Liabilities:					
General Capital:					
NJ Infrastructure Trust					
Loans Payable	414,178		56,389	357,789	55,451
Compensated Absences	<u>786,866</u>	<u> </u>	<u>14,586</u>	<u>772,280</u>	<u> </u>
	<u>\$13,307,044</u>	<u>\$0</u>	<u>\$1,130,975</u>	<u>\$12,176,069</u>	<u>\$1,135,451</u>

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

The Borough's debt is summarized as follows:

	<u>Year 2014</u>	<u>Year 2013</u>	<u>Year 2012</u>
<u>Issued</u>			
General - Bonds, Notes and Loans	\$12,122,199	\$13,276,884	\$14,204,223
<u>Authorized But Not Issued</u>			
General - Bonds and Notes	1,479,379	809,350	647,850
Swim Pool Utility - Bonds and Notes	<u>37,000</u>	<u>37,000</u>	<u>37,000</u>
	<u>1,516,379</u>	<u>846,350</u>	<u>684,850</u>
Total Bonds, Notes and Loans Issued and Authorized But Not Issued	13,638,578	14,123,234	14,889,073
Less: Deductions	<u>884,920</u>	<u>1,003,492</u>	<u>1,061,080</u>
Net Debt	<u>\$12,753,658</u>	<u>\$13,119,742</u>	<u>\$13,827,993</u>

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

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 .713%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School District Debt	\$8,538,000	\$8,538,000	\$0
Swimming Pool Utility	37,000		37,000
General Debt	<u>13,601,578</u>	<u>884,920</u>	<u>12,716,658</u>
	<u>\$22,176,578</u>	<u>\$9,422,920</u>	<u>\$12,753,658</u>

Net Debt \$12,753,658 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended of \$1,786,440,497 equals .713%.

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

3 ½% of equalized valuation basis (municipal)	\$62,525,417
Net Debt	<u>12,753,658</u>
Remaining borrowing power	<u>\$49,771,759</u>

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	\$267,323
Deductions:	
Operating and Maintenance Cost	<u>278,500</u>
Deficit in Revenue - Not Self Liquidating	<u>(\$11,177)</u>

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 3. MUNICIPAL DEBT, (continued)

The Borough's long term debt consisted of the following at December 31, 2014:

Paid by Current Fund:

General Serial Bonds:

	Amount Outstanding	
	2014	2013
\$4,950,000 General Serial Bonds - with an interest rate of 4.00%, issued October 16, 2006, due through October 15, 2026	\$3,415,000	\$3,640,000
\$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	5,956,000	6,256,000
\$2,780,000 Refunding Bonds - with an interest rate of 2.00% to 4.00% issued December 29, 2011, due through August 1, 2017	1,675,000	2,210,000
Total General Serial Bonds	\$11,046,000	\$12,106,000

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	
	2014	2013
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	\$357,789	\$414,178

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 3. MUNICIPAL DEBT, (continued)

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

	<u>General Capital Bonds</u>			<u>General Capital Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,130,000	380,428	1,510,428	61,655	7,613	69,268
2018	565,000	333,915	898,915	60,505	5,775	66,280
2019	925,000	301,534	1,226,534	59,356	3,938	63,294
2020-2024	4,900,000	870,700	5,770,700	66,333	2,100	68,433
2025-2026	<u>1,346,000</u>	<u>54,726</u>	<u>1,400,726</u>	<u> </u>	<u> </u>	<u> </u>
	<u>\$11,046,000</u>	<u>\$2,831,096</u>	<u>\$13,877,096</u>	<u>\$357,789</u>	<u>\$39,264</u>	<u>\$397,053</u>

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, 2014 and 2013, the Borough had authorized but not issued debt as follows:

	<u>2014</u>	<u>2013</u>
General Capital Fund	\$1,479,379	\$809,350
Swim Pool Utility Capital Fund	37,000	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.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 4. BOND ANTICIPATION NOTES, (continued)

On December 31, 2014 and 2013, the Borough had \$718,410 and \$756,705, respectively, in outstanding General Capital bond anticipation notes.

The following activity related to bond anticipation notes occurred during the periods ended December 31, 2014 and 2013:

<u>2014</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>General Capital Notes Payable:</u>				
Roosevelt & Cross Inc.	\$	\$718,410	\$	\$718,410
Capital One Public Funding, LLC	<u>756,705</u>	<u>718,410</u>	<u>756,705</u>	<u>718,410</u>
	<u>\$756,705</u>	<u>\$718,410</u>	<u>\$756,705</u>	<u>\$718,410</u>

<u>2013</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>General Capital Notes Payable:</u>				
Capital One Bank	\$795,000	\$	\$795,000	\$
Capital One Public Funding, LLC	<u>756,705</u>	<u>756,705</u>	<u>795,000</u>	<u>756,705</u>
	<u>\$795,000</u>	<u>\$756,705</u>	<u>\$795,000</u>	<u>\$756,705</u>

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, 2014, the following deferred charges are shown on the balance sheet of the Current Fund:

	Balance December 31, <u>2014</u>	2015 Budget Appropriation	Balance to Succeeding Years
<u>Current Fund</u>			
Special Emergency	<u>\$36,000</u>	<u>\$18,000</u>	<u>\$18,000</u>

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

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 Firemen's 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 Firemen's 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.

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.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 6. PENSION PLANS, (continued)

Description of Systems, (continued)

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

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 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 $\frac{1}{4}$ 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

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 6. PENSION PLANS, (continued)

Description of Systems, (continued)

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

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.

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.

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)**

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:

<u>Year</u>	<u>PFRS</u>	<u>PERS</u>
December 31, 2014	\$731,013	\$316,359
December 31, 2013	748,580	330,452
December 31, 2012	704,885	340,494

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 waive 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.

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)**

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.

<u>Year</u>	<u>DCRP</u>
December 31, 2014	\$3,440
December 31, 2013	3,591
December 31, 2012	1,714

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.

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)**

NOTE 7. OTHER POST EMPLOYMENT BENEFITS, (continued)

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.

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/pdf/financial/gasb-43-july2013.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 Borough contributions to SHBP for post-retirement benefits for the years ended December 31, 2014 and December 31, 2013 were \$824,788 and \$797,540, which equaled the required contribution for each year.

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)**

NOTE 8. FUND BALANCES

Fund balances as of December 31, 2014 that have been anticipated as revenue in the 2015 budget is as follows:

Current Fund	\$1,031,318
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 \$772,280 and \$786,866 at December 31, 2014 and 2013, 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, 2014:

	Balance December 31, <u>2013</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2014</u>
Land	\$19,927,700	\$	\$	\$19,927,700
Land Improvements	761,702			761,702
Buildings and Improvements	11,024,990			11,024,990
Automobiles and Vehicles	6,591,953	181,975		6,773,928
Machinery and Equipment	<u>1,437,390</u>	<u>218,045</u>	<u> </u>	<u>1,655,435</u>
	<u>\$39,743,735</u>	<u>\$400,020</u>	<u>\$ </u>	<u>\$40,143,755</u>

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 11. DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at December 31, 2014 consist of the following:

\$51	Due to the Current Fund from the Payroll Agency Account for excess funds in the account.
6	Due to the Current Fund from the Public Assistance Trust Fund for interest earnings not turned over.
<u>13,630</u>	Due to the Swim Pool Utility Operating Fund from the Swim Pool Capital Fund for reimbursement for expenses paid in prior years.
<u>\$13,687</u>	

NOTE 12. LEASES

Capital Leases Payable

The Borough had not entered into any Capital Leases as of December 31, 2014.

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.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

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 <u>Dec 31, 2014</u>	Balance <u>Dec. 31, 2013</u>
Prepaid Taxes	<u>\$69,503</u>	<u>\$84,955</u>
Cash Liability for Taxes Collected in Advance	<u>\$69,503</u>	<u>\$84,955</u>

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 15. LITIGATION

The Borough is a defendant in various legal proceedings. A portion of these cases, if decided against the Borough, would be covered by insurance. Any judgements not covered by insurance would be raised by future taxation. The Borough expects such amounts, if any, to be immaterial.

NOTE 16. COMMITMENTS AND CONTINGENCIES

There are numerous tax appeal litigations pending at December 31, 2014. The Borough's tax appeal attorney is rigorously defending the Borough's interest in those appeals. Any successful appeals would be raised through future taxation.

NOTE 17. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events through July 6, 2015, the date which the financial statements were available to be issued and no other items were noted for disclosure.

SUPPLEMENTARY DATA AND SCHEDULES

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	December 31, <u>2014</u>	December 31, <u>2013</u>	December 31, <u>2012</u>
<u>Tax Rate</u>	2.099	2.073	2.002
<u>Apportionment of Tax Rate</u>			
Local School	1.197	1.180	1.146
County	0.273	0.266	0.239
Municipal	0.629	0.627	0.617
<u>Assessed Valuation</u>			
2014	\$1,574,907,515		
2013		\$1,552,095,638	
2012			\$1,550,641,508

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2014	\$33,112,454	\$32,296,472	97.54%
2013	32,195,658	31,698,405	98.46%
2012	31,048,740	30,231,446	96.36%

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 periods.

<u>Year</u>	<u>Amount of Tax Title Lien</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent Taxes</u>	<u>Percentage of Tax Levy</u>
2014	\$77,678	\$771,445	\$849,123	2.56%
2013	65,852	452,721	518,573	1.61%
2012	54,172	787,157	841,329	2.71%

PROPERTY ACQUIRED BY TAX TITLE LIENS LIQUIDATION

No properties have been acquired in 2014 by foreclosure or deed, as a result of liquidation of tax title liens.

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

<u>Year</u>	<u>Amount</u>
2014	\$81,180
2013	81,180
2012	81,180

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund:		
FY 2014	\$3,340,457	\$1,031,318
FY 2013	3,490,625	1,000,000
FY 2012	3,026,378	880,000
TY 2011	3,376,064	900,000
FY 2011	1,593,131	875,000
Swim Pool Utility Operating Fund:		
FY 2014	\$19,353	\$
FY 2013	19,353	
FY 2012	19,353	
TY 2011	19,353	
FY 2011	14,353	

BOROUGH OF RIDGEFIELD

Supplementary Data

Official in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of bond</u>	<u>Name of corporate surety</u>
Anthony Suarez	Mayor		
Russell Castelli	Councilman		
Javier Acosta	Councilman		
Angus Todd	Councilman		
Warren Vincentz	Councilman		
Ray Penabad	Councilman		
Dennis Shim	Councilman		
Linda Silvestri	Borough Clerk	(A)	
Frank Berardo	Chief Financial Officer	(A)	
Frank Berardo	Tax Collector	(A)	
Erik Lenander	Treasurer/Assistant to CFO	150,000	RLI Insurance Co.
Isabelle Meurer	Payroll/Finance Clerk	(A)	
Joan Gallagher	Assistant to Tax Assessor/Tax Clerk	(A)	
Jennifer Kees	Tax Clerk/Tax Search Officer	(A)	
Stephen Pellino	Borough Attorney	(A)	
David Lafferty	Magistrate	(A)	
Jasna Gego	Court Administrator	(A)	
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
Year ended December 31, 2014

Federal grantor	Program	CFDA number	Grant period	Award Amount	Balances at Dec. 31, 2013	Cash Received	Expenditures	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2014	(MEMO) Cumulative Expenditures	
Department of Environmental Protection	Emergency Management Assistance Emergency Management Assistance	97.042 97.042	2012	\$ 5,000	4,685				4,685	315	
			2011	5,000	90					90	4,910
					<u>4,775</u>				<u>4,775</u>	*	
U.S. Department of Justice	Bulletproof Vest Partnership Program	16.607	2014	2,065		2,065			2,065	*	
					<u>2,065</u>				<u>2,065</u>	*	
Department of Housing and Urban Development (passed through County of Hudson):	Community Development Block Grant: Capital Fund: Slocum Avenue Improvements ADA Cooperative Eng. Design Grant Banta Place Road Improvements Banta Place Road Improvements Hillside Street Improvements	14.219	Ord. 2153	160,000	(179)		179 A			*	
		14.219	Ord. 2210	55,000	(5,004)		50		(5,054)	*	
		14.219	Ord. 2219	100,000	(14,832)	14,832				*	
		14.219	Ord. 2219	91,000						*	
		14.219	Ord. 2257	100,000		(20,015)	14,832	50	179	(5,054)	*
						<u>(60,361)</u>				<u>2,638</u>	*
Department of Homeland Security	FEMA - Hurricane Sandy	97.036	2013	125,819		57,723				125,819	
						<u>(60,361)</u>			<u>2,638</u>		
					<u>(75,601)</u>	<u>74,620</u>	<u>50</u>	<u>2,817</u>	<u>1,786</u>	*	
<i>Total Federal Financial Assistance</i>											

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

A - Adjustment for prior year accounts receivable (16,677) and balance of impr. authorization (16,498)

BOROUGH OF RIDGEFIELD

Schedule of Expenditures of State Awards and Other Financial Assistance

Year ended December 31, 2014

State grantor	Program	Grant number	Grant period	Award Amount	Balance Dec. 31, 2013	Cash Received	Budgetary Expenditures	Adjustment	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2014	(MEMO) Cumulative Expenditures
Department of Environmental Protection	Recycling Tonnage Grant	4900-752-178840-60	2014	19,351 \$		19,351			19,351	*
	Recycling Tonnage Grant	4900-752-178840-60	2013	16,486	16,486		16,402		84	*
	Recycling Tonnage Grant	4900-752-178840-60	2011	13,437	117		117		13,437	*
	Recycling Tonnage Grant	4900-752-178840-60	2010	12,480	6,480		6,367		113	*
Department of Environmental Protection	Recycling Tonnage Grant	4900-752-178840-60	2009	13,437	3,199				3,199	*
					26,282	19,351	22,886		22,747	*
	Clean Communities Program	4900-765-178900	2014	15,247		15,247	3,669		15,247	*
	Clean Communities Program	4900-765-178900	2013	18,324	3,715				46	*
Department of Law and Public Safety	Body Armor Grant	1020-718-066-1020-001-YCJS	2014	2,777		2,777			2,777	*
	Body Armor Grant	1020-718-066-1020-001-YCJS	2013	3,811	3,811		1,770		2,041	*
	Body Armor Grant	1020-718-066-1020-001-YCJS	2012	3,039	3,039		3,039		3,039	*
	Body Armor Grant	1020-718-066-1020-001-YCJS	2011	2,801	1,270		1,090		180	*
Department of Law and Public Safety	Body Armor Grant	1020-718-066-1020-001-YCJS	2010	2,629	1,193				1,193	*
					9,313	2,777	5,899		6,191	*
	Drunk Driving Enforcement Fund	6400-100-078-6400	2013	4,087	4,087		4,087		4,087	*
					4,087		4,087			*
Department of Law and Public Safety	Secure Our Schools	100-066-1020-107	2011	98,000		98,000	98,000			98,000
						98,000	98,000			
Department of Transportation	NJDMV		2014	1,450		1,450			1,450	2,092
			2011	5,061	2,969				2,969	
Administrative Offices of the Courts	Alcohol Education and Rehabilitation	4250-700-05000-063	2014	591		591			591	*
		4250-700-05000-063	2013	53	53				53	*
		4250-700-05000-063	2012	1,403	984		469		515	419
		4250-700-05000-063	PY	377	4				4	373
County of Bergen	Municipal Alliance Grant Fund	100-082-2000-044	2014	8,473		8,071	8,400		(329)	8,400
	Municipal Alliance Grant Fund	100-082-2000-044	2013	12,345	(4,654)	4,679			25	12,320
	Municipal Alliance Grant Fund	100-082-2000-044	2012	13,856	442				442	13,414
	Municipal Alliance Grant Fund	100-082-2000-044	2010	20,712	152	12,750	8,400		152	20,560
				(4,060)				290		

(continued next page)

BOROUGH OF RIDGEFIELD

Schedule of Expenditures of State Awards and Other Financial Assistance

Year ended December 31, 2014

State grantor	Program	Grant number	Grant period	Award Amount	Balance Dec. 31, 2013	Cash Received	Budgetary Expenditures	Adjustment	Deferred Revenue/Accounts Receivable at Dec. 31, 2014	(MEMO) Cumulative Expenditures
General Capital Fund: New Jersey Department of Transportation	Elm Ave Improvements Elm Ave Improvements, Section 2	6320-480-601385-61 6320-480-601385-61	Ord. 2207	146,500	(54,123)	54,123				146,500
			Ord. 2235	150,000	(13,589)				(13,589)	13,589
County of Bergen Open Space Trust Fund	Improvements to Steward Yeale Pool Complex Grandstand Bleacher Replacement Project at Velecraft's Field Nature Center Fence Improvements	N/A N/A N/A	Ord. 2207	49,500	(49,500)	30,566			(18,934)	49,500
			Ord. 2232	55,000		55,000				
			Ord. 2260	44,000	(49,500)	30,566			(18,934)	
New Jersey Meadowlands Commission	COAH	N/A	PY	11,336	(1,425)			1,425 A		
					(1,425)			1,425		
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					\$ (71,971)	234,855	143,410	1,425	20,899	

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

A - Adjustment for prior year appropriated reserve (\$9,911) and prior year accounts receivable (\$11,336)

BOROUGH OF RIDGEFIELD

Schedule of Cash - Collector/Treasurer

Current Fund

Year Ended December 31, 2014

	Regular <u>Fund</u>
Balance - December 31, 2013	\$ 4,613,051
Increased by receipts:	
Revenue accounts receivable	9,543,555
Miscellaneous revenues not anticipated	189,834
Taxes receivable	32,589,332
Senior citizens and veterans deductions	55,080
Prepaid Taxes	69,503
Interfunds	798,324
Tax Overpayments	28,852
Due to State of NJ	20,394
Various Reserves	62,058
Grants Receivable	109,280
Unappropriated reserves	<u>39,416</u>
	<u>43,505,628</u>
	<u>48,118,679</u>
Decreased by disbursements:	
2014 budget appropriations	18,648,795
2013 appropriation reserves	503,339
Tax overpayment refunds	16,051
Local district school tax	18,735,125
County taxes	4,292,394
Interfunds	810,624
Various Reserves	31,506
Accounts Payable	4,546
Due to State of NJ	10,684
Appropriated Reserves	<u>105,574</u>
	<u>43,158,638</u>
Balance - December 31, 2014	\$ <u><u>4,960,041</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Cash - Change Fund

Current Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$ <u>450</u>
Balance - December 31, 2014	\$ <u><u>450</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2014

Year	Balance, Dec. 31, 2013	2014 Levy	Added 2014 Levy	Collected 2013	Collected in 2014	Senior & Veteran's Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2014
2013	\$ 452,721				437,565			15,156	
2014		33,057,310	55,144	84,955	32,151,767	59,750	11,826	32,711	771,445
	\$ 452,721	33,057,310	55,144	84,955	32,589,332	59,750	11,826	47,867	771,445

Analysis of 2014 Tax Levy

Tax yield:	
General property tax	\$ 33,057,310
Added tax (R.S.54:4-63.1 et seq.)	55,144
	<u>\$ 33,112,454</u>

Tax Levy:	
Local District School Tax	\$ 18,851,685
County Tax	4,236,578
County Open Space Preservation	46,023
County Added and Omitted Taxes	7,156
	<u>4,289,757</u>

Local Tax for Municipal Purposes	\$ 9,971,012
Add: Additional Taxes Levied	48,636
	<u>9,971,012</u>
Local Tax for Municipal Purposes	\$ 33,112,454

BOROUGH OF RIDGEFIELD
Schedule of Revenue Accounts Receivable
Current Fund
Year Ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	Accrued in 2014	<u>Collected</u>	Balance, Dec. 31, <u>2014</u>
Clerk:				
Licenses:				
Alcoholic beverages	\$	30,688	30,688	
Other		44,785	44,785	
Fees and permits		231,521	231,521	
Municipal Court fines and costs	27,480	313,321	319,073	21,728
Interest and cost on taxes		81,589	81,589	
Interest on investments		907	907	
Hackensack Meadowlands Adjustment to Tax Sharing		1,282,046	1,282,046	
Energy Receipts Tax		5,242,420	5,242,420	
Supplemental Energy Receipts Tax		255,930	255,930	
Uniform Construction Code Fees		408,868	408,868	
Uniform Fire Safety Act		37,939	37,939	
Rental of Borough Property - Shaler Lease		250,000	250,000	
Rental of Borough Property - Shaler Lease - Debt Service Payments		370,600	370,600	
Sewer Charges		240,765	240,765	
Sewer Charges - Additional - Tier II User Charges		301,811	301,811	
Reserve for Payment of Debt - 2006 Bonds		215,000	215,000	
Capital Fund Balance		26,075	26,075	
EMS Medical Transport		72,102	72,102	
Reserve for Payment of Debt - Ord. 2108		24,000	24,000	
Cable TV Franchise Fee		107,436	107,436	
	<u>\$ 27,480</u>	<u>9,537,803</u>	<u>9,543,555</u>	<u>21,728</u>

BOROUGH OF RIDGEFIELD

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

Current Fund

Year Ended December 31, 2014

<u>Purpose</u>	<u>Date</u>	Amount <u>Authorized</u>	Not Less Than 1/5 of Amount <u>Authorized</u>	Balance, Dec. 31, 2013	<u>Decreased</u>	Balance, Dec. 31, 2014
Re-Assessment of Real Property	July 2011	90,000	18,000	54,000	18,000	36,000
				<u>54,000</u>	<u>18,000</u>	<u>36,000</u>
				\$	<u>18,000</u>	<u>36,000</u>

BOROUGH OF RIDGEFIELD
Schedule of Property Aquired for Taxes
Current Fund
Year Ended December 31, 2014

Balance - December 31, 2013	\$ <u>81,180</u>
Balance - December 31, 2014	\$ <u><u>81,180</u></u>

BOROUGH OF RIDGEFIELD

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

Current Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$ 62,622
Increased by:	
Senior citizens' and veterans' deductions per tax billings	<u>59,750</u>
	122,372
Decreased by:	
Cash received	<u>55,080</u>
Balance - December 31, 2014	<u><u>\$ 67,292</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Local District School Taxes Payable

Current Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$ (74,254)
Increased by:	
2014 Levy	<u>18,851,685</u>
	18,777,431
Decreased by:	
Cash Disbursed	<u>18,735,125</u>
Balance - December 31, 2014	<u><u>\$ 42,306</u></u>

Exhibit A-12

BOROUGH OF RIDGEFIELD
Schedule of County Taxes Payable
Current Fund
Year Ended December 31, 2014

Increased by:		
County Tax Levy	\$ 4,236,578	
County Open Space Tax Levy	<u>46,023</u>	
		\$ <u>4,282,601</u>
Decreased by:		
Cash Disbursed		\$ <u>4,282,601</u>

Exhibit A-13

**Schedule of Due County for Added
and Omitted Taxes**
Current Fund
Year Ended December 31, 2014

Balance - December 31, 2013	\$ 2,637
Increased by:	
2014 Added Levy	<u>7,156</u>
	9,793
Decreased by:	
Cash Disbursed	\$ <u>9,793</u>

BOROUGH OF RIDGEFIELD

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	Balance after <u>Transfers</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
General Administration	\$ 352	352		352
Municipal Clerk's Office	786	786		786
Financial Administration	981	981		981
Collection of Taxes	731	731		731
Assessment of Taxes	121	121		121
Fire Prevention Bureau	1,948	1,948		1,948
Police	5,372	5,372		5,372
Community Service Officers	4,358	4,358		4,358
Emergency Management Services	3,310	3,310		3,310
Road Repairs and Maintenance	12,452	12,452		12,452
Garbage and Trash Removal	2,728	2,728		2,728
Recycling Program	355	355		355
Board of Health	978	978		978
Parks and Recreation	485	485		485
Youth Commission	7	7		7
Municipal Court	5,733	5,733		5,733
Construction Code Official	9,403	9,403		9,403
Property Maintenance	733	733		733
Total Salaries and Wages Within "CAPS"	50,833	50,833		50,833
Other Expenses Within "CAPS":				
General Administration	77	438	360	78
Rent Leveling	1,044	1,044		1,044
Mayor and Council	8,996	9,323	2,246	7,077
Municipal Clerk's Office	12,577	17,577	4,851	12,726
Financial Administration	8,297	17,786	14,061	3,725
Auditing and Accounting Services	2,500	30,000	27,500	2,500
Collection of Taxes	3,506	4,599	1,092	3,507
Assessment of Taxes:				
Other Expenses	413	910	497	413
Professional Services	980	980		980
Legal Services:				
Retainer	400	400		400
Other Expenses	5,740	23,740	10,728	13,012
Engineering	1,358	25,921	24,564	1,357
Planning Board:				
Other Expenses	5,266	5,819	553	5,266

BOROUGH OF RIDGEFIELD

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Insurance:				
Liability	4,378	4,378		4,378
Workers Compensation	1,523	1,523		1,523
Employee Group Health	76,474	81,829	11,292	70,537
Fire:				
Clothing Allowance	17,554	67,554	36,952	30,602
Fire Hydrant Service	626	10,408	9,870	538
Miscellaneous	3,268	30,167	30,095	72
Fire Prevention Bureau	314	1,836	1,522	314
Police:				
Other Expenses	1,713	18,365	17,059	1,306
Purchase of Police Vehicles	14	2,314	2,300	14
Police Dispatching/Communications	3,000	8,000	4,744	3,256
First Aid Organization:				
Clothing Allowance	4,929	39,929	26,949	12,980
Miscellaneous	12,190	13,559	4,451	9,108
Community Service Officers	3,321	4,006	701	3,305
Emergency Management Services	5,148	5,148		5,148
Road Repairs and Maintenance	6,396	22,254	15,901	6,353
Maintenance of Borough Vehicles:				
Streets and Roads	11,310	20,443	8,808	11,635
Fire	266	9,556	9,378	178
Police	1,482	15,623	15,621	2
Ambulance	222	1,236	1,105	131
Garbage	6,564	7,325	760	6,565
Building	930	930		930
Health	500	500		500
Sanitation:				
Garbage and Trash Removal	2,767	31,251	27,631	3,620
Sanitary Landfill Disposal Costs - Contractual	29,922	73,684	42,332	31,352
Public Buildings and Grounds	8,116	13,077	5,210	7,867
Health and Welfare:				
Board of Health	4,379	18,687	14,444	4,243
Bergen County Animal Shelter	1,167	1,167		1,167
Environmental Commission:				
Arborist	102	932	830	102
Administration of Public Assistance:				
Other Expenses - Miscellaneous	1,000	1,000		1,000
Parks and Recreation	1,863	21,272	21,114	158

BOROUGH OF RIDGEFIELD

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Youth Commission	200	200		200
Celebration of Public Events	321	1,546	1,545	1
Municipal Court	8,332	9,822	8,795	1,027
Public Defender	800	1,000	200	800
Construction Code Official	7,761	9,077	1,797	7,280
Property Maintenance	43	543	500	43
Street Lighting	2,135	18,135	15,217	2,918
Electricity	3,962	25,962	25,962	
Telephone	1,169	7,253	6,827	426
Water	30	1,230	1,140	90
Gasoline	7,474	25,474	17,023	8,451
Anti Bullying Committee:				
Other Expenses	153	168	15	153
Contingent	1,000	1,000		1,000
Total Other expenses Within "CAPS"	<u>295,972</u>	<u>767,900</u>	<u>474,542</u>	<u>293,358</u>
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security (O.A.S.L)	9,733	9,733	4,878	4,855
Pension of Widow Volunteer Firemen	176	176		176
Volunteer Fireman's Pension	100	1,000	900	100
Defined Contribution Retirement Program	109	109		109
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>10,118</u>	<u>11,018</u>	<u>5,778</u>	<u>5,240</u>
Total Reserves Within "CAPS"	<u>356,923</u>	<u>829,751</u>	<u>480,320</u>	<u>349,431</u>
Operations - Excluded from "CAPS"				
Public and Private Programs Offset by Revenues:				
Clean Communities Program	1,650	7,238	7,238	
Alcohol Education and Rehabilitation	984	984	469	
Emergency Management Assistance		10,000	10,000	
Body Armor Grant	3,039	3,039	3,039	
Municipal Alliance	9	9		
Municipal Alliance - Matching Funds	16	16		
Recycling Tonnage Grant		910	910	
Total Public and Private Programs Offset by Revenues	<u>5,698</u>	<u>22,196</u>	<u>21,656</u>	

BOROUGH OF RIDGEFIELD

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Other Expenses Excluded From "CAPS":				
Bergen County Utility Authority				
Sewarge Processing and Disposal	12,559	12,559		12,559
Employees Group Health	4,800			
Recycling Tax	5,167	6,010	1,902	4,108
Capital Improvements Fund	45,000	45,000		45,000
Total Other Expenses Excluded from "CAPS"	<u>67,526</u>	<u>63,569</u>	<u>1,902</u>	<u>61,667</u>
Total Reserves Excluded from "CAPS"	<u>73,224</u>	<u>85,765</u>	<u>23,558</u>	<u>61,667</u>
Total Reserves	<u>\$ 430,147</u>	<u>915,516</u>	<u>503,878</u>	<u>411,098</u>
Appropriation reserves		430,147		
Encumbrances		<u>485,369</u>		
		<u>\$ 915,516</u>		
			Cash Disbursements	503,339
			Transferred to Appropriated Reserves	<u>539</u>
			<u>\$</u>	<u>503,878</u>

Exhibit A-15

BOROUGH OF RIDGEFIELD
Schedule of Reserve for Encumbrances
Current Fund
Year Ended December 31, 2014

Balance - December 31, 2013	\$	485,369
Increased by:		
2014 encumbrances		<u>481,793</u>
		967,162
Decreased by:		
Transferred to appropriation reserves		<u>485,369</u>
Balance - December 31, 2014	\$	<u><u>481,793</u></u>

Exhibit A-16

Schedule of Tax Overpayments
Current Fund
Year Ended December 31, 2014

Balance - December 31, 2013	\$	14,597
Increased by:		
Cash Receipts		<u>28,852</u>
		43,449
Decreased by:		
Cash Disbursements		<u>16,051</u>
Balance - December 31, 2014	\$	<u><u>27,398</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$	84,955
Increased by:		
2014 prepaid taxes collected		<u>69,503</u>
		154,458
Decreased by:		
Taxes realized as revenue		<u>84,955</u>
Balance - December 31, 2014	\$	<u><u>69,503</u></u>

Schedule of Accounts Payable

Current Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$	23,796
Decreased by:		
Cash Disbursements	\$	4,546
Cancelled		<u>10,899</u>
		<u>15,445</u>
Balance - December 31, 2014	\$	<u><u>8,351</u></u>

BOROUGH OF RIDGEFIELD

**Schedule of Amount Due to the
State of New Jersey**

Current Fund

Year Ended December 31, 2014

	<u>Marriage License Fee</u>	<u>Burial Permit Fee</u>	<u>Construction Training Fee</u>	<u>Total</u>
Balance - December 31, 2013	\$ 525		1,985	\$ 2,510
Increased by:				
Collections	<u>1,675</u>	<u>10</u>	<u>18,709</u>	<u>20,394</u>
	2,200	10	20,694	22,904
Decreased by:				
Prior year adjustment	25			25
Payments	<u>1,800</u>	<u>5</u>	<u>8,879</u>	<u>10,684</u>
	<u>1,825</u>	<u>5</u>	<u>8,879</u>	<u>10,709</u>
Balance - December 31, 2014	<u>\$ 375</u>	<u>5</u>	<u>11,815</u>	<u>\$ 12,195</u>

BOROUGH OF RIDGEFIELD

Schedule of Interfunds Due from/(to) Other Funds

Current Fund

Year Ended December 31, 2014

	Balance Dec. 31, <u>2013</u>	<u>Increased</u>	<u>Decreased</u>	Balance Dec. 31, <u>2014</u>
Trust Funds:				
Animal License Fund	\$ 2,668		2,668	
Payroll Account	1,132		1,132	
Payroll Agency	6,616		6,565	51
Other Trust Fund	10,032		10,032	
Unemployment Trust Fund		25,000	25,000	
General Capital Fund		1,022,610	1,022,610	
Swim Pool Utility Operating Fund		2,014	2,014	
Public Assistance Trust Fund	<u>6</u>	<u>68</u>	<u>68</u>	<u>6</u>
	<u>\$ 20,454</u>	<u>1,049,692</u>	<u>1,070,089</u>	<u>57</u>
Cash Receipts			\$ 798,324	
Cash Disbursement		810,624		
Reimbursement for expenditures paid			7,697	
Budgeted Revenue		239,000	239,000	
Budget Appropriations			25,000	
Interest Earned		<u>68</u>	<u>68</u>	
		<u>\$ 1,049,692</u>	<u>1,070,089</u>	

BOROUGH OF RIDGEFIELD

Schedule of Various Reserves

Current Fund

Year Ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2014</u>
Reserve for:				
Tax Appeals	\$ 148,011	62,058	31,506	178,563
Re-Assessment	4,500			4,500
Miscellaneous		50		50
	<u>\$ 152,511</u>	<u>62,108</u>	<u>31,506</u>	<u>183,113</u>
		Cash Receipts \$ 62,058		
		Cash Disbursements	31,506	
		Miscellaneous Revenue	50	
		<u>\$ 62,108</u>	<u>31,506</u>	

BOROUGH OF RIDGEFIELD

Schedule of Tax Title Liens

Current Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$	65,852
Increased by:		
Transferred from taxes receivable		<u>11,826</u>
Balance - December 31, 2014	\$	<u><u>77,678</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Grants Receivable

State and Federal Grant Fund

Year Ended December 31, 2014

<u>Purpose</u>	Balance, Dec. 31, <u>2013</u>	2014 Budget Revenue <u>Realized</u>	<u>Received</u>	<u>Cancelled</u>	Balance, Dec. 31, <u>2014</u>
NJ Meadowlands Grant - COAH	\$ 11,336			(11,336)	
Municipal Alliance	4,679	4,938	9,215		402
US Dept of Justice - Secure Our Schools	98,000		98,000		
Recycling Tonnage Grant		16,486	16,486		
Clean Communities		2,065	2,065		
Body Armor		3,811	3,811		
Bullet Proof Vest		2,065	2,065		
Drunk Driving Enforcement Fund		4,087	4,087		
Alcohol Education Rehabilitation		53	53		
	<u>\$ 114,015</u>	<u>33,505</u>	<u>135,782</u>	<u>(11,336)</u>	<u>402</u>
			Cash receipts \$ 109,280		
			Unappropriated Reserves <u>26,502</u>		
			<u>\$ 135,782</u>		

BOROUGH OF RIDGEFIELD

Schedule of Appropriated Grant Reserves

State and Federal Grant Fund

Year Ended December 31, 2014

<u>Purpose</u>	<u>Balance, Dec. 31, 2013</u>	<u>Expended</u>	<u>Transferred from Appropriation Reserves</u>	<u>Cancelled</u>	<u>Balance, Dec. 31, 2014</u>
Clean Communities Program	\$ 1,977				1,977
NJ Meadowlands Grant - COAH	9,911			(9,911)	
Municipal Alliance	594		24		618
Body Armor Grant	2,463	1,090			1,373
Emergency Management Grant	4,775				4,775
NJ Recycling Tonnage Grant	9,796	6,484			3,312
Alcohol Education Rehabilitation	4		515		519
Municipal Court DMV	2,969				2,969
US Dept. of Justice - Secure Our Schools	98,000	98,000			
	<u>\$ 130,489</u>	<u>105,574</u>	<u>539</u>	<u>(9,911)</u>	<u>15,543</u>

BOROUGH OF RIDGEFIELD

Schedule of Unappropriated Grant Reserves

State and Federal Grant Fund

Year Ended December 31, 2014

<u>Purpose</u>	Balance, Dec. 31, 2013	<u>Received</u>	Appropriated in 2014 <u>Budget</u>	Balance, Dec. 31, 2014
Body Armor Grant	\$ 3,811	2,777	3,811	2,777
NJ Department of Motor Vehicles - Drunk Drunk Driving Enforcement Fund	4,087	1,450	4,087	1,450
Recycling Tonnage Grant	16,486	19,351	16,486	19,351
Clean Communities Program	2,065	15,247	2,065	15,247
Alcohol Education and Rehab. Fund	53	591	53	591
	<u>\$ 26,502</u>	<u>39,416</u>	<u>26,502</u>	<u>39,416</u>

BOROUGH OF RIDGEFIELD

Schedule of Cash - Treasurer

Trust Funds

Year Ended December 31, 2014

	Animal License Fund	Unemployment Compensation Fund	Other Trust Funds
Balance - December 31, 2013	\$ <u>13,977</u>	<u>50,810</u>	<u>1,719,408</u>
Increased by:			
Employee payroll deductions		11,320	
Interfunds		25,000	
Budget Appropriation			
Dog License Fees	6,388		
State Fees	947		
Miscellaneous Reserves			687,309
	<u>7,335</u>	<u>36,320</u>	<u>687,309</u>
	<u>21,312</u>	<u>87,130</u>	<u>2,406,717</u>
Decreased by:			
State Fees	999		
Interfunds	2,668		10,032
Animal license expenditures	7,068		
Unemployment Claims payable		39,069	
Miscellaneous Reserves			664,642
	<u>10,735</u>	<u>39,069</u>	<u>674,674</u>
Balance - December 31, 2014	\$ <u><u>10,577</u></u>	<u><u>48,061</u></u>	<u><u>1,732,043</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Reserve for Expenditures

Animal License Fund

Year Ended December 31, 2014

Balance - December 31, 2013		\$	11,008
Increased by:			
Dog license fees	\$	4,898	
Cat license fees		410	
Prior Period Adjustment - Due to State		223	
Postage/late fees		<u>1,080</u>	
			<u>6,611</u>
			17,619
Decreased by:			
Disbursements			<u>7,068</u>
Balance - December 31, 2014		\$	<u><u>10,551</u></u>

<u>Dog License Fees Collected</u>		
	2012	6,283
	2013	<u>7,126</u>
		\$ <u><u>13,409</u></u>

BOROUGH OF RIDGEFIELD

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

Animal License Trust Fund

Year Ended December 31, 2014

Balance - December 31, 2013		\$	301
Increased by:			
2014 fees collected			<u>947</u>
			1,248
Decreased by:			
Paid to State Treasurer	\$	999	
Prior Period Adjustment		<u>223</u>	
			<u>1,222</u>
Balance - December 31, 2014		\$	<u><u>26</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Interfunds

Trust Funds

Year Ended December 31, 2014

	Balance Due from/(to) Dec. 31, <u>2013</u>	<u>Increased</u>	<u>Decreased</u>
Animal License Fund:			
Current Fund	\$ (2,668)	2,668	
Unemployment Trust Fund:			
Current Fund		25,000	25,000
Other Trust Fund:			
Current Fund	<u>(10,032)</u>	<u>10,032</u>	<u> </u>
	<u>\$ (12,700)</u>	<u>37,700</u>	<u>25,000</u>
		Cash Receipts \$ 25,000	
		Cash Disbursements 12,700	
		<u>Budget Appropriations</u>	<u>25,000</u>
		<u>\$ 37,700</u>	<u>25,000</u>

BOROUGH OF RIDGEFIELD

Schedule of Miscellaneous Reserves

Other Trust Funds

Year Ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2014</u>
Reserve for:				
P.O.A.A.	\$ 9,050	2,878		11,928
Fire Prevention	2,803	15,195	8,158	9,840
Tax Sale Premiums	87,500	99,400	143,800	43,100
Recycling Program	54,463	23,078	25,304	52,237
Community Gardens	2,277	525	1,207	1,595
Shade Tree Commission	12,085	31,200	1,102	42,183
Recreation Fees	30,818	42,845	50,826	22,837
Public Defender	8,954	3,580	2,500	10,034
Library Donation	2,250			2,250
Anti Bullying Committee	1,210	696	299	1,607
Police Outside Duty	58,182	296,054	274,458	79,778
Accumulated Unused Sick Leave	156,041	5,000		161,041
Snow Removal	56,748	5,150		61,898
Youth Commission	45,630	23,955	33,644	35,941
Marriage Ceremony Fees	450	2,100	2,100	450
Road Opening Deposits	680	2,550	1,180	2,050
Miscellaneous Deposits	9,815		3,420	6,395
Escrow	186,298	70,194	95,044	161,448
COAH	923,308	2,307	21,600	904,015
Landlord Security and Maintenance	60,814	127		60,941
Rehab Revolving Loan		60,475		60,475
	<u>\$ 1,709,376</u>	<u>687,309</u>	<u>664,642</u>	<u>1,732,043</u>

BOROUGH OF RIDGEFIELD
Schedule of Accounts Receivable
Unemployment Compensation Trust Fund
Year Ended December 31, 2014

Balance - December 31, 2013	\$	1,314
Increased by:		
Unemployment Insurance Payroll Deductions		11,414
		12,728
Decreased by:		
Cash Receipts		11,320
Balance - December 31, 2014	\$	1,408

Analysis of Balance:		
4th quarter 2014		1,408
	\$	1,408

BOROUGH OF RIDGEFIELD
Schedule of Due to State of New Jersey
Unemployment Compensation Trust Fund
Year Ended December 31, 2014

Balance - December 31, 2013	\$	869
Increased by:		
Quarterly Billings		<u>39,717</u>
		40,586
Decreased by:		
Disbursements		<u>39,069</u>
Balance - December 31, 2014	\$	<u><u>1,517</u></u>

BOROUGH OF RIDGEFIELD

**Schedule of Reserve for Unemployment
Compensation Insurance**

Unemployment Insurance Compensation Trust

Year Ended December 31, 2014

Balance - December 31, 2013		\$	51,255
Increased by:			
Unemployment Insurance Payroll Deductions	\$	11,414	
Interfunds		<u>25,000</u>	
			<u>36,414</u>
			87,669
Decreased by:			
Unemployment Insurance Claims Payable			<u>39,717</u>
Balance - December 31, 2014		\$	<u><u>47,952</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Cash - Treasurer

General Capital Fund

Year Ended December 31, 2014

Balance - December 31, 2013		\$	1,378,159
Increased by receipts:			
Interfunds	\$	783,610	
Grants Receivable		154,521	
Premium on Bond Anticipation Notes		2,269	
Reserve for Payment of Debt		<u>67,413</u>	
			<u>1,007,813</u>
			2,385,972
Decreased by disbursements:			
Interfunds		1,022,610	
Fund Balance		26,075	
Improvement Authorizations		<u>380,767</u>	
			<u>1,429,452</u>
Balance - December 31, 2014		\$	<u><u>956,520</u></u>

BOROUGH OF RIDGEFIELD

Schedule of General Capital Fund Cash

General Capital Fund

Year Ended December 31, 2014

Capital Improvement Fund	\$ 206,128
Grant Receivable	(465,710)
Reserve for Payment of Debt	831,905
Reserve for Capital Projects	6,650
Excess Proceeds from Note Sale	53,014
Reserve for Acquisition of Employee Time System	25,000
Fund Balance	2,269

Improvement description

1888	Addition to Shaler Academy	70,117
1917/1927	Various Improvements	46,452
1944/2059	Improvements to Ridgefield Library	45,772
1952	Various Road Improvements	(21,291)
2005/2012	Various Public Improvements	58,051
2116	Acquisition of Pumper Ladder	(85,329)
2188	Acquisition of a Compacting Garbage Truck	18,655
2191	Upgrades to Tennis Courts at Veteran's Memorial Park	2,600
2207	Various Public Improvements	(373,431)
2210	Design of ADA Compliance Requirements at Intersections Along Bergen County Roads	49,946
2219	Banta Place Improvements	97,776
2222	Sanitary Sewer Improvements at Hoty and Edgewater Avenues	(161,500)
2232	Grandstand Bleachers Replacement at Veterans Memorial Park	1,845
2235	Elm Avenue Improvements	160,642
2251	Interior Improvements to the Community Center	71,645
2255	Bleacher Installation and Concrete Footings	13,050
2257	Hillside Street Improvements	100,000
2259	Asphalt Overlay on Portions of 12 Borough Streets	2,970
2260	Nature Center Fence Improvements	88,000
2264	Community Center Kitchen Improvements	110,000
2265	Various Capital Improvements	1,294
		\$ 956,520

BOROUGH OF RIDGEFIELD

**Schedule of Deferred Charges to Future
Taxation - Funded**

General Capital Fund

Year Ended December 31, 2014

Balance - December 31, 2013		\$	12,520,178
Decreased by:			
Budget appropriations:			
Bond Principal	\$	1,060,000	
NJ Environmental Infrastructure Trust Loan		<u>56,389</u>	
			<u>1,116,389</u>
Balance - December 31, 2014		\$	<u><u>11,403,789</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Interfunds

General Capital Fund

Year Ended December 31, 2014

	<u>Increased</u>	<u>Decreased</u>
Current Fund	\$ 1,022,610	1,022,610
	<hr/>	<hr/>
	\$ <u>1,022,610</u>	<u>1,022,610</u>
Cash Receipts \$		783,610
Cash Disbursements	1,022,610	
Budgeted Revenue	<hr/>	<hr/> 239,000
	\$ <u>1,022,610</u>	<u>1,022,610</u>

BOROUGH OF RIDGEFIELD

Schedule of Grants Receivable

General Capital Fund

Year Ended December 31, 2014

<u>Grant Amount</u>	<u>Year</u>	<u>Ordinance</u>	<u>Balance Dec. 31, 2013</u>	<u>2013 Grants Authorized</u>	<u>Received</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2014</u>				
<u>New Jersey Department of Transportation</u>											
146,500	2012	2207	\$ 54,123		54,123		150,000				
150,000	2013	2235	150,000								
<u>Bergen County ADA Cooperative Engineering</u>											
<u>Design Grant:</u>											
55,000	2012	2210	55,000				55,000				
<u>Bergen County Open Space Preservation</u>											
<u>Trust Fund:</u>											
49,500	2012	2207	49,500		30,566		18,934				
55,000	2013	2232	55,000		55,000		44,000				
44,000	2014	2260		44,000							
<u>Community Development Block Grant</u>											
200,000	2009	2153	16,678			16,678	6,776				
100,000	2012	2219	21,608		14,832		91,000				
91,000	2012	2219	91,000				100,000				
100,000	2014	2257		100,000							
							<u>\$ 492,909</u>	<u>144,000</u>	<u>154,521</u>	<u>16,678</u>	<u>465,710</u>

BOROUGH OF RIDGEFIELD

Schedule of Serial Bonds

General Capital Fund

Year Ended December 31, 2014

<u>Purpose</u>	<u>Date of issue</u>	<u>Original issue</u>	<u>Maturities of bonds outstanding</u>		<u>Interest rate</u>	<u>Balance, Dec. 31, 2013</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2014</u>
			<u>Date</u>	<u>Amount</u>				
General Obligation Bonds of 2006	October 15, 2006	4,950,000	October 15, 2015	235,000	4.000% \$	3,640,000	225,000	3,415,000
			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, 2015	300,000	4.250%	6,256,000	300,000	5,956,000
			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

Year Ended December 31, 2014

<u>Purpose</u>	<u>Date of issue</u>	<u>Original issue</u>	<u>Maturities of bonds outstanding</u>		<u>Interest rate</u>	<u>Balance, Dec. 31, 2013</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2014</u>
			<u>Date</u>	<u>Amount</u>				
Refunding Bonds of 2011	December 31, 2011	2,780,000	April 1, 2015	545,000	3.000%	2,210,000	535,000	1,675,000
			April 1, 2016	555,000	4.000%			
			April 1, 2017	575,000	4.000%			
						<u>\$ 12,106,000</u>	<u>1,060,000</u>	<u>11,046,000</u>

BOROUGH OF RIDGEFIELD

Schedule of New Jersey Infrastructure Trust Loan

General Capital Fund

Year Ended December 31, 2014

Purpose	Date of issue	Original issue	Maturities of bonds outstanding		Interest rate	Balance, Dec. 31, 2013	Decreased	Balance, Dec. 31, 2014
			Date	Amount				
NJ Environmental Infrastructure Trust Loan	November 9, 2000	990,000	February 1, 2015	3,343	5%-5.25%	414,178	56,389	357,789
			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					
						\$ 414,178	56,389	357,789

BOROUGH OF RIDGEFIELD

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2014

<u>Ord. Number</u>	<u>Purpose</u>	<u>Date of original issue</u>	<u>Original issue</u>	<u>Date of Maturity</u>	<u>Interest rate</u>	<u>Balance, Dec. 31, 2013</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2014</u>
2108	Synthetic Turf Willis Field	December 10, 2010	Oct. 29, 2013	Oct. 28, 2014	0.840% \$	476,000	450,000	476,000	450,000
2116	Acquisition of Pump Ladder	December 10, 2010	Oct. 29, 2013	Oct. 28, 2014	0.840%	280,705	268,410	280,705	268,410
						<u>\$ 756,705</u>	<u>718,410</u>	<u>756,705</u>	<u>718,410</u>
							Renewed \$ 718,410	38,295	718,410
							Paid via Budget Appropriation \$ <u>718,410</u>	<u>756,705</u>	

Exhibit C-11

BOROUGH OF RIDGEFIELD
Schedule of Capital Improvement Fund
General Capital Fund
Year Ended December 31, 2014

Balance - December 31, 2013	\$ <u>626,428</u>
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>420,300</u>
Balance - December 31, 2014	\$ <u><u>206,128</u></u>

Exhibit C-12

Schedule of Overexpenditure of Improvement Authorization
General Capital Fund
Year Ended December 31, 2014

Balance - December 31, 2013	\$ <u>179</u>
Decreased by:	
Reallocation to Ord 2153	<u><u>179</u></u>

BOROUGH OF RIDGEFIELD
Schedule of Reserve for Payment of Debt
General Capital Fund
Year Ended December 31, 2014

Balance - December 31, 2013		\$	1,003,492
Increased by:			
Cash Receipts:			
Ord. 2108, Willis Field Reimbursement			<u>67,413</u>
			1,070,905
Decreased by:			
Current Fund Budgeted Revenue			<u>239,000</u>
Balance - December 31, 2014		\$	<u><u>831,905</u></u>
	Ord. 2108		178,239
	2006 Bonds		<u>653,666</u>
			<u><u>831,905</u></u>

Schedule of Reserve for Capital Projects
General Capital Fund
Year Ended December 31, 2014

Balance - December 31, 2013		\$	<u>6,650</u>
Balance - December 31, 2014		\$	<u><u>6,650</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Reserve for Acquisition of Employee Time System

General Capital Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$ <u>25,000</u>
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Balance - December 31, 2014	\$ <u><u>25,000</u></u>
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BOROUGH OF RIDGEFIELD
Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2014

Ordinance number	Improvement description	Ordinance Date	Amount	Balance, Dec. 31, 2013		Authorized	Expended	Canceled	Balance, Dec. 31, 2014	
				Funded	Unfunded				Funded	Unfunded
1888	Addition to Shaler Academy	9/27/2004	5,198,000	\$ 70,117					70,117	
1917/1927	Various Improvements	5/23/2005	670,600	46,452					46,452	
1944/2059	Improvements to Ridgefield Library	8/8/2005	450,000	60,772			15,000		45,772	
1952	Various Road Improvements	10/24/2005	200,000		43,709					43,709
2005/2012	Various Public Improvements	11/13/2006	1,949,000	59,365			1,314		58,051	
2108	Synthetic Turf Athletic Field, Willis Field	7/27/2009	550,000		53,014			53,014		
2116	Acquisition of Pumpier Ladder	11/23/2009	810,000		19,671			19,671		
2153	Various Improvements	11/22/2010	200,000	16,499				16,499		
2187	Sidewalk Improvements/Improvements to the 9-11 Memorial Path	11/14/2011	45,000	1,982			1,982			
2188	Acquisition of a Compacting Garbage Truck	12/12/2011	225,000	18,655					18,655	
2191	Upgrades to Tennis Courts at Veterans Memorial Park	2/13/2012	60,000	2,600	180,575		76,156		2,600	104,419
2207	Various Public Improvements	6/25/2012	699,000							
2210	Design of ADA Compliance Requirements at Intersections Along Bergen County Roads	10/22/2012	55,000	49,996			50		49,946	
2219	Banta Place Improvements	3/11/2013	291,000	97,776					97,776	
2232	Grandstand Bleachers Replacement at Veterans Memorial Park	9/9/2013	110,000	110,000	161,411		108,155		1,845	160,642
2235	Elm Avenue Improvements	9/23/2013	175,000				769			
2248	Purchase of 2014 Chevrolet Tahoe	2/24/2014	44,000		44,000					
2251	Interior Improvements to the Community Cent	3/4/2014	110,000		110,000		38,355		71,645	
2255	Bleacher Installation and Concrete Footings	5/12/2014	40,000		40,000		26,950		13,050	
2257	Hillside Street Improvements	6/23/2004	100,000		100,000				100,000	
2259	Asphalt Overlay on Portions of 12 Borough Streets	8/18/2014	36,000		36,000		33,030		2,970	
2260	Nature Center Fence Improvements	8/18/2014	88,000		88,000				88,000	
2264	Community Center Kitchen Improvements	10/27/2014	110,000		110,000				110,000	
2265	Various Capital Improvements	10/27/2014	726,000		726,000		35,006		1,294	689,700
				\$ 534,214	458,380	1,254,000	380,767	89,184	778,173	998,470
				Capital Improvement Fund \$		420,300				
				Grants		144,000				
				Deferred Charges Unfunded		689,700				
				\$		1,254,000				
				Deferred Charges Unfunded \$		72,685				
				Fund Balance		16,499				
				\$		89,184				

BOROUGH OF RIDGEFIELD

Schedule of Bonds and Notes Authorized but not Issued

General Capital Fund

Year Ended December 31, 2014

<u>Ordinance number</u>	<u>Improvement description</u>	Balance, Dec. 31, <u>2013</u>	<u>Authorized</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2014</u>
1952	Various Road Improvements	\$ 65,000			65,000
2116	Acquisition of a Pump Ladder Truck	105,000		19,671	85,329
2207	Various Capital Improvements	477,850			477,850
2222	Sanitary Sewer Impr. at Hoyt and Edgewater Avenues	161,500			161,500
2265	Various Capital Improvements		689,700		689,700
		<u>\$ 809,350</u>	<u>689,700</u>	<u>19,671</u>	<u>1,479,379</u>

BOROUGH OF RIDGEFIELD

Schedule of Cash - Collector-Treasurer

Swimming Pool Utility Fund

Year Ended December 31, 2014

	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2013	\$ <u>17,856</u>	<u>1,136</u>
Increased by receipts:		
Membership Fees	181,000	
Miscellaneous	50,323	
Deficit (General Budget)	36,000	
Interfund	<u>2,014</u>	
	<u>269,337</u>	
	287,193	1,136
Decreased by disbursements:		
2014 Appropriations	277,521	
Appropriation Reserve	5,396	
Petty Cash	100	
Interfunds	<u>2,014</u>	
	<u>285,031</u>	
Balance - December 31, 2014	\$ <u><u>2,162</u></u>	<u><u>1,136</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Analysis of Cash

Swimming Pool Utility Capital Fund

Year Ended December 31, 2014

Capital Improvement Fund	\$ 13,630
Reserve for Capital Outlay	21,355
Fund Balance	1,809

Improvement authorizations:

<u>Ordinance</u> <u>number</u>	<u>Improvement description</u>	
1771	Various Improvements	(37,000)
1835	ADA Improvements	<u>1,342</u>
		<u>\$ 1,136</u>

BOROUGH OF RIDGEFIELD

Schedule of 2013 Reserves - Operating Fund

Swimming Pool Utility Fund

Year Ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	Balance after <u>transfers</u>	Paid or <u>charged</u>	Balance <u>lapsed</u>
Salaries and Wages	\$ 2,191	2,191		2,191
Other expenses	<u>7,227</u>	<u>9,502</u>	<u>5,396</u>	<u>4,106</u>
Total Operating	9,418	11,693	5,396	6,297
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	<u>540</u>	<u>540</u>		<u>540</u>
Total Deferred Charges and Statutory Expenditures	<u>540</u>	<u>540</u>		<u>540</u>
	<u>\$ 9,958</u>	<u>12,233</u>	<u>5,396</u>	<u>6,837</u>

BOROUGH OF RIDGEFIELD

Schedule of Interfund Receivables/(Payable)

Swimming Pool Utility - Operating Fund

Year Ended December 31, 2014

	Balance Dec. 31, <u>2013</u>	<u>Increased</u>	<u>Decreased</u>	Balance Dec. 31, <u>2014</u>
Swim Pool Utility Capital Fund	\$ 13,630			13,630
Current Fund	<u> </u>	<u>2,014</u>	<u>2,014</u>	<u> </u>
	<u>\$ 13,630</u>	<u>2,014</u>	<u>2,014</u>	<u>13,630</u>

BOROUGH OF RIDGEFIELD

Schedule of Interfund Receivables/(Payable)

Swimming Pool Utility - Capital Fund

Year Ended December 31, 2014

	Balance Dec. 31, <u>2013</u>	Balance Dec. 31, <u>2014</u>
Swim Pool Utility Operating Fund	\$ <u>(13,630)</u>	<u>(13,630)</u>
	\$ <u><u>(13,630)</u></u>	<u><u>(13,630)</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Fixed Capital

Swimming Pool Utility Capital Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$ <u>1,820,236</u>
Balance - December 31, 2014	\$ <u><u>1,820,236</u></u>
<u>Analysis of Balance</u>	
Swim Pool Improvements	\$ <u><u>1,820,236</u></u>

**Schedule of Fixed Capital Authorized
and Uncompleted**

Swimming Pool Utility Capital Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$ <u>1,342</u>
Balance - December 31, 2014	\$ <u><u>1,342</u></u>
<u>Analysis of Balance</u>	
Ord. 1835	\$ <u>1,342</u>
	\$ <u><u>1,342</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Improvement Authorizations

Swimming Pool Utility Capital Fund

Year Ended December 31, 2014

Ordinance number	Improvement description	Date	Ordinance Amount	Balance December 31, 2013		Balance December 31, 2014	
				Funded	Unfunded	Funded	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

Year Ended December 31, 2014

Balance - December 31, 2013	\$ <u>1,783,236</u>
Balance - December 31, 2014	\$ <u><u>1,783,236</u></u>

Exhibit D-14

Schedule of Reserve for Capital Outlay

Swimming Pool Utility Capital Fund

Year Ended December 31, 2014

Balance - December 31, 2013	\$ <u>21,355</u>
Balance - December 31, 2014	\$ <u><u>21,355</u></u>

BOROUGH OF RIDGEFIELD
Schedule of Deferred Reserve for Amortization
Swimming Pool Utility Capital Fund
Year Ended December 31, 2014

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Ordinance Date</u>	Balance Dec. 31, <u>2013</u>	Balance Dec. 31, <u>2014</u>
1835	ADA Improvements	Sept. 8, 2003	\$ 1,342	1,342
			\$ <u>1,342</u>	<u>1,342</u>

BOROUGH OF RIDGEFIELD

Schedule of Bonds and Notes Authorized but not Issued

Swimming Pool Utility Capital Fund

Year Ended December 31, 2014

<u>Ordinance number</u>	<u>Improvement description</u>	Balance Dec. 31, <u>2013</u>	Balance Dec. 31, <u>2014</u>
1771	Various Improvements	\$ <u>37,000</u>	<u>37,000</u>
		\$ <u><u>37,000</u></u>	<u><u>37,000</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Cash-Treasurer

Public Assistance Fund

Year Ended December 31, 2014

	<u>Total</u>	<u>P.A.T.F. Account #1/ Petty Cash</u>	<u>Relocation Account</u>
Balance - December 31, 2013	\$ 12,296	6,813	5,483
Increased by:			
Due to Current Fund	<u>68</u>	<u>38</u>	<u>30</u>
	12,364	6,851	5,513
Decreased by:			
Transfer to Current Fund	<u>68</u>	<u>38</u>	<u>30</u>
	<u>68</u>	<u>38</u>	<u>30</u>
Balance - December 31, 2014	<u>\$ 12,296</u>	<u>6,813</u>	<u>5,483</u>

BOROUGH OF RIDGEFIELD
Schedule of Due from/(to) Current Fund
Public Assistance Fund
Year Ended December 31, 2014

Balance - December 31, 2013	\$	(6)
Increased by:		
Interest Earned		<u>68</u>
		(74)
Decreased by:		
Cash Disbursements	\$	<u>68</u>
Balance - December 31, 2014	\$	<u><u>(6)</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Reserve for Public Assistance

Public Assistance Fund

Year Ended December 31, 2014

	<u>Total</u>	<u>P.A.T.F. Account #1/ Petty Cash</u>	<u>Relocation Account</u>
Balance - December 31, 2013	\$ 12,290	6,585	5,705
Balance - December 31, 2014	\$ 12,290	6,585	5,705

BOROUGH OF RIDGEFIELD

LETTERS ON COMPLIANCE AND ON INTERNAL CONTROL

GENERAL COMMENTS AND RECOMMENDATIONS

DECEMBER 31, 2014

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

Charles J. Ferraioli, Jr., MBA, CPA, RMA
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Borough of Ridgefield in the County of Bergen as of and for the year ended December 31, 2014 and the related notes to the financial statements, and have issued our report thereon dated July 6, 2015, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

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

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



Honorable Mayor and
Members of the Borough Council
Page 2.

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

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

Compliance and Other Matters

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

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

Purpose of this Report

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


Steven D. Wielkocz, C.P.A.
Registered Municipal Accountant
No. CR00413


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

July 6, 2015

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 or specifically by any other law. The governing body of a contracting unit may, by 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.

BOROUGH OF RIDGEFIELD

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 items:

Elm Avenue Roadway Improvements - Phase II
ADA Bathroom and Field House at Meadowlands Field
Concrete Sidewalk Replacement Project
Community Center Improvements

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, 2014 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

BOROUGH OF RIDGEFIELD

GENERAL COMMENTS, (continued)

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 June 5, 2014 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 December 31, of the last three years:

<u>Year Ended</u>	<u>Number of Liens</u>
December 31, 2014	2
December 31, 2013	2
December 31, 2012	2

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, 2014**

Comments:

Finance:

1. *Goods and/or services are being ordered prior to being encumbrance as prescribed by Technical Directive #1.
2. Not all transactions are posted to the general ledger for the Net Payroll account as required by Technical Directive #3.

Administration:

1. *Awarding resolutions for Request for Qualifications does not include the anticipated value of the contract or "not to exceed" cost language as required by the New Jersey Local Unit Pay-to-Play Law (N.J.S.A. 19:44A-20.4).

Payroll:

1. There were instances in which amounts being transferred to the net payroll account do not agree to payroll registers.
2. The net payroll account is reporting a negative reconciled balance as of year-end.
3. There were instances in which annual percentage increases for salaries did not agree to contracted amounts.
4. There were instances in which enrolled employees health benefit deductions were not being calculated in accordance with Chapter 78, P.L. 2011.
5. There were instances in which employee's longevity amounts did not agree to contracted percentages.

BOROUGH OF RIDGEFIELD
COMMENTS AND RECOMMENDATIONS, (continued)
DECEMBER 31, 2014

Recommendations:

Finance:

1. *That all goods/services be encumbered prior to being ordered.
2. That all transactions be recorded in the general ledger for all funds.

Administration:

1. *That awarding resolutions for Request for Qualifications include an estimated value of the contract or "not to exceed" cost language.

Payroll:

1. That more care be taken to ensure amounts being transferred to the net payroll account agree to the payroll registers.
2. That more care be taken to ensure sufficient funds be maintained in the account to prevent negative reconciled balances.
3. That more care be taken to ensure all salary increases agree to contracted amounts.
4. That all enrolled employees health benefit deductions be calculated in accordance with Chapter 78, P.L. 2011.
5. That longevity calculations be reviewed to ensure proper percentages are computed for all eligible employees.

BOROUGH OF RIDGEFIELD

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. Wielkocz
Registered Municipal Accountant
No. CR00413



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

July 6, 2015