

**BOROUGH OF RIDGEFIELD**

**Financial Statements With  
Supplementary Information**

**December 31, 2017**

**(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, 2017 and 2016, 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, 2017, 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 opinions 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  
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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, 2017 and 2016, or changes in financial position for the years then ended.

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

Government Accounting Standards Board (GASB), Statements No. 68, *Accounting and Financial Reporting for Pensions* requires a State or Local Government employer to recognize a net pension liability measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period. Since New Jersey municipalities and counties do not

Honorable Mayor and  
Members of the Borough Council  
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follow Generally Accepted Accounting Principles a liability is not recognized on the Balance Sheet. However, the State of New Jersey Local Finance Notice 2015-24 requires that municipalities and counties disclose GASB Statement No. 68 information in the Notes to the Financial Statements that meet the requirements of GASB Statement No. 68. The information that is disclosed in the Notes to the Financial Statements is more than 12 months prior to the Boroughs year end and therefore does not meet the requirements of GASB No. 68.

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

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to above, present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2017 and 2016, 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, 2017 in accordance with the basis of financial reporting prescribed in 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.



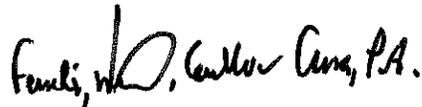
Honorable Mayor and  
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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 6, 2018 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

April 6, 2018

## BOROUGH OF RIDGEFIELD

## Comparative Balance Sheet-Regulatory Basis

## Current Fund

December 31, 2017 and 2016

<u>Assets</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Current Fund:			
Cash	A-4	\$ 5,793,084	5,500,570
Change Fund	A-5	450	450
Due from State of New Jersey:			
Senior Citizens' and Veterans' Deductions	A-6	69,852	71,592
		<u>5,863,386</u>	<u>5,572,612</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	797,274	545,984
Tax Title Liens	A-8	115,588	102,495
Property Acquired for Taxes			
Assessed Valuations	A-9	81,180	81,180
Revenue Accounts Receivable	A-10	18,198	23,161
Interfunds Receivable:			
Animal License Trust Fund	A-11		6,951
Unemployment	A-11	2,699	
Payroll Agency Account	A-11	1,567	33
Public Assistance	A-11	209	141
Swim Pool Utility Operating Fund	A-11	768	11,437
		<u>1,017,483</u>	<u>771,382</u>
Deferred Charges:			
Over-expenditure of Budget Appropriations	A-12	5,189	10,828
Emergency Authorization	A-12		2,469
		<u>5,189</u>	<u>13,297</u>
Total Current Fund		<u>6,886,058</u>	<u>6,357,291</u>
Federal and State Grant Fund:			
Interfunds Receivable	A-23	79,502	118,950
Grants Receivable	A-24	314,172	167,271
Total Federal and State Grant Fund		<u>393,674</u>	<u>286,221</u>
Total Assets		<u>\$ 7,279,732</u>	<u>6,643,512</u>

## BOROUGH OF RIDGEFIELD

## Comparative Balance Sheet-Regulatory Basis

## Current Fund

December 31, 2017 and 2016

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Current Fund:			
Appropriation Reserves	A-3, A-13	\$ 744,930	558,599
Encumbrances Payable	A-14	534,342	470,958
Tax Overpayments	A-15	33	80,227
Prepaid Taxes	A-16	638,573	130,543
Accounts Payable	A-17	19,778	23,654
Due to State of New Jersey	A-18	14,252	14,676
Local School District Taxes Payable	A-19		251,196
Due to County of Bergen	A-21	8,250	7,890
Interfunds Payable:			
Unemployment Compensation Trust Fund	A-11		2,660
General Capital Fund	A-11		56,792
Federal and State Grant Fund	A-11	79,502	118,950
Re-Assessment	A-22	2,000	2,000
Miscellaneous	A-22	50	50
Tax Title Lien Redemptions	A-22		25,453
Sale of Property	A-22	350,262	576,002
		<u>2,391,972</u>	<u>2,319,650</u>
Reserve for Receivables and Other Assets	A	1,017,483	771,382
Fund Balance	A-1	3,476,603	3,266,259
		<u>4,494,086</u>	<u>4,037,641</u>
<b>Total Current Fund</b>		<u><b>6,886,058</b></u>	<u><b>6,357,291</b></u>
Federal and State Grant Fund:			
Appropriated Federal and State Grants	A-25	393,674	148,690
Reserve for Encumbrances	A-26		112,381
Unappropriated Federal and State Grants	A-27		25,150
<b>Total Federal and State Grant Fund</b>		<u><b>393,674</b></u>	<u><b>286,221</b></u>
<b>Total Liabilities, Reserves and Fund Balance</b>		<u><b>\$ 7,279,732</b></u>	<u><b>6,643,512</b></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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 1,100,000	700,000
Miscellaneous Revenue Anticipated	9,415,239	9,838,710
Receipts from Delinquent Taxes	545,736	514,105
Receipts from Current Taxes	35,544,708	33,980,087
Nonbudget Revenues	765,564	212,211
Other Credits to Income:		
Accounts Payable Cancelled	7,802	
Unexpended Balance of Appropriation Reserves	371,652	839,687
Tax Overpayments Cancelled	76,598	
Interfunds Returned	211,598	21,131
	<hr/>	<hr/>
Total Revenue	48,038,897	46,105,931
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	7,063,397	6,852,432
Other Expenses	10,591,682	10,468,292
Deferred Charges and Statutory Expenditures	1,636,636	1,667,817
Capital Improvements	100,000	50,000
Municipal Debt Service	1,596,227	1,547,351
County Taxes	4,674,277	4,202,860
Due County for Added Taxes	8,250	7,890
Local District School Taxes	20,834,727	20,200,894
Various Reserves		2,310
Refunds	228,546	56,738
	<hr/>	<hr/>
Total Expenditures	46,733,742	45,056,584
Excess in Revenue	1,305,155	1,049,347
Adjustments to Income Before Fund Balance-		
Expenditures which are by Statute Deferred		
Charges to Budget of Succeeding Year		
Overexpenditure of Budget	5,189	10,828
Emergency Authorization		2,469
	<hr/>	<hr/>
Statutory Excess to Fund Balance	1,310,344	1,062,644
Fund Balance - January 1,	3,266,259	2,903,615
Decreased by Utilization as Anticipated Revenue	<hr/>	<hr/>
Fund Balance	\$ 3,476,603	\$ 3,266,259

See accompanying notes to financial statements.

## BOROUGH OF RIDGEFIELD

## Statement of Revenues-Regulatory Basis

## Current Fund

Year Ended December 31, 2017

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Surplus Anticipated	\$ 1,100,000	1,100,000	
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	33,000	32,688	(312)
Other	50,000	38,373	(11,627)
Fees and Permits:			
Other	250,000	256,707	6,707
Fines and Costs Municipal Court	302,000	254,713	(47,287)
Interest and Costs on Taxes	77,000	102,893	25,893
Interest on Investments and Deposits	1,300	281	(1,019)
Hackensack Meadowlands Adjustment to			
Tax Sharing	527,783	437,420	(90,363)
Energy Receipts Tax	5,242,420	5,242,420	
Supplemental Energy Receipts Tax	255,930	255,930	
Uniform Construction Code Fees	500,000	449,504	(50,496)
Palisades Park-Health Officer	46,200	44,527	(1,673)
Recycling Tonnage Grant	14,564	14,564	
Clean Communities Grant	18,001	18,001	
PSE&G Sustainable Energy Grant	2,000	2,000	
Firehouse Subs Public Safety Foundation	15,629	15,629	
DOT	113,402	113,402	
Drunk Driving Enforcement Fund	11,389	11,389	
Alcohol Education Rehabilitation - 2017	708	708	
Municipal Alliance - 2017	9,876	9,876	
Recycling Tonnage Grant - 2015	19,457	19,457	
NJACCHO Health Grant - 2017	2,320	2,320	
Emergency Management Grant - 2016	7,000	7,000	
Emergency Management Grant - 2017	5,000	5,000	
Body Armor Replacement Program - 2017	2,830	2,830	
Senior Citizen Activities	10,000	10,000	
Bergen County Open Space	22,000	22,000	
Recycling Tonnage Grant - 2017	20,150	20,150	
Federal Body Armor	3,098	3,098	
Uniform Fire Safety Act	35,000	35,861	861
Rental of Borough Property - Shaler Lease	150,000	150,000	
Rental of Borough Property - Shaler Lease -			
Debt Service Payments	371,600	313,700	(57,900)

**BOROUGH OF RIDGEFIELD**

**Statement of Revenues-Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2017**

Sewer Charges	50,000	212,812	162,812
Sewer Charges - Additional - Tier II User Charges	370,000	273,930	(96,070)
Reserve for Payment of Debt - 2006 Bonds	223,666	223,666	
Reserve for Sale of Property	437,240	437,240	
Capital Fund Balance	6,650	6,650	
EMS Medical Transport	107,000	118,066	11,066
Reserve for Payment of Debt - Ord. 2108	126,240	126,240	
Cable TV Franchise Fee	121,700	124,194	2,494
		<hr/>	<hr/>
Total Miscellaneous Revenues	9,562,153	9,415,239	(146,914)
		<hr/>	<hr/>
Receipts from delinquent taxes	545,000	545,736	736
		<hr/>	<hr/>
Amount to be Raised by Taxes for Support of Municipal Budget	10,831,432	10,863,454	32,022
		<hr/>	<hr/>
Budget Total	\$ 22,038,585	21,924,429	(114,156)
		<hr/>	<hr/>
Nonbudget Revenue		765,564	
		<hr/>	
		\$ 22,689,993	
		<hr/>	

Analysis of Realized Revenue

Allocation of Current Tax Collections; Revenue from Collections	\$ 35,544,708
	<hr/>
Allocated to:	
Local District School Tax	20,834,727
County Taxes	4,682,527
	<hr/>
	25,517,254
	<hr/>
Balance for Support of Municipal Budget Appropriations	10,027,454
Reserve for Uncollected Taxes	836,000
	<hr/>
	\$ 10,863,454
	<hr/>
Receipts from:	
Delinquent Tax Collections	528,306
Tax Title Liens	17,430
	<hr/>
	\$ 545,736
	<hr/>

**BOROUGH OF RIDGEFIELD**

**Statement of Revenues-Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2017**

Analysis of Miscellaneous Revenue Not Anticipated

Restitution	\$	444
BCUA		2,718
Poll Rental		100
Police Outside Detail		64,286
FEMA		12,583
Refund Overpayments		734
Miscellaneous		118,956
BOE Willis Field		3,000
Flu Shots		4,275
Bank Refunds		200
Senior Center Refunds		914
NJ Turnpike Ambulance		2,890
Bergen County		200
Prior Year Refunds		88,493
NJ Meadowlands Prior Year		429,352
Contras Not Applied		36,419
	\$	<u>765,564</u>

See accompanying notes to financial statements.

**BOROUGH OF RIDGEFIELD**

**Statement of Expenditures-Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2017**

<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>
Operations-within "CAPS"						
Administrative and executive:						
Salaries and Wages	\$ 31,824	31,824	31,824			
Other Expenses	18,000	19,500	19,500			
Rent Leveling:						
Salaries and Wages	6,000	6,000	5,500	500		
Other Expenses	1,000	1,000	138	862		
Mayor and Council:						
Salaries and Wages	40,750	40,750	37,938	2,812		
Other Expenses	5,950	5,950	5,925	25		
Municipal Clerk:						
Salaries and Wages	136,138	147,138	141,236	5,902		
Other Expenses	31,900	25,900	22,366	3,534		
Financial Administration:						
Salaries and Wages	185,000	183,800	183,714	86		
Annual Audit	29,000	27,500	27,500			
Miscellaneous Other Expenses	49,000	65,000	63,213	1,787		
Grant Writer	36,000	36,000	36,000			
Collection of taxes:						
Salaries and Wages	98,854	98,854	89,938	8,916		
Other Expenses	18,000	17,500	16,172	1,328		
Assessment of Taxes:						
Salaries and Wages	20,467	20,467	20,155	312		
Other Expenses	4,250	4,250	4,250			
Professional Services	20,000	20,000	19,299	701		

**BOROUGH OF RIDGEFIELD**

**Statement of Expenditures-Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2017**

<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:						
Other Expenses	300,599	280,599	276,594	4,005		
Engineering:						
Other Expenses	110,000	137,100	131,391	5,709		
Information Technology						
Salaries and Wages	66,220	66,220	66,220			
Other Expenses	70,000	61,779	54,230	7,549		
Municipal Land Use Law (NJSA 40:55D-1):						
Planning Board:						
Salaries and Wages	7,500	10,000	9,167	833		
Other Expenses	10,000	10,000	6,475	3,525		
Community Center						
Salaries and Wages	55,000	52,100	44,430	7,670		
Other Expenses	2,000	2,000	1,833	167		
Insurance:						
Unemployment Insurance	68,000	8,000	16	7,984		
Liability	511,880	574,880	574,537	343		
Workers Compensation	463,539	453,539	452,734	805		
Group Insurance for Employees	2,550,000	2,592,000	2,587,595	4,405		
PUBLIC SAFETY:						
Fire:						
Clothing Allowance	175,000	175,000	159,158	15,842		
Fire hydrant service	130,000	120,000	108,846	11,154		
Miscellaneous	91,000	91,000	88,715	2,285		
Fire Prevention Bureau:						
Salaries and Wages	90,000	90,000	86,653	3,347		
Other Expenses	28,377	28,377	27,767	610		

**BOROUGH OF RIDGEFIELD**

**Statement of Expenditures-Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2017**

Description	Budget	Budget after modifications	Paid or changed	Reserved	Unexpended Balance	
					Canceled	Overexpended
<b>Police:</b>						
Salaries and Wages	4,047,000	4,047,000	3,851,591	25,409		170,000
Other Expenses	130,000	128,283	117,764	10,519		
Purchase of Police Vehicles	80,000	80,000	79,827	173		
Police Dispatching/911:						
911 Service Agreement	208,000	204,000	204,000			
First Aid Organization:						
Clothing Allowance	120,000	120,000	80,644	39,356		
Miscellaneous	12,000	17,000	15,330	1,670		
Community Service Officer						
Salaries and Wages	140,238	130,238	123,427	6,811		
Other Expenses	21,670	21,670	14,223	7,447		
Emergency Management Services:						
Salaries and Wages	19,000	18,000	16,099	1,901		
Other Expenses	5,800	5,800	3,387	2,413		
Municipal Prosecutor:						
Salaries and Wages	12,500	12,500	12,292	208		
Streets and Roads:						
Road Repairs and Maintenance:						
Salaries and Wages	1,219,390	1,219,390	1,132,075	87,315		
Other Expenses	149,000	149,000	144,196	4,804		
Maintenance of Borough Vehicles:						
Streets and Roads	85,500	85,500	71,956	13,544		
Fire	34,800	36,925	36,726	199		
Police	43,000	43,000	39,660	3,340		
Ambulance	7,000	7,000	991	6,009		
Garage	27,000	27,000	26,980	20		
Building	1,000	1,000		1,000		
Health	1,000	1,000	170	830		

**BOROUGH OF RIDGEFIELD**

**Statement of Expenditures-Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2017**

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance	
					Canceled	Overexpended
Sanitation:						
Garbage and Trash Removal:						
Salaries and Wages	260,000	258,153	235,400	22,753		
Other Expenses	70,000	75,000	56,942	18,058		
Sanitary Landfill - Contractual	306,000	306,000	248,007	57,993		
Recycling Program:						
Salaries and Wages	18,615	18,615	11,389	7,226		
Public Building and Grounds:						
Other Expenses - Maintenance & Repair	197,000	204,675	200,715	3,960		
Health and Welfare:						
Board of Health:						
Salaries and Wages	172,000	172,000	169,111	2,889		
Other Expenses	49,945	49,945	39,796	10,149		
Bergen County Animal Shelter	15,000	15,000		15,000		
Environmental Commission (NJSA 40:56A-1):						
Other Expenses - Miscellaneous	3,000	3,000	3,000			
Other Expenses - Arborist	3,000	3,000	347	2,653		
Administration of Public Assistance:						
Miscellaneous Other Expenses	500	500		500		
Recreation and Education:						
Parks and Recreation:						
Salaries and Wages	223,291	223,291	216,082	7,209		
Other Expenses	150,000	152,600	151,345	1,255		
Youth Commission						
Salaries and Wages	14,000	16,685	16,435	250		
Other Expenses	1,200	700	605	95		

**BOROUGH OF RIDGEFIELD**

**Statement of Expenditures-Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2017**

<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>
Celebration of Public Events:						
Other Expenses	28,000	28,800	27,542	1,258		
Uniform Construction Code-Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)						
Uniform construction code official:						
Salaries and Wages	167,252	156,252	150,669	5,583		
Other Expenses	16,000	13,000	9,136	3,864		
Property Maintenance						
Salaries and Wages	11,000	13,000	12,734	266		
Other Expenses	4,000	4,000	1,884	2,116		
Municipal Court:						
Salaries and Wages	154,920	154,920	150,843	4,077		
Other Expenses	30,750	30,750	22,975	7,775		
Public Defender:						
Other Expenses	3,000	3,000	3,000			
UNCLASSIFIED:						
Utilities:						
Street lighting	178,000	178,000	144,536	33,464		
Electric & Gas	300,000	315,000	213,295	101,705		
Telephone	133,500	123,500	107,516	15,984		
Water	28,000	28,000	17,807	10,193		
Gasoline	181,250	151,250	131,823	19,427		
Accumulated Absences	5,000	5,000	5,000			
Other Expenses	2,000	2,000		2,000		
Snow Removal Trust	5,000	5,000		5,000		
<b>Total Operations within "CAPS"</b>	<b>14,556,369</b>	<b>14,568,969</b>	<b>13,720,301</b>	<b>678,668</b>	<b>170,000</b>	

**BOROUGH OF RIDGEFIELD**

**Statement of Expenditures-Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2017**

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled	Overexpended
Contingent	5,000	5,000		5,000		
Total Operations Including Contingent-within "CAPS"	14,561,369	14,573,969	13,720,301	683,668	170,000	
Detail:						
Salaries & Wages	7,196,959	7,187,197	6,814,922	202,275	170,000	
Other Expenses (Including Contingent)	7,364,410	7,386,772	6,905,379	481,393		
	14,561,369	14,573,969	13,720,301	683,668	170,000	
Deferred Charges and Statutory Expenditures-Municipal within "CAPS"						
DEFERRED CHARGES						
Anticipated Deficit in Swin Pool Utility	134,575	134,575	108,442			26,133
Chasan, Leyner & Lamperello - Legal	16,135	16,135	16,135			
DMR-Architects	7,421	7,421	7,421			
Overexpenditure of Budget	10,828	10,828	10,828			
Overexpenditure of Grant	4,544	4,544	4,544			
Overexpenditure of Ordinance	261	261	261			
STATUTORY EXPENDITURES:						
Contribution to:						
Social Security System (O.A.S.I.)	375,000	362,400	339,344	23,056		
Pension of Widow Volunteer Firemen	8,000	8,000	7,760	240		
Volunteer Fireman's Pension	17,000	17,000	16,350	650		
Volunteer Fireman's Over Age Burial Fund	10,500	10,500		10,500		
Defined Contribution Retirement Program	3,000	3,000	2,035	965		
Public Employees Retirement system	381,133	381,133	381,133			
Police and Firemans Retirement System of N.J.	704,503	704,503	704,503			

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2017

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled	Overexpended
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	1,672,900	1,660,300	1,598,756	35,411	26,133	
Total General Appropriations for Municipal Purposes within "CAPS"	16,234,269	16,234,269	15,319,057	719,079	196,133	
Operations-Excluded from "CAPS"						
Bergen County Utilities Authority:						
Sewage Processing and Disposal	2,222,953	2,222,953	2,222,953			
Maintenance of Free Public Library:						
Contribution to Library	609,865	609,865	615,054			5,189
Recycling Tax	15,000	15,000	12,309	2,691		
Reserve for Tax Appeals	50,000	50,000	26,840	23,160		
Interlocal Municipal Service Agreements:						
Health Officer - Palisades Park	46,200	46,200	46,200			
Salaries and Wages						
Public and Private Programs Offset by Revenues:						
Clean Communities	18,001	18,001	18,001			
Recycling Tonnage Grant	14,564	14,564	14,564			
Matching Funds	30,000	30,000	24,479			
PSE&G Sustainable Energy Grant	2,000	2,000	2,000			5,521
Alcohol Education Rehabilitation - 2017		708	708			
Recycling Tonnage Grant - 2017		20,150	20,150			
Municipal Alliance - 2017		9,876	9,876			
Emergency Management Grant - 2016		7,000	7,000			
Emergency Management Grant - 2017		5,000	5,000			
Body Armor Replacement Program - 2017		2,830	2,830			
Federal Body Armor		3,098	3,098			

**BOROUGH OF RIDGEFIELD**

**Statement of Expenditures-Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2017**

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled	Overexpended
Firehouse Subs Public Safety Foundation		15,629	15,629			
NJACCHO Health Grant - 2017		2,320	2,320			
Senior Citizen Activities		10,000	10,000			
Bergen County Open Space		22,000	22,000			
Drunk Driving Enforcement Fund		11,389	11,389			
Recycling Tonnage - 2015		19,457	19,457			
CDBG - Bergen County Linden Ave Improvements		113,402	113,402			
<b>Total Operations-Excluded from "CAPS"</b>	<b>3,008,583</b>	<b>3,251,442</b>	<b>3,225,259</b>	<b>25,851</b>	<b>5,521</b>	<b>5,189</b>
<b>Detail:</b>						
Salaries and Wages	46,200	46,200	46,200			
Other Expenses	2,962,383	3,205,242	3,179,059	25,851	5,521	5,189
<b>Capital Improvements - Excluded from CAPS</b>	<b>3,008,583</b>	<b>3,251,442</b>	<b>3,225,259</b>	<b>25,851</b>	<b>5,521</b>	<b>5,189</b>
Capital Improvement Fund	100,000	100,000	100,000			
<b>Total Capital Improvements - Excluded from CAPS</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>			
<b>Municipal Debt Service-Excluded from "CAPS"</b>						
Payment of Bond Principal	1,085,000	1,085,000	1,085,000			
Payment of Bond Anticipation Notes	39,925	38,925	38,925			
Interest on Bonds	382,263	376,624	362,263		14,361	
Interest on Notes	38,949	44,588	44,588			
Infrastructure Trust Loan	69,268	69,268	65,451		3,817	
<b>Total Municipal Debt Service-Excluded from "CAPS"</b>	<b>1,615,405</b>	<b>1,614,405</b>	<b>1,596,227</b>		<b>18,178</b>	

**BOROUGH OF RIDGEFIELD**

**Statement of Expenditures-Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2017**

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled	Overexpended
Deferred Charges- Municipal Excluded from "CAPS" Special Emergency Authorizations - 5 years (N.J.S. 40A:4-55)	2,469	2,469	2,469			
Total Deferred Charges-Municipal-Excluded from "CAPS"	2,469	2,469	2,469			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	4,726,457	4,968,316	4,923,955	25,851	23,699	5,189
Subtotal General Appropriations	20,960,726	21,202,585	20,243,012	744,930	219,832	5,189
Reserve for Uncollected Taxes	836,000	836,000	836,000			
Total General Appropriations	\$ 21,796,726	22,038,585	21,079,012	744,930	219,832	5,189

Adopted Budget 21,795,727  
 Added by N.J.S.A. 40A:4-87 242,858  
 \$ 22,038,585

Analysis of Paid or Charged  
 Reserve for Uncollected Taxes 836,000  
 Federal and State Grants 301,902  
 Reserve for Encumbrances 534,342  
 Deferred Charges 13,297  
 Cash 19,393,471  
 \$ 21,079,012

See accompanying notes to financial statements.

**BOROUGH OF RIDGEFIELD**

**Comparative Balance Sheet-Regulatory Basis**

**Trust Funds**

**December 31, 2017 and 2016**

<u>Assets</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<b>Animal License Fund:</b>			
Cash	B-1	\$ <u>7,336</u>	<u>19,087</u>
		<u>7,336</u>	<u>19,087</u>
<b>Unemployment Compensation Trust Fund:</b>			
Cash	B-1	7,250	15,015
Accounts Receivable	B-6	1,369	1,523
Interfunds Receivable	B-4	<u>          </u>	<u>2,660</u>
		<u>8,619</u>	<u>19,198</u>
<b>Other Trust Funds:</b>			
Cash	B-1	1,937,854	1,949,517
Interfunds Receivable	B-4	<u>35,000</u>	<u>35,000</u>
		<u>1,972,854</u>	<u>1,984,517</u>
		<u>\$ 1,988,809</u>	<u>2,022,802</u>

**BOROUGH OF RIDGEFIELD**  
**Comparative Balance Sheet-Regulatory Basis**

**Trust Funds**

**December 31, 2017 and 2016**

<u>Liabilities and Reserves</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<b>Animal License Fund:</b>			
Reserve for Dog License Fund Expenditures	B-2	7,317	12,095
Due to State of New Jersey	B-3	19	41
Interfunds Payable	B-4		6,951
		<hr/>	<hr/>
		7,336	19,087
		<hr/>	<hr/>
<b>Unemployment Compensation Trust Fund:</b>			
Interfund Accounts Payable	B-4	2,699	
Unemployment Claims Payable	B-7	41	1,598
Reserve for Expenditures	B-8	5,879	17,600
		<hr/>	<hr/>
		8,619	19,198
		<hr/>	<hr/>
<b>Other Trust Funds:</b>			
Reserve for:			
Other Trust Deposits	B-5	1,972,854	1,984,517
		<hr/>	<hr/>
		1,972,854	1,984,517
		<hr/>	<hr/>
		\$ 1,988,809	2,022,802
		<hr/>	<hr/>

See accompanying notes to financial statements.

## BOROUGH OF RIDGEFIELD

## Comparative Balance Sheet-Regulatory Basis

## General Capital Fund

December 31, 2017 and 2016

<u>Assets</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Cash:			
Checking	C-2,C-3	\$ 1,991,399	1,234,491
Grants Receivable	C-7	466,396	479,982
Deferred Charges to Future Taxation:			
Funded	C-4	6,969,929	8,127,849
Unfunded	C-5	5,141,994	5,470,208
Interfund Receivable	C-6		56,792
Schedule of Deferred Charges	C-15	25,731	261
		<u>\$ 14,595,449</u>	<u>15,369,583</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds	C-8	6,795,000	7,880,000
NJ Environmental Infrastructure Trust Loan	C-9	174,929	247,849
Bond Anticipation Notes	C-10	5,127,000	3,358,261
Capital Improvement Fund	C-11	161,710	87,478
Reserve for:			
Payment of Debt	C-12	117,443	349,905
Capital Projects	C-13	6,650	6,650
Grants Receivable	C-14	203,684	
Improvement authorizations:			
Funded	C-16	90,915	374,439
Unfunded	C-16	1,899,373	3,065,001
Fund Balance	C-1	18,745	
		<u>\$ 14,595,449</u>	<u>15,369,583</u>

There were bonds and notes authorized but not issued at December 31, 2017 and 2016 of \$85,503 and \$2,182,199 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>2017</u>	<u>2016</u>
Balance - December 31,	\$	36,150
Increased by :		
Funded Improvement Authorizations Cancelled	<u>25,395</u>	<u>152,514</u>
	25,395	188,664
Decreased by:		
Budgeted Revenue	6,650	36,150
Interfund		<u>152,514</u>
	<u>6,650</u>	<u>188,664</u>
Balance - December 31,	<u>\$ 18,745</u>	<u></u>

See Accompanying Notes to Financial Statements

## BOROUGH OF RIDGEFIELD

## Comparative Balance Sheet - Regulatory Basis

## Swimming Pool Utility Fund

December 31, 2017 and 2016

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Assets</u>			
Operating Fund:			
Cash	D-5	\$ 29,091	956
Petty Cash		200	200
Interfunds Receivable:			
Due from Swimming Pool Utility Capital Fund	D-8	13,630	13,630
		<u>42,921</u>	<u>14,786</u>
Deferred Charges-			
Operating Deficit	D-1		<u>25,447</u>
Total Operating Fund		<u>42,921</u>	<u>40,233</u>
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>\$ 1,865,635</u>	<u>1,862,947</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves	D-4,D-7	\$ 22,491	8,980
Encumbrances Payable	D-4,D-7	309	463
Due to Current Fund	D-8	768	11,437
Fund Balance	D-1	19,353	19,353
Total Operating Fund		<u>42,921</u>	<u>40,233</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>\$ 1,865,635</u>	<u>1,862,947</u>

There were bonds and notes authorized but not issued on December 31, 2017 and 2016 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, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:		
Membership Fees	\$ 178,818	157,885
Miscellaneous Revenues	29,906	32,540
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	9,391	4,576
Total income	<u>218,115</u>	<u>195,001</u>
Expenditures:		
Operations:		
Salaries and Wages	186,053	177,901
Other Expenses	100,000	102,100
Statutory Expenditures & Deferred Charges	13,500	13,500
Deficit in Operations in Prior Years	25,447	10,333
Total Expenditures	<u>325,000</u>	<u>303,834</u>
Excess (Deficit)	(106,885)	(108,833)
Adjustments to income before fund balance- Realized from General Fund Budget for Anticipated Deficit	<u>106,885</u>	<u>83,386</u>
		<u>(25,447)</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, 2017 and 2016**

	<u>2017</u>	<u>2016</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, 2017**

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Membership Fees	\$ 157,885	178,818	20,933
Miscellaneous Revenues	<u>32,540</u>	<u>29,906</u>	<u>(2,634)</u>
	<u>190,425</u>	<u>208,724</u>	<u>18,299</u>
Deficit (General Budget)	<u>134,575</u>	<u>106,885</u>	<u>(27,690)</u>
Total Swim Pool Utility Revenue	<u>\$ 325,000</u>	<u>315,609</u>	<u>(9,391)</u>
	Cash Receipt \$	304,940	
	Interfund	<u>10,669</u>	
	\$	<u>315,609</u>	

Analysis of Miscellaneous Revenues

Snack Bar Contract	\$ 3,000
Chair Rental	240
Guest Fees	15,990
Miscellaneous	<u>10,676</u>
	<u>\$ 29,906</u>

See accompanying notes to financial statements.

**BOROUGH OF RIDGEFIELD**

**Statement of Expenditures-Regulatory Basis**

**Swimming Pool Utility Fund**

**Year Ended December 31, 2017**

	Appropriations		Expended	
	Budget	Budget after modification	Paid or Charged	Reserved
Operating:				
Salaries and Wages	\$ 186,053	186,053	165,499	20,554
Other Expenses	100,000	100,000	98,902	1,098
Total Operating	286,053	286,053	264,401	21,652
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	13,500	13,500	12,661	839
Total Statutory Expenditures	13,500	13,500	12,661	839
Deficit in Operations in Prior Years	25,447	25,447	25,447	
	\$ 325,000	325,000	302,509	22,491
		Encumbrances \$ 309		
		Deficit in Operations in Prior Years 25,447		
		Cash Disbursed 276,753		
			\$ 302,509	

See accompanying notes to financial statements.

**BOROUGH OF RIDGEFIELD**

**Comparative Balance Sheet - Regulatory Basis**

**Public Assistance Fund**

**December 31, 2017 and 2016**

	<u>Ref.</u>	Dec. 31 <u>2017</u>	Dec. 31, <u>2016</u>
<u>Assets</u>			
Cash	E-1	\$ <u>12,499</u>	<u>12,431</u>
		\$ <u><u>12,499</u></u>	<u><u>12,431</u></u>
<u>Liabilities</u>			
Due to Current Fund	E-2	\$ 209	141
Reserve for Public Assistance	E-3	<u>12,290</u>	<u>12,290</u>
		\$ <u><u>12,499</u></u>	<u><u>12,431</u></u>

See accompanying notes to the financial statements.

**BOROUGH OF RIDGEFIELD**

**Statement of Net Payroll and Withholdings Payable**

**December 31, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<u>Assets</u>		
Cash		
Net Payroll	\$ 9,269	29,271
Payroll Agency	1,567	33
Deficit in Payroll Account	<u>25,731</u>	<u>5,729</u>
	<u>\$ 36,567</u>	<u>35,033</u>
 <u>Liabilities:</u>		
Due to Other Trust Fund	\$ 35,000	35,000
Due to Current Fund	<u>1,567</u>	<u>33</u>
	<u>\$ 36,567</u>	<u>35,033</u>

See accompanying notes to financial statements.

**Exhibit G**

**BOROUGH OF RIDGEFIELD**

**Statement of General Fixed Assets-Regulatory Basis**

**General Fixed Assets Account Group**

**December 31, 2017 and 2016**

	Dec. 31, <u>2017</u>	Dec. 31, <u>2016</u>
Land	\$ 19,927,700	19,927,700
Land Improvements	973,088	973,088
Buildings and Improvements	11,708,374	11,708,374
Automobiles and Vehicles	7,212,848	2,050,370
Machinery and Equipment	<u>2,074,115</u>	<u>7,193,101</u>
	<u>\$ 41,896,125</u>	<u>41,852,633</u>

See accompanying notes to financial statements.

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**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, 2017 AND 2016**  
**(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, 2017 AND 2016**  
**(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 11<sup>th</sup> day of the 11<sup>th</sup> 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, 2017 AND 2016**  
**(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, 2017 AND 2016**  
**(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, 2017 and 2016, the Governing Body approved additional revenues and appropriations of \$242,858 and \$94,848, respectively, in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were approved by the governing body in 2017 and 2016. The Mayor and Council approved Current Fund Emergency appropriations of \$-0- and \$2,469, respectively, in 2017 and 2016 for grant matching requirements.

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, 2017 AND 2016**  
**(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, 2017 AND 2016**  
**(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 2015, the Government Accounting Standards Board issued GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for periods beginning after June 15, 2017. The Borough does not believe this Statement will have any effect on future financial statements.

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

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

Recent Accounting Pronouncements, (continued)

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the American Institute of Certified Public Accountants that is cleared by the GASB. This Statement is effective for periods beginning after June 15, 2015. The Borough does not believe this Statement will have any effect on future financial statements.

In August 2015, the Government Accounting Standards Board issued GASB Statement No. 77, *Tax Abatement Disclosures*, which improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The Borough does not believe this Statement will have any effect on future financial statements.

In December 2015, the Government Accounting Standards Board issued GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement is effective for reporting periods beginning after December 15, 2015. The Borough does not believe this Statement will have any effect on future financial statements.

In December 2015, the Government Accounting Standards Board issued GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it established criteria for an external investment pool to qualify for making the

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

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

Recent Accounting Pronouncements, (continued)

election to measure all of its investments at amortized cost for financial reporting purposes. This Statement is effective for periods beginning after June 15, 2015, and for certain provisions, periods beginning after December 15, 2015. The Borough does not believe this Statement will have any effect on future financial statements.

In January 2016, the Government Accounting Standards Board issued GASB Statement No. 80, *Blending Requirements for Certain Component Units*, which provides clarity about how certain component units incorporated as not-for-profit corporations should be presented in the financial statements of the primary state or local government. The Borough does not believe this Statement will have any effect on future financial statements.

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Borough does not believe this Statement will have any effect on future financial statements.

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 82, *Pension Issues - an Amendment of GASB Statements No. 67, No. 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statement No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement is effective for reporting periods beginning after June 15, 2016. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice.

In November 2016, the Government Accounting Standards Board issued GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflows of resources for asset retirement obligations (AROs). The Borough does not believe this Statement will have any effect on future financial statements.

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

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

Recent Accounting Pronouncements, (continued)

In January 2017, the Government Accounting Standards Board issued GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities. The Borough is currently evaluating the effects, if any, this Statement may have on future financial statements.

In March 2017, the Government Accounting Standards Board issued GASB Statement No. 85, *Omnibus 2017*, which addresses practice issues that have been identified during the implementation and application of certain GASB statements. This Statement addresses a variety of topics including issues relating to blending component units, goodwill, fair value measurement and application, and postemployment benefits. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

In May 2017, the Governmental Accounting Standards Board issued GASB Statement No. 86, *Certain Debt Extinguishment Issues*, which improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

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, 2017 AND 2016**  
**(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, 2017 and 2016, \$-0- of the Borough's bank balance of \$6,444,377 and \$8,794,457, respectively, 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, 2017 AND 2016**  
**(CONTINUED)**

**NOTE 3. MUNICIPAL DEBT**

Long-term debt as of December 31, 2017 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable:					
Obligation Debt	\$7,880,000	\$	\$1,085,000	\$6,795,000	\$520,000
Other Liabilities:					
General Capital:					
NJ Infrastructure Trust					
Loans Payable	247,849		72,920	174,929	56,983
Compensated Absences	<u>714,075</u>	<u>18,106</u>	<u>          </u>	<u>732,181</u>	<u>          </u>
	<u>\$8,841,924</u>	<u>\$18,106</u>	<u>\$1,157,920</u>	<u>\$7,702,110</u>	<u>\$576,983</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 2017</u>	<u>Year 2016</u>	<u>Year 2015</u>
<u>Issued</u>			
General - Bonds, Notes and Loans	\$12,096,929	\$11,486,110	\$12,277,503
<u>Authorized But Not Issued</u>			
General - Bonds and Notes	85,503	2,182,199	767,829
Swimming Pool Utility - Bonds and Notes	<u>37,000</u>	<u>37,000</u>	<u>37,000</u>
	<u>122,503</u>	<u>2,219,199</u>	<u>804,829</u>
Total Bonds, Notes and Loans Issued and Authorized But Not Issued	12,219,432	13,705,309	13,082,332
Less: Deductions	<u>187,952</u>	<u>420,157</u>	<u>643,919</u>
Net Debt	<u>\$12,031,480</u>	<u>\$13,285,152</u>	<u>\$12,438,413</u>

**BOROUGH OF RIDGEFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(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 0.659% for 2017.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School District Debt	\$7,342,000	\$7,342,000	\$0
Swimming Pool Utility Debt	37,000		37,000
General Debt	<u>12,182,432</u>	<u>187,952</u>	<u>11,994,480</u>
	<u>\$19,561,432</u>	<u>\$7,529,952</u>	<u>\$12,031,480</u>

Net Debt \$12,031,480 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended of \$1,825,552,719 equals 0.659% for 2017.

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 .751% for 2016.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School District Debt	\$8,107,000	\$8,107,000	\$0
Swimming Pool Utility	37,000		37,000
General Debt	<u>13,668,309</u>	<u>420,157</u>	<u>13,248,152</u>
	<u>\$21,812,309</u>	<u>\$8,527,157</u>	<u>\$13,285,152</u>

Net Debt \$13,285,152 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended of \$1,768,021,954 equals .751% for 2016.

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

	<u>2017</u>	<u>2016</u>
3 ½% of equalized valuation basis (municipal)	\$63,894,345	\$61,880,768
Net Debt	<u>12,031,480</u>	<u>13,285,152</u>
Remaining borrowing power	<u>\$51,862,865</u>	<u>\$48,595,616</u>

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

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

	<u>2017</u>	<u>2016</u>
Cash receipts from fees, rents or other charges for year	\$315,609	\$273,811
Deductions:		
Operating and Maintenance Cost	<u>325,000</u>	<u>293,501</u>
 Deficit in Revenue - Not Self Liquidating	 <u>(\$9,391)</u>	 <u>(\$19,690)</u>

The Borough's long term debt consisted of the following at December 31, 2017:

Paid by Current Fund:

General Serial Bonds:

	Amount Outstanding	
	<u>2017</u>	<u>2016</u>
\$6,656,000 General Serial Bonds - with an interest rate of 4.125% to 4.625% issued October 15, 2008, due through April 15, 2018	\$300,000	600,000
\$2,780,000 Refunding Bonds - with an interest rate of 2.00% to 4.00% issued December 29, 2011, due through August 1, 2017		575,000
\$7,070,000 Refunding Bonds - with an interest rate of 2.00% to 5.00% issued March 17, 2016, due through August 15, 2026	<u>6,495,000</u>	<u>6,705,000</u>
Total General Serial Bonds	<u>\$6,795,000</u>	<u>\$7,880,000</u>

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

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	
	<u>2017</u>	<u>2016</u>
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	<u>\$174,929</u>	<u>\$247,849</u>

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

	General Capital Bonds			General Capital Loans		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$520,000	\$317,550	\$837,550	\$56,984	\$5,037	\$62,021
2019	810,000	302,000	1,112,000	55,679	3,436	59,115
2020	835,000	261,500	1,096,500	62,268	1,834	64,102
2021	845,000	219,750	1,064,750			
2022	855,000	177,500	1,032,500			
2023-2026	<u>2,930,000</u>	<u>284,500</u>	<u>3,214,500</u>	<u>\$174,931</u>	<u>\$10,307</u>	<u>\$185,238</u>
	<u>\$6,795,000</u>	<u>\$1,562,800</u>	<u>\$8,357,800</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, 2017 and 2016, the Borough had authorized but not issued debt as follows:

	<u>2017</u>	<u>2016</u>
General Capital Fund	\$85,503	\$2,182,199
Swim Pool Utility Capital Fund	37,000	37,000

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

**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.

On December 31, 2017 and 2016, the Borough had \$5,127,000 and \$3,358,261, respectively, in outstanding General Capital bond anticipation notes.

The following activity related to bond anticipation notes occurred during the periods ended December 31, 2017 and 2016:

<u>2017</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>General Capital Notes Payable:</u>				
TD Bank, N.A.	<u>3,358,261</u>	<u>\$5,127,000</u>	<u>\$3,358,261</u>	<u>\$5,127,000</u>
	<u>\$3,358,261</u>	<u>\$5,127,000</u>	<u>\$3,358,261</u>	<u>\$5,127,000</u>

<u>2016</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>General Capital Notes Payable:</u>				
PNC Bank	\$2,009,165	\$	\$2,009,165	\$
TD Bank, N.A.		<u>3,358,261</u>		<u>3,358,261</u>
	<u>\$2,009,165</u>	<u>\$3,358,261</u>	<u>\$2,009,165</u>	<u>\$3,358,261</u>

**BOROUGH OF RIDGEFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**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, 2017, the following deferred charges are shown on the balance sheet of the Current Fund:

	Balance December 31, <u>2017</u>	2018 Budget <u>Appropriation</u>	Balance to <u>Succeeding Years</u>
<u>Current Fund</u>			
Overexpenditure of Appropriations	\$5,189	\$5,189	\$ -
<u>Capital Fund</u>			
Expenditure Without Ordinance Appropriation	25,731	25,731	\$ -

**NOTE 6. PENSION PLANS**

Description of Plans:

Borough employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employees' Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

*Public Employees' Retirement System (PERS)*

Plan Description

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

**NOTE 6. PENSION PLANS, (continued)**

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

*Police and Firemens' Retirement System (PFRS)*

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the "Division"). For additional information about the PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

**NOTE 6. PENSION PLANS, (continued)**

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service. The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (Tiers 1 and 2 members) and 60% (Tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

**NOTE 6. PENSION PLANS, (continued)**

Defined Contribution Retirement Program, (continued)

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

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. 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.

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

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2017	\$381,133	\$704,503	\$2,035
2016	352,344	807,395	1,392
2015	338,705	852,183	882

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements. The following pension information is as of June 30, 2016 which is the latest information available. This information is eighteen months prior to December 31, 2017. GASB Statement No. 68 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since the State of New Jersey Division of Local Government Services is permitting the regulatory basis financial statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current pension information is available.

**BOROUGH OF RIDGEFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 6. PENSION PLANS, (continued)**

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

**Public Employees Retirement System (PERS)**

At December 31, 2017, the Borough had a liability of \$12,678,730 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2016, the Borough's proportion was 0.0428087702 percent, which was an increase/(decrease) of 0.00182576 percent from its proportion measured as of June 30, 2015.

For the year ended December 31, 2017, the Borough recognized pension expense of \$381,133. At December 31, 2017, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$235,786	\$
Changes of assumptions	2,626,356	
Net difference between projected and actual earnings on pension plan investments	483,452	
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>297,538</u>	<u>104,810</u>
Total	<u>\$3,643,132</u>	<u>\$104,810</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2016) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

**BOROUGH OF RIDGEFIELD  
NOTES TO FINANCIAL STATEMENTS  
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(CONTINUED)**

**NOTE 6. PENSION PLANS, (continued)**

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

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

Year ended June 30:

2018	\$753,230
2019	872,642
2020	733,147
2021	233,343

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.57, 5.72 and 6.44 years for 2016, 2015 and 2014 amounts, respectively.

**Additional Information**

Local Group Collective balances at June 30, 2016 and June 30, 2015 are as follows:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Collective deferred outflows of resources	\$8,685,338,380	\$3,578,755,666
Collective deferred inflows of resources	870,133,595	993,410,455
Collective net pension liability	29,617,131,759	22,447,996,119
Borough's Proportion	0.0428087702%	0.040983013%

**Actuarial Assumptions**

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which rolled forward to June 30, 2016. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

**BOROUGH OF RIDGEFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 6. PENSION PLANS, (continued)**

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

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

**Actuarial Assumptions, (continued)**

Inflation	3.08 Percent
Salary Increases:	
Through 2026	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.65 Percent

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Mortality Rates**

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plans actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females)

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(CONTINUED)**

**NOTE 6. PENSION PLANS, (continued)**

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

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

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Markets	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Returns	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

**BOROUGH OF RIDGEFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 6. PENSION PLANS, (continued)**

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

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

**Discount Rate**

The discount rate used to measure the total pension liability was 3.98% and 4.90% as of June 30, 2016 and 2015, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2016, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2016		
	1% Decrease <u>2.98%</u>	At Current Discount Rate <u>3.98%</u>	1% Increase <u>4.98%</u>
Borough's proportionate share of the pension liability	\$15,536,304	\$12,678,730	\$10,319,555

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(CONTINUED)**

**NOTE 6. PENSION PLANS, (continued)**

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

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

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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

At December 31, 2017, the Borough had a liability of \$16,505,752 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2016, the Borough's proportion was 0.0864059764 percent, which was an increase/(decrease) of (0.01292282) percent from its proportion measured as of June 30, 2015.

For the year ended December 31, 2017, the Borough recognized pension expense of \$704,503. At December 31, 2017, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$	\$108,198
Changes of assumptions	2,286,182	
Net difference between projected and actual earnings on pension plan investments	1,156,525	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>734,562</u>	<u>2,479,994</u>
Total	<u>\$4,177,269</u>	<u>\$2,588,192</u>

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

**NOTE 6. PENSION PLANS, (continued)**

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

**Police and Firemen's Retirement System, (continued)**

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2016) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$798,201
2019	1,075,489
2020	635,973
2021	26,644

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.58, 5.53 and 6.17 years for 2016, 2015 and 2014 amounts, respectively.

**Additional Information**

Local Group Collective balances at June 30, 2016 and June 30, 2015 are as follows:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Collective deferred outflows of resources	\$4,547,316,543	\$3,512,729,953
Collective deferred inflows of resources	688,197,590	871,083,367
Collective net pension liability	20,706,699,056	16,656,514,197
Borough's Proportion	0.0864059764%	0.0993288013%

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(CONTINUED)**

**NOTE 6. PENSION PLANS, (continued)**

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

**Police and Firemen's Retirement System, (continued)**

**Actuarial Assumptions**

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which rolled forward to June 30, 2016. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.08 Percent
Salary Increases:	
Through 2026	2.10-8.98 Percent (based on age)
Thereafter	3.10-9.98 Percent (based on age)
Investment Rate of Return	7.65 Percent

**Mortality Rates**

Pre-retirement mortality rates were based on the RP-2000 Pre-retirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for female service retirements and beneficiaries are based on the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability.

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

**NOTE 6. PENSION PLANS, (continued)**

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

**Police and Firemen's Retirement System, (continued)**

**Long-Term Rate of Return, (continued)**

building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Markets	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Returns	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

**BOROUGH OF RIDGEFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 6. PENSION PLANS, (continued)**

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

**Police and Firemen's Retirement System, (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 5.55% and 5.79% as of June 30, 2016 and 2015, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2015, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2016		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>4.55%</u>	<u>5.55%</u>	<u>6.55%</u>
Borough's proportionate share of the pension liability	\$21,684,123	\$16,505,752	\$12,283,101

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

**NOTE 6. PENSION PLANS, (continued)**

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

**Police and Firemen's Retirement System, (continued)**

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The financial report may be accessed at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**NOTE 7. OTHER POST EMPLOYMENT BENEFITS**

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

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

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-july2015.pdf>.

**BOROUGH OF RIDGEFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
(CONTINUED)**

**NOTE 7. OTHER POST EMPLOYMENT BENEFITS, (continued)**

**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, 2017 and December 31, 2016 were \$1,138,949 and \$1,101,427, which equaled the required contribution for each year.

**NOTE 8. FUND BALANCES**

Fund balances as of December 31, 2017 that have been anticipated as revenue in the 2018 budget is as follows:

Current Fund	\$1,100,000
Swimming Pool Operating Fund	-0-

**NOTE 9. ACCUMULATED VACATION AND SICK PAY**

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

It is estimated that the current cost of such unpaid compensation would approximate \$732,181 and \$714,075 at December 31, 2017 and 2016, respectively. This amount which is considered material to the financial statements, is not reported either as an expenditure or liability.

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

**NOTE 10. FIXED ASSETS**

The following is a summary of changes in the General Fixed Assets Account Group as of December 31, 2017 and 2016:

	Balance Dec. 31, 2016	<u>Additions</u>	<u>Deletions</u>	Balance Dec. 31, 2017
Land	\$19,927,700	\$	\$	\$19,927,700
Land Improvements	973,088			973,088
Buildings and Improvements	11,708,374			11,708,374
Automobiles and Vehicles	7,193,101	19,747		7,212,848
Machinery and Equipment	<u>2,050,370</u>	<u>23,745</u>	—	<u>2,074,115</u>
	<u>\$41,852,633</u>	<u>\$43,492</u>	<u>\$0</u>	<u>\$41,896,125</u>

	Balance Dec. 31, 2015	<u>Additions</u>	<u>Deletions</u>	Balance Dec. 31, 2016
	\$19,927,700	\$	\$	\$19,927,700
Land Improvements	761,702	211,386		973,088
Buildings and Improvements	11,109,990	598,384		11,708,374
Automobiles and Vehicles	6,870,468	322,633		7,193,101
Machinery and Equipment	<u>1,716,426</u>	<u>350,397</u>	<u>16,453</u>	<u>2,050,370</u>
	<u>\$40,386,286</u>	<u>\$1,482,800</u>	<u>\$16,453</u>	<u>\$41,852,633</u>

**NOTE 11. DUE TO/FROM OTHER FUNDS**

Balances due to/from other funds at December 31, 2017 consist of the following:

\$1,567	Due to the Current Fund from the Payroll Agency Account for excess funds in the account.
2,699	209 Due to the Current Fund from the Unemployment Trust Fund for excess funds turned over.
209	Due to the Current Fund from the Public Assistance Trust Fund for interest earnings not turned over.
768	Due to the Current Fund from the Swim Pool Utility Operating Fund for deposits made.
79,502	Due to the Federal and State Grant Fund from the Current Fund for receipts not turned over.
35,000	Due to the Other Trust Fund from the Net Payroll Account for reimbursement of cash advance.
<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>\$133,375</u>	

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

**NOTE 12. LEASES**

Capital Leases Payable

The Borough had not entered into any Capital Leases as of December 31, 2017.

**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.

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.

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**(CONTINUED)**

**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:

	<u>Balance</u> <u>Dec 31, 2017</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Prepaid Taxes	<u>\$638,573</u>	<u>\$130,543</u>
Cash Liability for Taxes Collected in Advance	<u>\$638,573</u>	<u>\$130,543</u>

**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, 2017. 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 April 6, 2018, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**SUPPLEMENTARY DATA AND SCHEDULES**

**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	Council President		
Javier Acosta	Councilman		
Hugo Jimenez	Councilman		
James Kontolios	Councilman		
Ray Penabad	Councilman		
Dennis Shim	Councilman		
Linda Silvestri	Borough Clerk	(A)	
Ray Ramirez	Borough Administrator	(A)	
Diane Sherry	Chief Financial Officer	(A)	
Frank Berardo	Tax Collector	(A)	
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)	
Kevin P. Kelly	Magistrate	(A)	
Jasna Gega	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**

**Supplementary Data**

Comparative Schedule of Tax Rate Information

	December 31, <u>2017</u>	December 31, <u>2016</u>	December 31, <u>2015</u>
Tax rate	2.324	2.238	2.167
Apportionment of tax rate:			
Local school	1.333	1.309	1.252
County	0.298	0.273	0.273
Municipal	0.693	0.656	0.642
Assessed valuation:			
2017	\$ 1,563,971,788		
2016		1,542,703,508	
2015			1,544,089,115

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>		<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2017	\$	36,412,123	35,544,708	97.62%
2016		34,590,967	33,980,087	98.23%
2015		33,522,053	32,941,953	98.27%

**BOROUGH OF RIDGEFIELD**

**Supplementary Data**

Delinquent Taxes and Tax Title Liens

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

<u>Year</u>	<u>Amount of tax title liens</u>	<u>Amount of delinquent taxes</u>	<u>Total delinquent</u>	<u>Percentage of tax levy</u>
2017	115,588	797,274	912,862	2.51%
2016	102,495	545,984	648,479	1.87%
2015	89,886	514,105	603,991	1.80%

Property Acquired By Tax Title Lien Liquidation

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

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

<u>Year</u>	<u>Amount</u>
2017	\$ 81,180
2016	81,180
2015	81,180

Comparative Schedule of Fund Balances

	<u>Year</u>		<u>Year ended</u>	<u>Utilized in budget of succeeding year</u>
Current Fund:	2017	\$	3,476,603	1,100,000
	2016		3,266,259	1,100,000
	2015		2,903,615	700,000
	2014		3,340,457	1,031,318
	2013		3,490,355	1,000,000
Swim Pool Utility Operating Fund	2017		19,353	
	2016		19,353	
	2015		19,353	
	2014		19,353	
	2013		19,353	

**BOROUGH OF RIDGEFIELD**

**Schedule of Expenditures of Federal Awards**

Year ended December 31, 2017

Federal grantor	Program	CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Cash Received	Expenditures	(MEMO) Cumulative Expenditures
Department of Environmental Protection	Emergency Management Assistance	97.042	EMN2016EP00002	01CPX1603800855	2017	7,000	\$ 7,000		*
	Emergency Management Assistance	97.042	EMN2016EP00002	01CPX1603800855	2016	5,000		1,080	1,080
	Emergency Management Assistance	97.042	EMN2015EP00002	01CPX1603800855	2015	5,000		2,128	2,128
	Emergency Management Assistance	97.042	EMN2012EP00002	01CPX1603800855	2012	5,000		3,277	5,000
							7,000	6,485	*
	Green Communities Grant	10.675	15-DG-11420004-183	FY15-100-042-4870-038	2015	3,000		3,000	3,000
								3,000	*
U.S. Department of Justice	Bulletproof Vest Partnership Program	16.607			2016	1,770			1,770
Department of Housing and Urban Development (passed through County of Bergen)	Community Development Block Grant Linden Ave. Roadway Improvements Senior Citizens Activities	14.218 14.218	226002247	SE-RDGFLLD-08-17 PS-RIDFFFSR17	2017 2017	113,402 10,000			*
Department of Housing and Urban Development (passed through County of Bergen)	Community Development Block Grant: Capital Fund: Various Roadway and Sewer Improvements	14.218			Ord. 2319	83,894			*
								69,385	69,385
								69,385	*
Department of Housing and Urban Development (passed through County of Hudson):	Community Development Block Grant: Capital Fund: ADA Cooperative Eng. Design Grant Lloyd and Hillside Street Impr.	14.218 14.218			Ord. 2210 Ord. 2275	55,000 76,180			*
									55,000
									76,180
Department of Homeland Security	FEMA - Hazard Mitigation	97.036	4086DRNJ0000001	01CPX1600179798	2015	75,000			*
								75,000	75,000
								75,000	*
<i>Total Federal Financial Assistance</i>						\$ 7,000		153,870	*

Note: This schedule was not subject to an audit in accordance with Uniform Guidance.

**BOROUGH OF RIDGEFIELD**

**Schedule of Expenditures of State Awards and Other Financial Assistance**

Year ended December 31, 2017

State grantor	Program	Grant Number	Grant Period	Award Amount	Cash Received	Budgetary Expenditures	(MEMO) Cumulative Expenditures
Department of Environmental Protection	Recycling Tonnage Grant	4900-752-178840-60	2017	19,457	\$ 19,457		*
	Recycling Tonnage Grant	4900-752-178840-60	2016	20,150			*
	Recycling Tonnage Grant	4900-752-178840-61	2015	14,564	14,564	1,237	1,237
	Recycling Tonnage Grant	4900-752-178840-60	2014	19,351	34,021	765	19,351
					<u>2,002</u>	*	
Department of Environmental Protection	Clean Communities Program	4900-765-178900	2017	18,001	18,001	18,001	18,001
	Clean Communities Program	4900-765-178900	2016	21,189		3,533	3,533
	Clean Communities Program	4900-765-178900	2015	18,535	18,001	11,228	18,535
					<u>32,762</u>	*	
Department of Law and Public Safety	Body Armor Grant	1020-718-066-1020-001-YCJS	2017	2,830	2,830		*
	Body Armor Grant	1020-718-066-1020-001-YCJS	2017	3,098	3,098		*
	Body Armor Grant	1020-718-066-1020-001-YCJS	2016	2,826			987
	Body Armor Grant	1020-718-066-1020-001-YCJS	2015	1,000			*
	Body Armor Grant	1020-718-066-1020-001-YCJS	2014	2,777			*
	Body Armor Grant	1020-718-066-1020-001-YCJS	2013	3,811		856	2,726
	Body Armor Grant	1020-718-066-1020-001-YCJS	2011	2,801		180	2,626
	Body Armor Grant	1020-718-066-1020-001-YCJS	2010	2,629	5,928	535	2,801
					<u>1,571</u>	2,629	
Department of Law and Public Safety	Drunk Driving Enforcement Fund	6400-100-078-6400	2017	11,389	11,389		550
	Drunk Driving Enforcement Fund	6400-100-078-6400	2015	8,387	11,389		*
Department of Transportation	NJDMV	098-9735-760-001	2016	550			*
	NJDMV	098-9735-760-001	2015	350			*
	NJDMV	098-9735-760-001	2014	1,450			*
	NJDMV	098-9735-760-001	2011	5,061			3,536
Administrative Offices of the Courts	Alcohol Education and Rehabilitation	4250-700-05000-063	2017	708	708		*
	Alcohol Education and Rehabilitation	4250-700-05000-063	2016	1,753			*
	Alcohol Education and Rehabilitation	4250-700-05000-063	2015	177			*
	Alcohol Education and Rehabilitation	4250-700-05000-063	2014	591		101	573
	Alcohol Education and Rehabilitation	4250-700-05000-063	2012	1,403		515	1,403
					<u>4</u>	377	
					<u>708</u>	620	*
County of Bergen	Municipal Alliance Grant Fund	100-082-2000-044	2017	9,876		2,500	*
	Municipal Alliance Grant Fund	100-082-2000-044	2016	19,752	8,377	9,592	16,242
					<u>8,377</u>	<u>12,092</u>	*
County of Bergen Open Space Trust Fund	Improvements to Ridgefield Nature Center	1700194	2017	22,000			*
	Parks Pavilion Project	1600242	2016	52,474		2,533	2,533
						<u>2,533</u>	*

**BOROUGH OF RIDGEFIELD**  
 Schedule of Expenditures of State Awards and Other Financial Assistance

Year ended December 31, 2017

State grantor	Program	Grant Number	Grant Period	Award Amount	Cash Received	Budgetary Expenditures	(MEMO) Cumulative Expenditures
New Jersey State Forest Service	Reforestation/Tree Planting Grant	FS17-034	2016	22,600			*
NJACCHO	NJACCHO		2017	2,320	2,320		*
Other Agencies	Firehouse Subs Public Safety Foundation		2017	15,628	15,628		*
PSE&G Foundation	Sustainable Jersey Small Grant		2017	2,000	2,000	2,000	*
<u>General Capital Fund:</u>							*
New Jersey Department of Transportation	Elm Ave Improvements, Section 2	6320-480-601385-61	Ord. 2235	150,000			*
	Abbott Avenue Improvements, Section 3	6320-480-601385-61	Ord. 2287	149,000			*
	Roadway Improvements	6320-480-601385-62	Ord. 2319	299,000	184,914		*
	Various Roadway and Sewer Improvements	6320-480-601385-62	Ord. 2325	165,627	117,443	165,627	*
	Various Roadway and Sewer Improvements	6320-480-601385-62	Ord. 2325	155,500	302,357	155,500	*
County of Bergen Open Space Trust Fund	Nature Center Fence Improvements	N/A	Ord. 2260	44,000	44,000	44,000	*
	Nature Center Fence Improvements	N/A	Ord. 2285	72,250	72,250	59,893	*
					116,250	2,400	*
Swim Pool Utility Capital Fund:							*
New Jersey Department of Transportation	ADA Improvement Swim Pool	022-99-8030-100-652	Ord. 1835	50,000			*
<i>Total State and Local Financial Assistance</i>				\$ 516,979		377,107	*

Note: This schedule was not subject to an audit in accordance with N.J. OMB 15-08.

## BOROUGH OF RIDGEFIELD

## Schedule of Cash - Collector/Treasurer

## Current Fund

## Year Ended December 31, 2017

	Regular Fund
Balance - December 31, 2016	\$ 5,500,570
Increased by Receipts:	
Revenue Accounts Receivable	8,700,576
Miscellaneous Revenues Not Anticipated	765,564
Taxes Receivable	35,900,096
Senior Citizens and Veterans Deductions	44,115
Prepaid Taxes	638,573
Interfunds	608,913
Tax Overpayments	33
Due to State of NJ	31,967
Municipal Liens	17,430
Various Reserves	352,579
Grants Receivable	105,372
	<hr/>
	47,165,218
	<hr/>
	52,665,788
Decreased by Disbursements:	
2017 Budget Appropriations	19,393,471
2016 Appropriation Reserves	645,569
Tax Overpayment Refunds	3,629
Local District School Tax	21,085,923
County Taxes	4,682,167
Interfunds	460,924
Various Reserves	166,532
Accounts Payable	8,410
Due to State of NJ	32,391
Appropriated Reserves	56,918
Grant Encumbrances	108,224
Refunds	228,546
	<hr/>
	46,872,704
	<hr/>
Balance - December 31, 2017	\$ <u>5,793,084</u>

**BOROUGH OF RIDGEFIELD**  
**Schedule of Cash - Change Fund**  
**Current Fund**  
**Year Ended December 31, 2017**

Balance - December 31, 2016	\$ <u>450</u>
Balance - December 31, 2017	\$ <u><u>450</u></u>

**BOROUGH OF RIDGEFIELD**

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

**Current Fund**

**Year Ended December 31, 2017**

Balance - December 31, 2016		\$	71,592
Increased by:			
Senior Citizens' and Veterans' Deductions per Tax Billings	\$	44,000	
Senior Citizens' and Veterans' Allowed		<u>250</u>	
			<u>44,250</u>
			115,842
Decreased by:			
Deductions Disallowed		1,875	
Cash Received		<u>44,115</u>	
			<u>45,990</u>
Balance - December 31, 2017		\$	<u><u>69,852</u></u>

**BOROUGH OF RIDGEFIELD**

**Schedule of Taxes Receivable and Analysis of Property Tax Levy**

Year	Balance, Dec. 31, 2016	2017 Levy	Added 2017 Levy	Current Fund		Senior & Veteran's Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2017
				2016	2017				
2016	\$ 545,984				528,306		17,430	248	
2017		36,346,704	65,419	130,543	35,371,790	42,375	13,093	57,048	797,274
	\$ 545,984	36,346,704	65,419	130,543	35,900,096	42,375	30,523	57,296	797,274

Analysis of 2017 Tax Levy

Tax yield:  
 General Property Tax \$ 36,346,704  
 Added Tax (R.S. 54:4-63.1 et seq.) 65,419  
 \$ 36,412,123

Tax Levy:  
 Local District School Tax \$ 20,834,727  
 County Tax 4,487,717  
 County Open Space Preservation 186,560  
 County Added and Omitted Taxes 8,250  
 4,682,527

Local Tax for Municipal Purposes \$ 10,831,432  
 Add: Additional Taxes Levied 63,437

Local Tax for Municipal Purposes \$ 10,894,869

\$ 36,412,123

**BOROUGH OF RIDGEFIELD**

**Schedule of Tax Title Liens**

**Current Fund**

**Year Ended December 31, 2017**

Balance - December 31, 2016	\$	102,495
Increased by:		
Transferred from Taxes Receivable		<u>30,523</u>
		133,018
Decreased by:		
Cash Received		<u>17,430</u>
Balance - December 31, 2017	\$	<u><u>115,588</u></u>

**BOROUGH OF RIDGEFIELD**

**Schedule of Property Aquired for Taxes**

**Current Fund**

**Year Ended December 31, 2017**

Balance - December 31, 2016 \$ 81,180

Balance - December 31, 2017 \$ 81,180

## BOROUGH OF RIDGEFIELD

## Schedule of Revenue Accounts Receivable

## Current Fund

Year Ended December 31, 2017

	Balance, Dec. 31, <u>2016</u>	Accrued in <u>2017</u>	<u>Collected</u>	Balance, Dec. 31, <u>2017</u>
Clerk:				
Licenses:				
Alcoholic Beverages	\$	32,688	32,688	
Other		38,373	38,373	
Fees and Permits		256,707	256,707	
Municipal Court Fines and Costs	23,161	249,750	254,713	18,198
Interest and Cost on Taxes		102,893	102,893	
Interest on Investments		281	281	
Hackensack Meadowlands Adjustment to Tax Sharing		437,421	437,421	
Energy Receipts Tax		5,242,420	5,242,420	
Supplemental Energy Receipts Tax		255,930	255,930	
Uniform Construction Code Fees		449,504	449,504	
Palisades Park-Health Officer		44,527	44,527	
Uniform Fire Safety Act		35,861	35,861	
Rental of Borough Property - Shaler Lease		150,000	150,000	
Rental of Borough Property - Shaler Lease - Debt Service Payments		313,700	313,700	
Sewer Charges		212,812	212,812	
Sewer Charges - Additional - Tier II User Charges		273,930	273,930	
Reserve for Payment of Debt - 2006 Bonds		223,666	223,666	
Reserve for Sale of Property		437,240	437,240	
Capital Fund Balance		6,650	6,650	
EMS Medical Transport		118,066	118,066	
Reserve for Payment of Debt - Ord. 2108		126,240	126,240	
Cable TV Franchise Fee		124,194	124,194	
	<u>\$ 23,161</u>	<u>9,132,853</u>	<u>9,137,816</u>	<u>18,198</u>
			Cash \$ 8,700,576	
			Transfer from Various Reserves 437,240	
			<u>\$ 9,137,816</u>	

**BOROUGH OF RIDGEFIELD**

**Schedule of Interfunds Due from/(to) Other Funds**

**Current Fund**

**Year Ended December 31, 2017**

	Balance Dec. 31, <u>2016</u>	<u>Increased</u>	<u>Decreased</u>	Balance Dec. 31, <u>2017</u>
Federal and State Grant Fund	\$ (118,950)	169,299	129,851	(79,502)
Trust Funds:				
Animal License Fund	6,951		6,951	
Payroll Agency	33	1,534		1,567
Unemployment Trust Fund	(2,660)	5,359		2,699
General Capital Fund	(56,792)	658,754	601,962	
Swim Pool Utility Operating Fund	11,437		10,669	768
Public Assistance Trust Fund	141	68		209
	<u>\$ (159,840)</u>	<u>835,014</u>	<u>749,433</u>	<u>(74,259)</u>
Due to Current Fund	18,562	606,263	619,582	5,243
Due from Current Fund	<u>(178,402)</u>	<u>228,751</u>	<u>129,851</u>	<u>(79,502)</u>
	<u>\$ (159,840)</u>	<u>835,014</u>	<u>749,433</u>	<u>(74,259)</u>
			Cash Receipts \$ 608,913	
		Cash Disbursement 460,924		
		Operating Deficit 10,669		
		Reimbursement for Expenditures Paid 204,723		
		Grants Receivable 105,372		
		Appropriated Grant Reserves 56,918		
		Budget Appropriations - Match 24,479		
		Encumbrances 112,381		
		Interest Earned 68		
		<u>\$ 835,014</u>	<u>749,433</u>	

**BOROUGH OF RIDGEFIELD**

**Schedule of Deferred Charges**

**Current Fund**

**Year Ended December 31, 2017**

	Balance, Dec. 31, <u>2016</u>	Added in 2017	<u>Reduced</u>	Balance, Dec. 31, <u>2017</u>
Overexpenditure of Current Budget Appropriations Emergency Authorization	\$ 10,828 <u>2,469</u>	<u>5,189</u>	<u>10,828</u> <u>2,469</u>	<u>5,189</u>
	<u>\$ 13,297</u>	<u>5,189</u>	<u>13,297</u>	<u>5,189</u>

## BOROUGH OF RIDGEFIELD

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2017

	Balance, Dec. 31, <u>2016</u>	Balance after <u>Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<b>Salaries and Wages Within "CAPS":</b>				
General Administration	\$ 2,038	2,038		2,038
Municipal Clerk's Office	8,352	8,352		8,352
Financial Administration	13	13		13
Collection of Taxes	5,288	5,288		5,288
Assessment of Taxes	2	2		2
Fire Prevention Bureau	4,567	4,567		4,567
Police	130,754	78,992		78,992
Community Service Officers	11,827	11,827		11,827
Emergency Management Services	729	729		729
Road Repairs and Maintenance		70	(3,036)	3,106
Garbage and Trash Removal	12,207	12,207	9,482	2,725
Recycling Program	2,747	2,747		2,747
Board of Health	4,857	4,857		4,857
Youth Commission	20	20		20
Municipal Court	14,090	14,090		14,090
Construction Code Official	165	274	109	165
Property Maintenance	637	637		637
<b>Total Salaries and Wages Within "CAPS"</b>	<b>198,293</b>	<b>146,710</b>	<b>6,555</b>	<b>140,155</b>
<b>Other Expenses Within "CAPS":</b>				
General Administration	416	7,314	6,897	417
Rent Leveling	1,769	1,769		1,769
Mayor and Council	760	828	33	795
Municipal Clerk's Office	1,272	3,983	2,235	1,748
Financial Administration	6,645	15,262	13,888	1,374
Auditing and Accounting Services	1,500	1,500		1,500
Collection of Taxes	1,675	2,377	702	1,675
Assessment of Taxes:				
Other Expenses	1,650	1,650		1,650
Professional Services	4,046	4,046		4,046
Legal Services:				
Retainer	400	400		400
Other Expenses	31,536	64,054	25,896	38,158
Engineering	7,074	24,679	21,359	3,320

## BOROUGH OF RIDGEFIELD

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2017

	Balance, Dec. 31, <u>2016</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Planning Board:				
Other Expenses	3,246	3,783	1,719	2,064
Insurance:				
Unemployment	5,520	5,520	5,520	
Liability	6,252	6,252		6,252
Employee Group Health	4,851	148,776	148,776	
Fire:				
Clothing Allowance	44,339	44,339	36,694	7,645
Fire Hydrant Service	1,058	1,058		1,058
Miscellaneous	1,056	24,316	22,801	1,515
Fire Prevention Bureau	35	1,664	1,664	
Police:				
Other Expenses	9,022	30,076	25,101	4,975
Purchase of Police Vehicles	1,164	11,586	10,422	1,164
Police Dispatching/Communications	4,000	4,000		4,000
First Aid Organization:				
Clothing Allowance	49	39,949	39,900	49
Miscellaneous	1,472	2,684	1,469	1,215
Community Service Officers	233	2,297	2,229	68
Emergency Management Services	137	137		137
Road Repairs and Maintenance	1,486	21,780	19,594	2,186
Maintenance of Borough Vehicles:				
Streets and Roads	3,439	18,445	8,169	10,276
Fire	3,622	16,362	12,183	4,179
Police	1,478	8,250	7,178	1,072
Ambulance	1,803	1,949	341	1,608
Garbage	958	7,733	5,775	1,958
Building	1,000	1,000		1,000
Health	785	785		785
Sanitation:				
Garbage and Trash Removal	3,683	27,501	27,153	348
Sanitary Landfill Disposal Costs - Contractual	27,796	74,226	69,589	4,637
Public Buildings and Grounds	2,709	27,774	25,960	1,814
Health and Welfare:				
Board of Health	8,245	9,441	1,235	8,206
Bergen County Animal Shelter		5,000	5,000	

## BOROUGH OF RIDGEFIELD

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2017

	Balance, Dec. 31, <u>2016</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Environmental Commission:				
Miscellaneous	56	716	260	456
Administration of Public Assistance:				
Other Expenses	1,000	1,000		1,000
Parks and Recreation	323	34,405	31,227	3,178
Youth Commission	438	438		438
Celebration of Public Events	3,316	5,000	2,516	2,484
Municipal Court	1,464	5,757	4,747	1,010
Public Defender	100	100		100
Construction Code Official	2,600	2,823	349	2,474
Property Maintenance	284	823	539	284
Utilities:				
Street Lighting	18,643	18,643	18,643	
Electricity	24,678	24,678	24,678	
Telephone	7,601	8,157	556	7,601
Water	4,216	4,216	943	3,273
Gasoline	70,294	70,294	11,158	59,136
Anti Bullying Committee:				
Other Expenses	3,310	3,550	240	3,310
Contingent	324	324		324
Total Other expenses Within "CAPS"	<u>336,828</u>	<u>855,469</u>	<u>645,338</u>	<u>210,131</u>
Deferred Charges and Statutory Expenditures				
Within "CAPS":				
Anticipated Deficit in Swim Pool Utility				
Social Security ( O.A.S.I. )	16,940	16,940		16,940
Pension of Widow Volunteer Firemen	240	240		240
Public Employees Retirement System	5	5		5
Volunteer Fireman's Pension		1,800	1,800	
Volunteer Fireman's Over Age Burial Fund	500	500		500
Defined Contribution Retirement Program	1,068	1,068		1,068
Total Deferred Charges and Statutory				
Expenditures Within "CAPS"	<u>18,753</u>	<u>20,553</u>	<u>1,800</u>	<u>18,753</u>
Total Reserves Within "CAPS"	<u>553,874</u>	<u>1,022,732</u>	<u>653,693</u>	<u>369,039</u>

**BOROUGH OF RIDGEFIELD**

**Schedule of Appropriation Reserves**

**Current Fund**

**Year Ended December 31, 2017**

	Balance, Dec. 31, <u>2016</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	1	1		1
Reserve for Tax Appeals	3,170	3,170	1,012	2,158
Recycling Tax	1,554	3,654	3,200	454
Total Other Expenses Excluded from "CAPS"	<u>4,725</u>	<u>6,825</u>	<u>4,212</u>	<u>2,613</u>
Total Reserves Excluded from "CAPS"	<u>4,725</u>	<u>6,825</u>	<u>4,212</u>	<u>2,613</u>
Total Reserves	<u>\$ 558,599</u>	<u>1,029,557</u>	<u>657,905</u>	<u>371,652</u>
		Appropriation reserves \$ 558,599		
		Encumbrances <u>470,958</u>		
		<u>\$ 1,029,557</u>		
		Cash Disbursements \$ 645,569		
		Transferred to Accounts Payable <u>12,336</u>		
		<u>\$ 657,905</u>		

**Exhibit A-14**

**BOROUGH OF RIDGEFIELD**  
**Schedule of Reserve for Encumbrances**

**Current Fund**

**Year Ended December 31, 2017**

Balance - December 31, 2016	\$	470,958
Increased by:		
2017 Encumbrances		<u>534,342</u>
		1,005,300
Decreased by:		
Transferred to Appropriation Reserves		<u>470,958</u>
Balance - December 31, 2017	\$	<u><u>534,342</u></u>

**Exhibit A-15**

**Schedule of Tax Overpayments**

**Current Fund**

**Year Ended December 31, 2017**

Balance - December 31, 2016	\$	80,227
Increased by:		
Cash Receipts		<u>33</u>
		80,260
Decreased by:		
Cash Disbursements	\$	3,629
Cancellation		<u>76,598</u>
		<u>80,227</u>
Balance - December 31, 2017	\$	<u><u>33</u></u>

**Exhibit A-16**

**BOROUGH OF RIDGEFIELD**

**Schedule of Prepaid Taxes**

**Current Fund**

**Year Ended December 31, 2017**

Balance - December 31, 2016	\$	130,543
Increased by:		
2018 Prepaid Taxes Collected		<u>638,573</u>
		769,116
Decreased by:		
Taxes Realized as Revenue		<u>130,543</u>
Balance - December 31, 2017	\$	<u><u>638,573</u></u>

**Exhibit A-17**

**Schedule of Accounts Payable**

**Current Fund**

**Year Ended December 31, 2017**

Balance - December 31, 2016	\$	23,654
Increased by:		
Transferred from Appropriation Reserves		<u>12,336</u>
		35,990
Decreased by:		
Cash Disbursements	\$	8,410
Cancelled		<u>7,802</u>
		<u>16,212</u>
Balance - December 31, 2017	\$	<u><u>19,778</u></u>

**BOROUGH OF RIDGEFIELD**

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

**Current Fund**

**Year Ended December 31, 2017**

	<u>Marriage License Fee</u>	<u>Construction Training Fee</u>	<u>Total</u>
Balance - December 31, 2016	\$ 225	14,451	\$ 14,676
Increased by:			
Collections	<u>1,700</u>	<u>30,267</u>	<u>31,967</u>
	1,925	44,718	46,643
Decreased by:			
Payments	<u>1,575</u>	<u>30,816</u>	<u>32,391</u>
	<u>1,575</u>	<u>30,816</u>	<u>32,391</u>
Balance - December 31, 2017	<u>\$ 350</u>	<u>13,902</u>	<u>\$ 14,252</u>

**Exhibit A-19**

**BOROUGH OF RIDGEFIELD**

**Schedule of Local District School Taxes Payable**

**Current Fund**

**Year Ended December 31, 2017**

Balance - December 31, 2016	\$	251,196
Increased by:		
2017 Levy		<u>20,834,727</u>
		21,085,923
Decreased by:		
Cash Disbursed	\$	<u><u>21,085,923</u></u>

**Exhibit A-20**

**Schedule of County Taxes Payable**

**Current Fund**

**Year Ended December 31, 2017**

Increased by:			
County Tax Levy	\$	4,487,717	
County Open Space Tax Levy		<u>186,560</u>	
			\$ <u>4,674,277</u>
Decreased by:			
Cash Disbursed	\$		<u><u>4,674,277</u></u>

**BOROUGH OF RIDGEFIELD**

**Schedule of Due County for Added  
and Omitted Taxes**

**Current Fund**

**Year Ended December 31, 2017**

Balance - December 31, 2016	\$	7,890
Increased by:		
2017 Added Levy		<u>8,250</u>
		16,140
Decreased by:		
Cash Disbursed		<u>7,890</u>
Balance - December 31, 2017	\$	<u><u>8,250</u></u>

**BOROUGH OF RIDGEFIELD**

**Schedule of Various Reserves**

**Current Fund**

**Year Ended December 31, 2017**

	Balance, Dec. 31, <u>2016</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2017</u>
Reserve for:				
Sale of Property	\$ 576,002	211,500	437,240	350,262
Tax Title Lien Redemptions	25,453	141,079	166,532	
Re-Assessment	2,000			2,000
Miscellaneous	50			50
	<u>\$ 603,505</u>	<u>352,579</u>	<u>603,772</u>	<u>352,312</u>
		Cash Receipts \$ 352,579		
		Cash Disbursements	166,532	
		Miscellaneous Revenue Anticipated	<u>437,240</u>	
		<u>\$ 352,579</u>	<u>603,772</u>	

**BOROUGH OF RIDGEFIELD**

**Schedule of Interfunds Due from/(to) Other Funds**

**Federal and State Grant Fund**

**Year Ended December 31, 2017**

	Balance Dec. 31, <u>2016</u>	<u>Increased</u>	<u>Decreased</u>	Balance Dec. 31, <u>2017</u>
Current Fund	\$ 118,950	<u>129,851</u>	<u>169,299</u>	<u>79,502</u>
	<u>\$ 118,950</u>	<u>129,851</u>	<u>169,299</u>	<u>79,502</u>
Grants Receivable	\$ 105,372			
Appropriated Grant Reserves			56,918	
Matching Funds		24,479		
Encumbrances			<u>112,381</u>	
		<u>\$ 129,851</u>	<u>169,299</u>	

## BOROUGH OF RIDGEFIELD

## Schedule of Grants Receivable

## Federal and State Grant Fund

Year Ended December 31, 2017

Purpose	Balance, Dec. 31, 2016	2017 Budget Revenue Realized	Received	Balance, Dec. 31, 2017
Municipal Alliance on Alcoholism and Drug Abuse	\$ 11,877	9,876	8,377	13,376
Hazard Mitigation	75,000			75,000
DMV	550			550
Green Communities	3,000			3,000
Bullet Proof Vest	1,770			1,770
Forest Station Tree Planting	22,600			22,600
Bergen County Open Space	52,474			52,474
PSE&G Sustainable Energy		2,000	2,000	
Senior Citizens Activities		10,000		10,000
Bergen County Open Space		22,000		22,000
Clean Communities - 2017		18,001	18,001	
NJACCHO Grant - 2017		2,320	2,320	
Recycling Tonnage Grant - 2015		14,564	14,564	
Drunk Driving Enforcement		11,389	11,389	
Recycling Tonnage		19,457	19,457	
Federal Body Armor		3,098	3,098	
Body Armor Replacement Grant - 2017		2,830	2,830	
Emergency Management - 2016		7,000	7,000	
Recycling Tonnage Grant - 2017		20,150	20,150	
Emergency Management - 2017		5,000	5,000	
Firehouse Subs Public Safety Foundation		15,628	15,628	
Alcohol Education Rehabilitation - 2017		708	708	
DOT		113,402		113,402
	\$ <u>167,271</u>	<u>277,423</u>	<u>130,522</u>	<u>314,172</u>
Adopted Budget	\$	34,565		
Added by N.J.S.A. 40A:4-87		<u>242,858</u>		
		\$ <u>277,423</u>		
		Cash receipts	\$ 105,372	
		Unappropriated Reserves	<u>25,150</u>	
			\$ <u>130,522</u>	

**BOROUGH OF RIDGEFIELD**  
**Schedule of Appropriated Grant Reserves**  
**Federal and State Grant Fund**  
**Year Ended December 31, 2017**

<u>Purpose</u>	Balance, Dec. 31, 2016	Transferred from Budget <u>Appropriations</u>	<u>Expended</u>	Balance, Dec. 31, 2017
Clean Communities Program	\$ 28,260		10,604	17,656
Municipal Alliance	15,387		9,592	5,795
Body Armor Grant	5,648		1,571	4,077
Emergency Management Grant	6,277		3,405	2,872
Drunk Driving Enforcement Fund	7,837			7,837
NJ Recycling Tonnage Grant	765		765	
Alcohol Education Rehabilitation	2,567		620	1,947
Municipal Court DMV	3,875			3,875
Green Communities Program	3,000		3,000	
Forest Station Tree Planting	22,600			22,600
Bergen County Open Space	52,474		2,533	49,941
PSE&G Sustainable Energy		2,000	2,000	
Municipal Alliance - 2017		9,876	2,500	7,376
Municipal Alliance Match - 2017		2,469		2,469
Senior Citizen Activities		10,000		10,000
Bergen County Open Space		22,000		22,000
Bergen County Open Space - Match		22,000		22,000
Clean Communities Program - 2017		18,001	18,001	
NJACCHO Health Grant - 2017		2,320		2,320
Recycling Tonnage Grant - 2016		14,564	1,237	13,327
Drunk Driving Enforcement Fund		11,389		11,389
Recycling Tonnage Grant - 2015		19,457		19,457
Federal Body Armor		3,098		3,098
Body Armor Replacement Program - 2017		2,830		2,830
Emergency Management Grant - 2016		7,000		7,000
Recycling Tonnage Grant - 2017		20,150		20,150
Emergency Management Grant - 2017		5,000	1,080	3,920
Firehouse Subs Public Safety Foundation		15,628		15,628
Alcohol Education Rehabilitation - 2017		708		708
DOT		113,402		113,402
Matching Funds		10	10	
	<u>\$ 148,690</u>	<u>301,902</u>	<u>56,918</u>	<u>393,674</u>
		Adopted Budget \$ 34,565		
		Match 24,479		
		Added by N.J.S.A. 40A:4-87 242,858		
		<u>\$ 301,902</u>		

**BOROUGH OF RIDGEFIELD**  
**Schedule of Encumbrances Payable**  
**Federal and State Grant Fund**  
**Year Ended December 31, 2017**

Balance - December 31, 2016		\$ <u>112,381</u>
Decreased by:		
Cash Disbursements	\$ 108,224	
Cancelled	<u>4,157</u>	
		\$ <u><u>112,381</u></u>

**BOROUGH OF RIDGEFIELD**

**Schedule of Unappropriated Grant Reserves**

**Federal and State Grant Fund**

**Year Ended December 31, 2017**

<u>Purpose</u>	Balance, Dec. 31, <u>2016</u>	Appropriated in 2017 <u>Budget</u>
Recycling Tonnage Grant	\$ 20,150	20,150
Emergency Management Assistance	<u>5,000</u>	<u>5,000</u>
	<u>\$ 25,150</u>	<u>25,150</u>

**BOROUGH OF RIDGEFIELD**

**Schedule of Cash - Treasurer**

**Trust Funds**

**Year Ended December 31, 2017**

	Animal License Fund	Unemployment Compensation Fund	Other Trust Funds
Balance - December 31, 2016	\$ <u>19,087</u>	<u>15,015</u>	<u>1,949,517</u>
Increased by:			
Interfunds		5,359	
Employee Payroll Deductions		12,721	
Budget Appropriation		5,520	
Dog License Fees	6,006		
State Fees	779		
Miscellaneous Reserves			877,519
	<u>6,785</u>	<u>23,600</u>	<u>877,519</u>
	<u>25,872</u>	<u>38,615</u>	<u>2,827,036</u>
Decreased by:			
State Fees	801		
Interfunds	6,951		
Animal License Expenditures	10,784		
Unemployment Claims Payable		31,365	
Miscellaneous Reserves			889,182
	<u>18,536</u>	<u>31,365</u>	<u>889,182</u>
Balance - December 31, 2017	\$ <u><u>7,336</u></u>	<u><u>7,250</u></u>	<u><u>1,937,854</u></u>

**BOROUGH OF RIDGEFIELD**  
**Schedule of Reserve for Expenditures**  
**Animal License Fund**  
**Year Ended December 31, 2017**

Balance - December 31, 2016	\$	12,095
Increased by:		
Dog License Fees	\$	5,046
Cat License Fees		360
Late Fees		580
Miscellaneous Fees		<u>20</u>
		<u>6,006</u>
		18,101
Decreased by:		
Disbursements		<u>10,784</u>
Balance - December 31, 2017	\$	<u><u>7,317</u></u>

<u>Dog License Fees Collected</u>		
	2015	5,484
	2016	<u>6,254</u>
	\$	<u><u>11,738</u></u>

**BOROUGH OF RIDGEFIELD**

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

**Animal License Trust Fund**

**Year Ended December 31, 2017**

Balance - December 31, 2016	\$	41
Increased by:		
2017 Fees Collected		<u>779</u>
		820
Decreased by:		
Paid to State Treasurer		<u>801</u>
Balance - December 31, 2017	\$	<u><u>19</u></u>

**BOROUGH OF RIDGEFIELD**

**Schedule of Interfunds**

**Trust Funds**

**Year Ended December 31, 2017**

	Balance Due from/(to) Dec. 31, <u>2016</u>	<u>Increased</u>	<u>Decreased</u>	Balance, from/(to) Dec. 31, <u>2017</u>
Animal License Fund:				
Current Fund	\$ (6,951.00)	6,951		
Unemployment Trust Fund:				
Current Fund	2,660.00		5,359	(2,699)
Payroll Fund		120	120	
Other Trust Fund:				
Net Payroll Account	<u>35,000.00</u>			<u>35,000</u>
	<u>\$ 30,709</u>	<u>7,071</u>	<u>5,479</u>	<u>32,301</u>
Cash Disbursements	\$	7,071		
Cash Receipts			<u>5,479</u>	
		<u>\$ 7,071</u>	<u>5,479</u>	

## BOROUGH OF RIDGEFIELD

## Schedule of Miscellaneous Reserves

## Other Trust Funds

Year Ended December 31, 2017

	Balance, Dec. 31, <u>2016</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2017</u>
Reserve for:				
P.O.A.A.	\$ 15,383	3,174	525	18,032
Fire Prevention	19,257	9,500	19,733	9,024
Tax Sale Premiums	112,700	101,500	170,500	43,700
Recycling Program	64,976	15,100	25,762	54,314
Community Gardens	2,212	750		2,962
Shade Tree Commission	41,383			41,383
Recreation Fees	21,691	38,611	36,420	23,882
Public Defender	12,834	4,200	2,800	14,234
Library Donation	2,250			2,250
Anti Bullying Committee	1,388	450	778	1,060
Police Outside Duty	94,832	440,178	439,796	95,214
Accumulated Unused Sick Leave	171,041	5,000		176,041
Snow Removal	96,058	11,025	20,348	86,735
Youth Commission	28,655	32,197	26,514	34,338
Marriage Ceremony Fees	800	2,200	1,500	1,500
Road Opening Deposits	2,735			2,735
Miscellaneous Deposits	3,995			3,995
Escrow	271,232	129,276	97,300	303,208
COAH	907,415	2,280	7,103	902,592
Landlord Security and Maintenance	61,169	153		61,322
Rehab Revolving Loan	51,311	22,000		73,311
Police Vests	1,200			1,200
Building Violation		14,600	9,556	5,044
Clean Communities		2,200	709	1,491
Celebration Donations		43,125	29,838	13,287
	<u>\$ 1,984,517</u>	<u>877,519</u>	<u>889,182</u>	<u>1,972,854</u>
		Cash Receipts \$ 877,519		
		Cash Disbursements	889,182	
		<u>\$ 877,519</u>	<u>889,182</u>	

**BOROUGH OF RIDGEFIELD**

**Schedule of Accounts Receivable**

**Unemployment Compensation Trust Fund**

**Year Ended December 31, 2017**

Balance - December 31, 2016	\$ 1,523
Increased by:	
Unemployment Insurance Payroll Deductions	<u>12,567</u>
	14,090
Decreased by:	
Cash Receipts	<u>12,721</u>
Balance - December 31, 2017	<u><u>\$ 1,369</u></u>

	<u>Analysis of Balance</u>
4th Quarter 2017	<u>1,369</u>
	<u><u>\$ 1,369</u></u>

**BOROUGH OF RIDGEFIELD**  
**Schedule of Due to State of New Jersey**  
**Unemployment Compensation Trust Fund**  
**Year Ended December 31, 2017**

Balance - December 31, 2016	\$	1,598
Increased by:		
Unemployment Due to State		<u>29,808</u>
		31,406
Decreased by:		
Disbursements		<u>31,365</u>
Balance - December 31, 2017	\$	<u><u>41</u></u>

**BOROUGH OF RIDGEFIELD**

**Schedule of Reserve for Unemployment  
Compensation Insurance**

**Unemployment Insurance Compensation Trust**

**Year Ended December 31, 2017**

Balance - December 31, 2016		\$	17,600
Increased by:			
Unemployment Insurance Payroll Deductions	\$	12,567	
Transfer from Appropriation Reserves		<u>5,520</u>	
			<u>18,087</u>
			35,687
Decreased by:			
Unemployment Due to State		<u>29,808</u>	
Balance - December 31, 2017		\$	<u><u>5,879</u></u>

**Exhibit C-2**

**BOROUGH OF RIDGEFIELD**

**Schedule of Cash - Treasurer**

**General Capital Fund**

**Year Ended December 31, 2017**

Balance - December 31, 2016		\$	1,234,491
Increased by Receipts:			
Interfunds	\$	658,754	
Grants Receivable		116,250	
Bond Anticipation Notes Issued		1,807,034	
Deferred Charge-Budget Appropriation		261	
Capital Improvement Fund		100,000	
			<u>2,682,299</u>
			3,916,790
Decreased by Disbursements:			
Reserve for Payment of Debt		349,905	
Interfunds		299,605	
Fund Balance		6,650	
Deferred Charge-Expenditure without Ordinance Appropriation		25,731	
Improvement Authorizations		1,243,500	
			<u>1,925,391</u>
Balance - December 31, 2017		\$	<u><u>1,991,399</u></u>

**BOROUGH OF RIDGEFIELD**  
**Schedule of General Capital Fund Cash**  
**General Capital Fund**  
**Year Ended December 31, 2017**

Fund Balance	\$ 18,745
Capital Improvement Fund	161,710
Grant Receivable	(466,396)
Reserve for Payment of Debt	117,443
Reserve for Grants Receivable	203,684
Reserve for Capital Projects	6,650
Excess Proceeds from Note Sale	70,509
Overexpenditure of Improvement Authorization	(25,731)

Improvement Description

2116	Acquisition of Pumper Ladder	(84,699)
2251	Interior Improvements to the Community Center	3,900
2264	Community Center Kitchen Improvements	2,494
2265	Various Capital Improvements	436,940
2283	Renovations to Truss System and Installation of Fire Protection System for Community Center	362,954
2285	Nature Center Fence Improvements	27,114
2307	Various Capital Improvements	240,500
2319	2017 Roadway Improvements	268,845
2321	Various Capital Improvements	222,948
2325	Various Roadway and Sewer Improvements	423,789
		<u>\$ 1,991,399</u>

**BOROUGH OF RIDGEFIELD**

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

**General Capital Fund**

**Year Ended December 31, 2017**

Balance - December 31, 2016		\$	8,127,849
Decreased by:			
Budget appropriations:			
Bond Principal	\$	1,085,000	
NJ Environmental Infrastructure Trust Loan		<u>72,920</u>	
			<u>1,157,920</u>
Balance - December 31, 2017		\$	<u><u>6,969,929</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2017

Ordinance Number	Improvement Description	Balance, Dec. 31, 2016	2017 Authorizations	Decreased by:	Balance, Dec. 31, 2017	Analysis of Balance - December 31, 2017		
						Funded by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
1952	Various Road Improvements	\$ 21,291			21,291	21,291		
2108	Synthetic Turf Athletic Field, Willis Field	344,986		26,000	318,986	372,000		
2116	Acquisition of Pumper Ladder	328,519		12,295	316,224	231,525	84,699	
2207	Various Public Improvements	477,850		257	477,593	477,850		
2222	Sanitary Sewer Imps. at Hoyt and Edgewater	161,500			161,500	161,500		
2265	Various Capital Improvements	689,700			689,700	689,700		
2283	Renovations to the Truss Roof and Installation of a Fire Protection System for the Community Center	617,500			617,500	617,500		
2293	Refunding Bond Ordinance	1,480,000		1,480,000				
2306	Replacement of Storm Sewer Line along River Street	35,012			35,012	52,250		
2307	Various Capital Improvements	1,313,850			1,313,850	1,313,850		
2319	2017 Roadway Improvements		215,339		215,339	215,339		
2321	Various Capital Improvements		219,047		219,047	219,047		
2325	Various Roadway and Sewer Improvements		755,952		755,952	755,148		804
		\$ 5,470,208	1,190,338	1,518,552	5,141,994	5,127,000	84,699	804

Cancelled \$ 1,450,257  
 Paydown on Notes 38,295  
 \$ 1,488,552

Less: Excess Note Proceeds  
 Ord. 2306 (17,238)  
 Ord. 2207 (257)  
 Ord. 2108 (33,014)  
 \$ 5,056,491

Improvement Authorizations - Unfunded \$ 1,899,373  
 Less: Unexpended note proceeds:  
 Ord. 2265 436,940  
 Ord. 2283 362,954  
 Ord. 2307 240,500  
 Ord. 2319 215,339  
 Ord. 2321 219,047  
 Ord. 2325 423,789  
 \$ 804

**BOROUGH OF RIDGEFIELD**

**Schedule of Interfunds**

**General Capital Fund**

**Year Ended December 31, 2017**

	Balance Due from/(to) Dec. 31, <u>2016</u>	<u>Increased</u>	<u>Decreased</u>
Current Fund	\$ 56,792	658,754	601,962
	<hr/>	<hr/>	<hr/>
	<u>\$ 56,792</u>	<u>658,754</u>	<u>601,962</u>
		Cash Receipts \$ 658,754	
		Cash Disbursements	299,605
		Grants Receivable	<u>302,357</u>
		<u>\$ 658,754</u>	<u>601,962</u>

**BOROUGH OF RIDGEFIELD**

**Schedule of Grants Receivable**

**General Capital Fund**

**Year Ended December 31, 2017**

	Grant Amount	Year	Ordinance	Balance Dec. 31, 2016	2017 Grants Authorized	Received	Cancelled	Balance Dec. 31, 2017
<u>New Jersey Department of Transportation</u>								
Elm Ave Improvements, Section 2	150,000	2013	2235	150,000			150,000	
Abbott Avenue Improvements, Section 3	149,000	2015	2287	149,000			149,000	
Roadway Improvements	299,000	2017	2319		299,000	184,914		114,086
Various Roadway and Sewer Improvements	165,627	2017	2325		165,627	117,443		48,184
Various Roadway and Sewer Improvements	155,500	2017	2325		155,500			155,500
<u>Bergen County ADA Cooperative Engineering Design Grant:</u>								
ADA Compliance Improvements at all Intersections along Bergen County Roads	55,000	2012	2210	15,950				15,950
<u>Bergen County Open Space Preservation Trust Fund:</u>								
Nature Center Fence Improvements	44,000	2014	2260	44,000		44,000		
Nature Center Fence Improvements	72,250	2015	2285	72,250		72,250		
<u>Community Development Block Grant</u>								
Lloyd and Hillside Street Improvements	76,180	2015	2275	48,782				48,782
Various Roadway and Sewer Improvements	83,894	2017	2319		83,894			83,894
				\$ 479,982	704,021	418,607	299,000	466,396
					Cash Receipts \$	116,250		
					Interfunds	302,357		
						\$ 418,607		

**BOROUGH OF RIDGEFIELD**

**Schedule of Serial Bonds**

**General Capital Fund**

**Year Ended December 31, 2017**

Purpose	Date of Issue	Original Issue	Maturities of bonds outstanding		Interest Rate	Balance, Dec. 31, 2016	Decreased	Balance, Dec. 31, 2017
			Date	Amount				
General Improvement Bonds of 2008	October 15, 2008	6,656,000	April 15, 2018	300,000	4.500% \$	600,000	300,000	300,000
Refunding Bonds of 2011	December 31, 2011	2,780,000	August 15, 2018	220,000	4.000%	575,000	575,000	
Refunding Bonds of 2016	March 17, 2016	7,070,000	August 15, 2019	810,000	5.000%	6,705,000	210,000	6,495,000
			August 15, 2020	835,000	5.000%			
			August 15, 2021	845,000	5.000%			
			August 15, 2022	855,000	5.000%			
			August 15, 2023	860,000	5.000%			
			August 15, 2024	895,000	5.000%			
August 15, 2025	900,000	4.000%						
August 15, 2026	275,000	4.000%						
						<u>\$ 7,880,000</u>	<u>1,085,000</u>	<u>6,795,000</u>

**BOROUGH OF RIDGEFIELD**

**Schedule of New Jersey Infrastructure Trust Loan**

**General Capital Fund**

**Year Ended December 31, 2017**

Purpose	Date of Issue	Original Issue	Maturities of bonds outstanding		Interest Rate	Balance, Dec. 31, 2016	Decreased	Balance, Dec. 31, 2017
			Date	Amount				
NJ Environmental Infrastructure Trust Loan	November 9, 2000	490,000	August 1, 2018	31,478	5.250%	145,000	46,265	98,735
			August 1, 2019	31,323	5.250%			
			August 1, 2020	35,934	5.250%			
NJ Environmental Infrastructure Trust Loan	November 9, 2000	500,000	February 1, 2018	1,806	\$	102,849	26,655	76,194
			August 1, 2018	23,699				
			February 1, 2019	1,231				
			August 1, 2019	23,124				
			February 1, 2020	657				
			August 1, 2020	25,677				
						\$ 247,849	72,920	174,929
						Savings Credit (Principal) \$	14,644	
						Budget Appropriation	58,276	
						\$	72,920	

**BOROUGH OF RIDGEFIELD**

**Schedule of Bond Anticipation Notes Payable**

**General Capital Fund**

**Year Ended December 31, 2017**

Ord. Number	Purpose	Date of original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, Dec. 31, 2016	Increased	Decreased	Balance, Dec. 31, 2017
2108	Synthetic Turf Willis Field	December 10, 2010	Oct. 18, 2017	Oct. 19, 2018	1.220% \$	398,000	372,000	398,000	372,000
2116	Acquisition of Pump Ladder	December 10, 2010	Oct. 18, 2017	Oct. 19, 2018	1.220%	243,820	231,525	243,820	231,525
1952	Various Road Improvements	October 20, 2016	Oct. 18, 2017	Oct. 19, 2018	1.220%	21,291	21,291		21,291
2306	Replacement of Storm Sewer Line along River Street	October 20, 2016	Oct. 18, 2017	Oct. 19, 2018	1.220%	52,250	52,250	52,250	52,250
2307	Various Capital Improvements	October 20, 2016	Oct. 18, 2017	Oct. 19, 2018	1.220%	1,313,850	1,313,850	1,313,850	1,313,850
2207	Various Capital Improvements	July 1, 2015	Oct. 18, 2017	Oct. 19, 2018	1.220%	477,850	477,850	477,850	477,850
2222	Sanitary Sewer Imps. at Hoyt and Edgewater Avenues	July 1, 2015	Oct. 18, 2017	Oct. 19, 2018	1.220%	161,500	161,500	161,500	161,500
2265	Various Capital Improvements	July 1, 2015	Oct. 18, 2017	Oct. 19, 2018	1.220%	689,700	689,700	689,700	689,700
2283	Renovations to Truss System and Installation of Fire Protection System for Community Center	October 18, 2017	Oct. 18, 2017	Oct. 19, 2018	1.220%		617,500		617,500
2319	2017 Roadway Improvements	October 18, 2017	Oct. 18, 2017	Oct. 19, 2018	1.220%		215,339		215,339
2321	Various Capital Improvements	October 18, 2017	Oct. 18, 2017	Oct. 19, 2018	1.220%		219,047		219,047
2325	Various Roadway and Sewer Imps.	October 18, 2017	Oct. 18, 2017	Oct. 19, 2018	1.220%		755,148		755,148
						<u>\$ 3,358,261</u>	<u>5,127,000</u>	<u>3,358,261</u>	<u>5,127,000</u>
						Cash \$ 1,807,034		38,295	
						Budget Appropriation Renewed	<u>3,319,966</u>	<u>3,319,966</u>	
						\$ 5,127,000	<u>3,358,261</u>	<u>3,358,261</u>	

**BOROUGH OF RIDGEFIELD**  
**Schedule of Capital Improvement Fund**  
**General Capital Fund**  
**Year Ended December 31, 2017**

Balance - December 31, 2016	\$ 87,478
Increased by:	
Budget Appropriation	<u>100,000</u>
	187,478
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>25,768</u>
Balance - December 31, 2017	\$ <u><u>161,710</u></u>

**Exhibit C-12**

**BOROUGH OF RIDGEFIELD**  
**Schedule of Reserve for Payment of Debt**  
**General Capital Fund**  
**Year Ended December 31, 2017**

Balance - December 31, 2016	\$	349,905
Increased by:		
Cash Receipts:		
Grants Receivable		<u>117,443</u>
		467,348
Decreased by:		
Current Fund Budgeted Revenue		<u>349,905</u>
Balance - December 31, 2017	\$	<u><u>117,443</u></u>
	Ord. 2325 \$	<u><u>117,443</u></u>

**Exhibit C-13**

**Schedule of Reserve for Capital Projects**  
**General Capital Fund**  
**Year Ended December 31, 2017**

Balance - December 31, 2016	\$	<u>6,650</u>
Balance - December 31, 2017	\$	<u><u>6,650</u></u>

**BOROUGH OF RIDGEFIELD**  
**Schedule of Reserve for Grants Receivable**  
**General Capital Fund**  
**Year Ended December 31, 2017**

Increased by:		
Grants Receivable	\$	321,127
Decreased by:		
Transfer to Reserve for Payment of Debt		117,443
Balance - December 31, 2017	\$	203,684
NJDOT Various Roadway and Sewer Improvements	\$	48,184
NJDOT Various Roadway and Sewer Improvements		155,500
		203,684

**BOROUGH OF RIDGEFIELD**

**Schedule of Deferred Charges**

**General Capital Fund**

**Year Ended December 31, 2017**

Balance - December 31, 2016	\$	261
Increased by:		
Expenditure without Ordinance Appropriation		<u>25,731</u>
		25,992
Decreased by:		
Budget Appropriation		<u>261</u>
Balance - December 31, 2017	\$	<u><u>25,731</u></u>

**BOROUGH OF RIDGEFIELD**  
**Schedule of Improvement Authorizations**  
**General Capital Fund**

**Year Ended December 31, 2017**

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance, Dec. 31, 2016		Authorized	Expended	Cancelled	Balance, Dec. 31, 2017	
				Funded	Unfunded				Funded	Unfunded
2207	Various Public Improvements	6/25/2012	699,000	\$	465		208	257		
2235	Elm Avenue Improvements	9/23/2013	175,000		160,642		1,350	159,292		
2251	Interior Improvements to the Community Cent	3/4/2014	110,000		11,002		7,102		3,900	
2264	Community Center Kitchen Improvements	10/27/2014	110,000		5,593		3,099		2,494	
2265	Various Capital Improvements	10/27/2014	726,000		444,455		7,515			436,940
2283	Renovations to the Truss Roof and Installation of a Fire Protection System for Community Center	6/22/2015	650,000		387,563		24,609			362,954
2285	Nature Center Fence Improvements	9/14/2015	144,500		29,514		2,400		27,114	
2287	Abbott Avenue Improvements, Section 3	9/28/2015	175,000		167,688		2,585	165,103		
2293	Refunding Bond Ordinance	11/23/2015	8,550,000		1,480,000			1,480,000		
2307	Various Capital Improvements	7/6/2016	1,383,000		752,518		512,018			240,500
2319	2017 Roadway Improvements	3/1/2017	609,000			609,000	340,155		53,506	215,339
2321	Various Capital Improvements	5/3/2017	230,000			230,000	7,052		3,901	219,047
2325	Various Roadway and Sewer Improvements	6/21/2017	760,000			760,000	335,407			424,593
			\$	374,439	3,065,001	\$	1,243,500	1,804,652	90,915	1,899,373

Capital Improvement Fund \$ 25,768  
 Grants 382,894  
 Deferred Charges Unfunded 1,190,338  
 \$ 1,599,000

Grants Receivable \$ 299,000  
 Deferred Charges Unfunded 1,480,257  
 Fund Balance 25,395  
 \$ 1,804,652

**BOROUGH OF RIDGEFIELD**

**Schedule of Bonds and Notes Authorized but not Issued**

**General Capital Fund**

**Year Ended December 31, 2017**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, Dec. 31, 2016</u>	<u>Authorized</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2017</u>
2116	Acquisition of a Pump Ladder Truck	\$ 84,699			84,699
2283	Renovations to Truss System and Installation of Fire Protection System for Community Center	617,500		617,500	
2293	Refunding Bond Ordinance	1,480,000		1,480,000	
2319	2017 Roadway Improvements		215,339	215,339	
2321	Various Capital Improvements		219,047	219,047	
2325	Various Roadway and Sewer Improvements		755,952	755,148	804
		<u>\$ 2,182,199</u>	<u>1,190,338</u>	<u>3,287,034</u>	<u>85,503</u>
			Cancelled \$	1,480,000	
			Bond Anticipation Notes Issued	<u>1,807,034</u>	
				<u>\$ 3,287,034</u>	

**Exhibit D-5**

**BOROUGH OF RIDGEFIELD**

**Schedule of Cash - Collector-Treasurer**

**Swimming Pool Utility Fund**

**Year Ended December 31, 2017**

	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2016	\$ <u>956</u>	<u>1,136</u>
Increased by Receipts:		
Membership Fees	168,149	
Miscellaneous	29,906	
Deficit (General Budget)	<u>106,885</u>	
	<u>304,940</u>	
	305,896	1,136
Decreased by Disbursements:		
2017 Appropriations	276,753	
Appropriation Reserve	<u>52</u>	
	<u>276,805</u>	
Balance - December 31, 2017	\$ <u><u>29,091</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, 2017**

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

Improvement Authorizations:

Ordinance

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

**BOROUGH OF RIDGEFIELD**

**Schedule of 2016 Reserves - Operating Fund**

**Swimming Pool Utility Fund**

**Year Ended December 31, 2017**

	Balance, Dec. 31, <u>2016</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages	\$ 87	87		87
Other Expenses	<u>8,893</u>	<u>9,356</u>	<u>52</u>	<u>9,304</u>
Total Operating	<u>8,980</u>	<u>9,443</u>	<u>52</u>	<u>9,391</u>
	<u>\$ 8,980</u>	<u>9,443</u>	<u>52</u>	<u>9,391</u>

Appropriation Reserves	\$ 8,980
Encumbrances	<u>463</u>
	<u>\$ 9,443</u>

**BOROUGH OF RIDGEFIELD**

**Schedule of Interfund Receivables/(Payable)**

**Swimming Pool Utility - Operating Fund**

**Year Ended December 31, 2017**

	Balance Dec. 31, <u>2016</u>	<u>Increased</u>	Balance Dec. 31, <u>2017</u>
Swim Pool Utility Capital Fund	\$ 13,630		13,630
Current Fund	<u>(11,437)</u>	<u>10,669</u>	<u>(768)</u>
	<u>\$ 2,193</u>	<u>10,669</u>	<u>12,862</u>

**BOROUGH OF RIDGEFIELD**

**Schedule of Interfund Receivables/(Payable)**

**Swimming Pool Utility - Capital Fund**

**Year Ended December 31, 2017**

	Balance Dec. 31, <u>2016</u>	Balance Dec. 31, <u>2017</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>

**Exhibit D-10**

**BOROUGH OF RIDGEFIELD**

**Schedule of Fixed Capital**

**Swimming Pool Utility Capital Fund**

**Year Ended December 31, 2017**

Balance - December 31, 2016	\$ <u>1,820,236</u>
Balance - December 31, 2017	\$ <u><u>1,820,236</u></u>
<u>Analysis of Balance</u>	
Swim Pool Improvements	\$ <u><u>1,820,236</u></u>

**Exhibit D-11**

**Schedule of Fixed Capital Authorized  
and Uncompleted**

**Swimming Pool Utility Capital Fund**

**Year Ended December 31, 2017**

Balance - December 31, 2016	\$ <u>1,342</u>
Balance - December 31, 2017	\$ <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, 2017**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance December 31, 2016</u>		<u>Balance December 31, 2017</u>	
				<u>Funded</u>	<u>Unfunded</u>	<u>Funded</u>	<u>Unfunded</u>
1835	ADA Improvements	Sept. 8, 2003	50,000 \$	1,342		1,342	
			\$	<u>1,342</u>		<u>1,342</u>	

**Exhibit D-13**

**BOROUGH OF RIDGEFIELD**  
**Schedule of Reserve for Amortization**  
**Swimming Pool Utility Capital Fund**  
**Year Ended December 31, 2017**

Balance - December 31, 2016	\$ <u>1,783,236</u>
Balance - December 31, 2017	\$ <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, 2017**

Balance - December 31, 2016	\$ <u>21,355</u>
Balance - December 31, 2017	\$ <u><u>21,355</u></u>

**BOROUGH OF RIDGEFIELD**  
**Schedule of Deferred Reserve for Amortization**  
**Swimming Pool Utility Capital Fund**

Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	Balance Dec. 31, <u>2016</u>	Balance Dec. 31, <u>2017</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, 2017**

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance Dec. 31, <u>2016</u>	Balance Dec. 31, <u>2017</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, 2017**

	<u>Total</u>	<u>P.A.T.F. Account #1/ Petty Cash</u>	<u>Relocation Account</u>
Balance - December 31, 2016	\$ 12,431	6,888	5,543
Increased by:			
Due to Current Fund	<u>68</u>	<u>38</u>	<u>30</u>
Balance - December 31, 2017	<u>\$ 12,499</u>	<u>6,926</u>	<u>5,573</u>

**BOROUGH OF RIDGEFIELD**

**Schedule of Due from/(to) Current Fund**

**Public Assistance Fund**

**Year Ended December 31, 2017**

Balance - December 31, 2016	\$	(141)
Increased by:		
Interest Earned		<u>68</u>
Balance - December 31, 2017	\$	<u><u>(209)</u></u>

**BOROUGH OF RIDGEFIELD**

**Schedule of Reserve for Public Assistance**

**Public Assistance Fund**

**Year Ended December 31, 2017**

	<u>Total</u>	<u>P.A.T.F. Account #1/ Petty Cash</u>	<u>Relocation Account</u>
Balance - December 31, 2016	\$ <u>12,290</u>	<u>6,585</u>	<u>5,705</u>
Balance - December 31, 2017	\$ <u><u>12,290</u></u>	<u><u>6,585</u></u>	<u><u>5,705</u></u>

**BOROUGH OF RIDGEFIELD**

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**LETTERS ON COMPLIANCE AND ON INTERNAL CONTROL**

**GENERAL COMMENTS AND RECOMMENDATIONS**

**DECEMBER 31, 2017**

# 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, 2017 and the related notes to the financial statements, and have issued our report thereon dated April 6, 2018, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting. The regulatory basis opinion was qualified for not meeting the disclosure requirements of GASB Statement No. 68.

### **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

April 6, 2018

## BOROUGH OF RIDGEFIELD

### GENERAL COMMENTS

#### Contracts and Agreements

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

- a. When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (I) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.
- c. The Governor, in consultation with the Department of the Treasury, shall no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198(C.40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made.

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

- a. Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act of specifically by any other law. The governing body of a contracting unit may, 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. On July 1, 2015, this amount was increased to \$40,000.

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:

- FY2015 CDBG Roadway Improvements - Oak Street Project
- DOT Roadway Improvements - Elm Ave and Abbott Ave
- FY2016 NJDOT Resurfacing of Abbott Avenue Improvements
- FY2017 NJDOT Ray Avenue & Virgil Avenue Improvement
- Van Rennsalaer Court Improvements
- Edgewater Avenue Sanitary and Sewer Rehabilitation
- Sale of Borough Property - Block 2902 Lot 10&11
- Sewer Cleaning Truck

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, 2017 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,

**BOROUGH OF RIDGEFIELD**

**GENERAL COMMENTS, (continued)**

THEREFORE, BE IT RESOLVED that Mayor and Council authorize an interest charge of 8% per annum, upon delinquent installments of taxes and assessments; and

BE IT FURTHER RESOLVED, that the Mayor and Council authorize an interest charge of 18% per annum upon delinquent installments of taxes in excess of \$1,500.00.

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 1, 2017 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, 2017	2
December 31, 2016	2
December 31, 2015	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 & RECOMMENDATIONS  
DECEMBER 31, 2017**

**COMMENTS:**

**Finance:**

1. \* Not all transactions for Net Payroll and Payroll Agency are not posted to the general ledger for the entire year as required by Technical Directive #3.
2. \* There are unfunded improvement authorizations in the General Capital Fund greater than five years old.
3. \* There were instances in which amounts paid per the vendor history exceeded the amounts reported on Form 1099.
4. There were expenditures without appropriation in the General Capital Fund resulting in a deferred charge in the amount of \$25,731.
5. There were over-expenditures of Budget Appropriations-Maintenance of Free Public Library in the amount of \$5,189.
6. There were instances in which vendors receiving payments in excess of IRS thresholds were not issued the required Form 1099.
7. Prior year interfund balances were not liquidated prior to the close of the current fiscal year.
8. Interest earned on the Public Assistance Trust Fund, Rent Deposit Trust Fund and COAH Trust Fund are not being posted to the general ledger.
9. Subsidiary ledgers in the Grant Fund do not agree to audited balances for the Appropriated Grant Reserves.
10. There were instances in which amounts paid to vendors for professional services exceeded the "not to exceed" cost language as required by N.J.A.C. 5:30-5.5c(1).
11. There is an outstanding balance Due to State for prior year DCA fees collected.
12. The fixed asset report does not include all eligible items purchased in the year under review.

**Purchasing:**

1. \* There were instances where the incorrect budget year was charged as required by the Division of Local Government Services, Requirements of Audit for Expenditures and Disbursements.
2. \* Informal quotes were not obtained for purchases which exceeded 15% of the bid threshold as required by N.J.S.A. 40A:11-6.1.
3. There were instances in which goods or services were ordered prior to encumbrance.

**Payroll:**

1. There is a deficit in the reserve for Net Payroll in the amount of \$25,731 resulting from amounts being transferred to the net payroll account which did not agree to the payroll registers.
2. The Net Payroll Account was not properly reconciled as of year-end.
3. There are instances in which manual checks from the Net Payroll Account are not being issued in sequential order.

**Municipal Court:**

1. There are 46 complaints Eligible for Warrant on the December Monthly Management Report.

**BOROUGH OF RIDGEFIELD  
COMMENTS & RECOMMENDATIONS  
DECEMBER 31, 2017**

**(CONTINUED)**

**RECOMMENDATIONS:**

**Finance:**

1. \* That all transactions be recorded in the general ledger for all funds.
2. \* That all ordinances with cash deficits over five years old should be funded through a valid funding source.
3. \* That all eligible payments are reported on Form 1099 as required by IRS Rev. Rul. 2003-66.
4. That more care be taken to ensure that all expenditures from the General Capital Fund be made only with a valid appropriation.
5. That more care be taken to ensure that Budget Appropriations are not over-expended.
6. That all eligible vendors receive a Form 1099 as required by IRS Rev. Rul. 2003-66.
7. That all interfund balances be liquidated prior to the close of the year.
8. That all interest earnings be posted to the appropriate general ledgers.
9. That the Grant Fund subsidiary ledgers be reviewed and adjusted accordingly to reflect the audited balances for Appropriated Grant Reserves.
10. That the Borough comply with all Pay-to-Play Compliance Regulations in regards to professional services contracts.
11. That the payments to the State for DCA fees be made in a timely manner.
12. That more care be taken to ensure all eligible purchases are included in the fixed asset report.

**Purchasing:**

1. \* That more care be taken to ensure all items are charged to the correct budget year.
2. \* That all purchases in excess of 15% of the bid threshold have informal quotes obtained as required by Local Public Contracts Law.
3. That controls over purchasing procedures being enhanced to ensure that purchase orders are issued and funds are encumbered when the goods and/or services are received.

**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 monthly reconciliations are completed.
3. That more care be taken to ensure that all checks are issued in sequential order.

**Municipal Court:**

1. That more care be taken to ensure that complaints Eligible for Warrant be processed in a timely manner.

**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

April 6, 2018