

BOROUGH OF RIDGEFIELD

**Financial Statements With
Supplementary Information**

December 31, 2018

(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, 2018 and 2017, 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, 2018, 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.



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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, 2018 and 2017, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above, present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2018 and 2017, 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, 2018 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.



Honorable Mayor and
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Emphasis of Matter

Adoption of New Accounting Principle

As discussed in Note 1 to the basic financial statements, during the year ended December 31, 2018, the Borough adopted Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Post Employment Benefits Other Than Pensions (an Amendment of GASB Statement No. 45). As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this statement only required financial statement disclosure. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 2019 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

Honorable Mayor and
Members of the Borough Council
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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.



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Registered Municipal Accountant
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July 18, 2019



BOROUGH OF RIDGEFIELD

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2018 and 2017

<u>Assets</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Current Fund:			
Cash	A-4	\$ 6,402,816	5,793,084
Change Fund	A-5	450	450
Due from State of New Jersey:			
Senior Citizens' and Veterans' Deductions	A-6	<u>73,756</u>	<u>69,852</u>
		<u>6,477,022</u>	<u>5,863,386</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	676,109	797,274
Tax Title Liens	A-8	129,205	115,588
Property Acquired for Taxes			
Assessed Valuations	A-9	81,180	81,180
Revenue Accounts Receivable	A-10	18,907	18,198
Interfunds Receivable:			
Payroll Account	A-11	42,832	
Unemployment	A-11	2,699	2,699
Payroll Agency Account	A-11	16,186	1,567
Public Assistance	A-11	278	209
Swim Pool Utility Operating Fund	A-11	<u>25,236</u>	<u>768</u>
		<u>992,632</u>	<u>1,017,483</u>
Deferred Charges:			
Over-expenditure of Budget Appropriations	A-12		<u>5,189</u>
			<u>5,189</u>
Total Current Fund		<u>7,469,654</u>	<u>6,886,058</u>
Federal and State Grant Fund:			
Interfunds Receivable	A-23	122,159	79,502
Grants Receivable	A-24	<u>239,456</u>	<u>314,172</u>
Total Federal and State Grant Fund		<u>361,615</u>	<u>393,674</u>
Total Assets		<u>\$ 7,831,269</u>	<u>7,279,732</u>

BOROUGH OF RIDGEFIELD

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2018 and 2017

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Current Fund:			
Appropriation Reserves	A-3, A-13	\$ 928,818	744,930
Encumbrances Payable	A-14	550,358	534,342
Tax Overpayments	A-15	26,120	33
Prepaid Taxes	A-16	130,376	638,573
Accounts Payable	A-17	35,568	19,778
Due to State of New Jersey	A-18	19,226	14,252
Due to County of Bergen	A-21	8,626	8,250
Interfunds Payable:			
General Capital Fund	A-11	83,894	
Federal and State Grant Fund	A-11	122,159	79,502
Reserve for:			
Re-Assessment	A-22	2,000	2,000
Miscellaneous	A-22	50	50
Sale of Property	A-22		350,262
		<u>1,907,195</u>	<u>2,391,972</u>
Reserve for Receivables and Other Assets	A	992,632	1,017,483
Fund Balance	A-1	<u>4,569,827</u>	<u>3,476,603</u>
		<u>5,562,459</u>	<u>4,494,086</u>
Total Current Fund		<u>7,469,654</u>	<u>6,886,058</u>
Federal and State Grant Fund:			
Appropriated Federal and State Grants	A-25	<u>361,615</u>	<u>393,674</u>
Total Federal and State Grant Fund		<u>361,615</u>	<u>393,674</u>
Total Liabilities, Reserves and Fund Balance	\$	<u>7,831,269</u>	<u>7,279,732</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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 1,430,000	1,100,000
Miscellaneous Revenue Anticipated	9,361,716	9,415,239
Receipts from Delinquent Taxes	797,274	545,736
Receipts from Current Taxes	37,147,369	35,544,708
Nonbudget Revenues	779,868	765,564
Other Credits to Income:		
Accounts Payable Cancelled	14,686	7,802
Unexpended Balance of Appropriation Reserves	481,721	371,652
Tax Overpayments Cancelled	33	76,598
Interfunds Returned		211,598
	<hr/>	<hr/>
Total Revenue	50,012,667	48,038,897
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	7,438,422	7,063,397
Other Expenses	10,464,961	10,591,682
Deferred Charges and Statutory Expenditures	1,685,962	1,636,636
Capital Improvements	150,000	100,000
Municipal Debt Service	1,052,631	1,596,227
County Taxes	4,781,682	4,674,277
Due County for Added Taxes	8,626	8,250
Local District School Taxes	21,824,484	20,834,727
Interfunds Advanced	81,919	
Refunds	756	228,546
	<hr/>	<hr/>
Total Expenditures	47,489,443	46,733,742
Excess in Revenue	2,523,224	1,305,155
Adjustments to Income Before Fund Balance-		
Charges to Budget of Succeeding Year		
Overexpenditure of Budget		5,189
		<hr/>
Statutory Excess to Fund Balance	2,523,224	1,310,344
Fund Balance - January 1,	3,476,603	3,266,259
Decreased by Utilization as Anticipated Revenue	<hr/>	<hr/>
	1,430,000	1,100,000
Fund Balance	<u>\$ 4,569,827</u>	<u>\$ 3,476,603</u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2018

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Surplus Anticipated	\$ 1,430,000	1,430,000	
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	32,000	32,750	750
Other	38,000	39,153	1,153
Fees and Permits:			
Other	255,000	243,617	(11,383)
Fines and Costs Municipal Court	230,000	286,673	56,673
Interest and Costs on Taxes	80,000	126,930	46,930
Interest on Investments and Deposits	281	13,365	13,084
Hackensack Meadowlands Adjustment to			
Tax Sharing	866,772	789,256	(77,516)
Energy Receipts Tax	5,498,350	5,498,350	
Uniform Construction Code Fees	449,000	608,121	159,121
Palisades Park-Health Officer	46,200	47,993	1,793
Clean Communities Program	17,228	17,228	
Drunk Driving Enforcement Fund	3,202	3,202	
Radon Awareness Grant	2,000	2,000	
Shaping New Jersey	20,000	20,000	
NJSEA Arbor Tree Grant	1,000	1,000	
Emergency Management Grant - 2017	9,400	9,400	
Soccer Grant	1,000	1,000	
Uniform Fire Safety Act	35,000	53,262	18,262
Rental of Borough Property - Shaler Lease	150,000	203,600	53,600
Rental of Borough Property - Shaler Lease - Debt Service Payments	313,700	298,600	(15,100)

BOROUGH OF RIDGEFIELD

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2018

Sewer Charges	100,000	192,489	92,489
Sewer Charges - Additional - Tier II User Charges	270,000	173,561	(96,439)
Reserve for Sale of Property	350,262	350,262	
Capital Fund Balance	18,744	18,744	
EMS Medical Transport	118,000	209,232	91,232
Cable TV Franchise Fee	121,700	121,928	228
		<hr/>	<hr/>
Total Miscellaneous Revenues	9,026,839	9,361,716	334,877
		<hr/>	<hr/>
Receipts from delinquent taxes	775,000	797,274	22,274
		<hr/>	<hr/>
Amount to be Raised by Taxes for Support of Municipal Budget	11,184,145	11,432,086	247,941
		<hr/>	<hr/>
Budget Total	\$ 22,415,984	23,021,076	605,092
		<hr/>	<hr/>
Nonbudget Revenue		779,868	
		<hr/>	
		\$ 23,800,944	
		<hr/>	

Analysis of Realized Revenue

Allocation of Current Tax Collections; Revenue from Collections	\$ 37,147,369
Allocated to:	
Local District School Tax	21,824,484
County Taxes	4,790,308
	<hr/>
	26,614,792
	<hr/>
Balance for Support of Municipal Budget Appropriations	10,535,086
Reserve for Uncollected Taxes	897,000
	<hr/>
	\$ 11,432,086
	<hr/>
Receipts from:	
Delinquent Tax Collections	797,274
	<hr/>
	\$ 797,274
	<hr/>

BOROUGH OF RIDGEFIELD
Statement of Revenues-Regulatory Basis
Current Fund
Year Ended December 31, 2018

Analysis of Miscellaneous Revenue Not Anticipated

Police Outside Detail	\$	211,876
FEMA		13,090
Refund Overpayments		3,153
Miscellaneous		25,361
NJSEA Prior Year		456,032
Miscellaneous Fees		20
Hazmat		50
Bank Refunds		540
Flu Shots		1,375
NJ Turnpike Ambulance		1,580
Restitution		800
Prior Years Refunds		7,130
Contras Not Applied		<u>58,861</u>
	\$	<u><u>779,868</u></u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2018

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance	
					Canceled	Overexpended
Operations-within "CAPS"						
Administrative and executive:						
Salaries and Wages	\$ 32,461	37,128	37,128			
Other Expenses	38,500	38,500	36,034	2,466		
Rent Leveling:						
Salaries and Wages	6,000	6,000	6,000			
Other Expenses	500	500	492	8		
Mayor and Council:						
Salaries and Wages	40,750	40,750	40,750			
Other Expenses	7,007	7,007	7,007			
Municipal Clerk:						
Salaries and Wages	138,827	137,398	129,853	7,545		
Other Expenses	30,400	25,399	14,593	10,806		
Financial Administration:						
Salaries and Wages	183,847	187,847	187,472	375		
Annual Audit	29,000	29,000	27,500	1,500		
Miscellaneous Other Expenses	65,600	65,600	57,017	8,583		
Grant Writer	36,000	36,000	36,000			
Collection of taxes:						
Salaries and Wages	101,769	101,769	97,804	3,965		
Other Expenses	18,000	23,132	13,678	9,454		
Assessment of Taxes:						
Salaries and Wages	20,847	20,847	20,467	380		
Other Expenses	4,250	4,338	4,338			
Professional Services	20,000	20,000	20,000			

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2018

<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	280,599	227,043	211,527	15,516		
Engineering:						
Other Expenses	160,000	125,000	107,664	17,336		
Information Technology						
Salaries and Wages	68,843	55,632	55,632			
Other Expenses	70,000	87,000	80,796	6,204		
Municipal Land Use Law (NJSA 40:55D-1):						
Planning Board:						
Salaries and Wages	10,000	10,000	10,000			
Other Expenses	10,000	10,000	6,356	3,644		
Community Center						
Salaries and Wages	41,407	42,346	41,988	358		
Other Expenses	2,000	2,000	1,781	219		
Insurance:						
Unemployment Insurance	8,000	19,554	19,554			
Liability	590,000	596,173	596,173			
Workers Compensation	460,000	460,754	460,754			
Group Insurance for Employees	2,600,000	2,600,000	2,288,713	311,287		
Health Benefit Waiver	4,000	4,000	2,000	2,000		
PUBLIC SAFETY:						
Fire:						
Clothing Allowance	181,000	181,000	170,713	10,287		
Fire hydrant service	120,000	114,021	114,020	1		
Miscellaneous	91,500	91,500	89,357	2,143		
Fire Prevention Bureau:						
Salaries and Wages	92,045	107,045	107,045			
Other Expenses	28,377	29,577	16,801	12,776		

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2018

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance	
					Canceled	Overexpended
Police:						
Salaries and Wages	4,220,235	4,220,235	4,081,526	138,709		
Other Expenses	130,000	130,000	124,838	5,162		
Purchase of Police Vehicles	80,000	80,000	80,000			
Police Dispatching/911:						
911 Service Agreement	204,000	208,000	208,000			
First Aid Organization:						
Clothing Allowance	122,500	122,500	76,755	45,745		
Miscellaneous	19,000	19,000	12,309	6,691		
Community Service Officer						
Salaries and Wages	141,985	125,485	125,476	9		
Other Expenses	38,470	38,470	34,738	3,732		
Emergency Management Services:						
Salaries and Wages	19,000	19,000	15,523	3,477		
Other Expenses	5,500	5,500	4,849	651		
Municipal Prosecutor:						
Salaries and Wages	12,500	12,500	11,458	1,042		
Streets and Roads:						
Road Repairs and Maintenance:						
Salaries and Wages	1,228,932	1,212,988	1,186,348	26,640		
Other Expenses	151,050	166,081	155,163	10,918		
Maintenance of Borough Vehicles:						
Streets and Roads	85,500	90,889	90,873	16		
Fire	54,800	54,800	52,072	2,728		
Police	43,000	43,000	39,812	3,188		
Ambulance	4,000	4,000	2,769	1,231		
Garage	27,000	35,500	35,217	283		
Building	1,000	1,000	141	859		
Health	1,000	1,000	556	444		

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2018

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance	
					Canceled	Overexpended
Sanitation:						
Garbage and Trash Removal:						
Salaries and Wages	293,319	293,319	277,086	16,233		
Other Expenses	64,000	64,000	63,725	275		
Sanitary Landfill - Contractual Recycling Program:	306,000	306,000	285,750	20,250		
Salaries and Wages	15,000	17,346	17,268	78		
Public Building and Grounds:						
Other Expenses - Maintenance & Repair	293,000	335,500	334,451	1,049		
Health and Welfare:						
Board of Health:						
Salaries and Wages	163,905	163,905	159,026	4,879		
Other Expenses	55,037	55,037	43,577	11,460		
Bergen County Animal Shelter	15,000	15,000	13,365	1,635		
Environmental Commission (N/SA 40:56A-1):						
Other Expenses - Miscellaneous	3,500	3,500	1,249	2,251		
Other Expenses - Arborist						
Administration of Public Assistance:						
Miscellaneous Other Expenses						
Recreation and Education:						
Parks and Recreation:						
Salaries and Wages	248,400	248,400	238,171	10,229		
Other Expenses	139,000	139,000	135,411	3,589		
Youth Commission						
Salaries and Wages	16,685	16,685	16,140	545		
Other Expenses	1,000	1,000		1,000		

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2018

<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	28,000	27,711	289		
Uniform Construction Code-Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)						
Uniform construction code official:						
Salaries and Wages	156,218	139,508	139,504	4		
Other Expenses	16,000	26,000	23,970	2,030		
Property Maintenance						
Salaries and Wages	13,000	11,800	11,512	288		
Other Expenses	4,000	4,000	1,638	2,362		
Municipal Court:						
Salaries and Wages	164,289	164,289	157,255	7,034		
Other Expenses	30,750	30,750	30,101	649		
Public Defender:						
Other Expenses	3,000	3,000	600	2,400		
UNCLASSIFIED:						
Utilities:						
Street lighting	178,000	182,000	160,611	21,389		
Electric & Gas	250,000	253,000	236,937	16,063		
Telephone	139,600	139,600	119,758	19,842		
Water	25,000	25,000	15,428	9,572		
Gasoline	170,000	170,000	156,931	13,069		
Accumulated Absences	5,000	5,000	5,000			
Other Expenses	2,000	2,000	591	1,409		
Snow Removal Trust	5,000	5,000	5,000			
Total Operations within "CAPS"	14,984,697	14,981,447	14,133,196	848,251		

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2018

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"	14,989,697	14,986,447	14,133,196	853,251		
Detail:						
Salaries & Wages	7,430,264	7,392,222	7,170,432	221,790		
Other Expenses (Including Contingent)	7,559,433	7,594,225	6,962,764	631,461		
	14,989,697	14,986,447	14,133,196	853,251		
Deferred Charges and Statutory Expenditures- Municipal within "CAPS"						
DEFERRED CHARGES						
Anticipated Deficit in Swim Pool Utility	90,800	90,800	65,564		25,236	
Detail Associates, Inc--Asbestos	700	25,731	25,731			
Expenditure w/o Appropriation - Capital	25,731	700				700
Overexpenditure of Budget	5,189	5,189	5,189			
Overexpenditure of Grant						
Overexpenditure of Ordinance						
STATUTORY EXPENDITURES:						
Contribution to:						
Social Security System (O.A.S.I.)	390,000	390,000	369,508	20,492		
Pension of Widow Volunteer Firemen	8,000	8,000	7,113	887		
Volunteer Fireman's Pension	17,000	17,000	14,100	2,900		
Volunteer Fireman's Over Age Burial Fund	10,500	11,750	11,750			
Defined Contribution Retirement Program	300	2,300	2,234	66		
Public Employees Retirement system	341,593	341,593	341,593			
Police and Fireman's Retirement System of N.J.	818,835	818,835	818,835			

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2018

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled	Overexpended
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	<u>1,708,648</u>	<u>1,711,898</u>	<u>1,661,617</u>	<u>24,345</u>	<u>25,936</u>	
Total General Appropriations for Municipal Purposes within "CAPS"	<u>16,698,345</u>	<u>16,698,345</u>	<u>15,794,813</u>	<u>877,596</u>	<u>25,936</u>	
Operations-Excluded from "CAPS"						
Bergen County Utilities Authority:						
Sewage Processing and Disposal	2,222,953	2,222,953	2,103,818			119,135
Maintenance of Free Public Library:						
Contribution to Library	648,088	648,088	623,441	24,647		
Recycling Tax	15,000	15,000	11,710	3,290		
Reserve for Tax Appeals	50,000	50,000	26,715	23,285		
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	17,228	17,228	17,228			
Drunk Driving Enforcement Fund	3,202	3,202	3,202			
Matching Funds	20,000	20,000				20,000
Radon Awareness Grant	2,000	2,000	2,000			
Shaping New Jersey	20,000	20,000	20,000			
NJSEA Arbor Tree Grant	1,000	1,000	1,000			
Emergency Management Grant - 2017	9,400	9,400	9,400			
Soccer Grant	1,000	1,000	1,000			
Total Operations-Excluded from "CAPS"	<u>3,056,071</u>	<u>3,056,071</u>	<u>2,865,714</u>	<u>51,222</u>	<u>139,135</u>	

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2018

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or changed</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>	<u>Overexpended</u>
Detail:						
Salaries and Wages	46,200	46,200	46,200			
Other Expenses	3,009,871	3,009,871	2,819,514	51,222	139,135	
	3,056,071	3,056,071	2,865,714	51,222	139,135	
Capital Improvements - Excluded from CAPS	150,000	150,000	150,000			
Capital Improvement Fund	150,000	150,000	150,000			
Total Capital Improvements - Excluded from CAPS	150,000	150,000	150,000			
Municipal Debt Service-Excluded from "CAPS"						
Payment of Bond Principal	1,000,000	1,000,000	520,000		480,000	
Payment of Bond Anticipation Notes	90,000	90,000	90,000			
Interest on Bonds	390,300	390,300	317,550		72,750	
Interest on Notes	65,000	65,000	62,549		2,451	
Infrastructure Trust Loan	69,268	69,268	62,532		6,736	
Total Municipal Debt Service-Excluded from "CAPS"	1,614,568	1,614,568	1,052,631		561,937	

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2018

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled	Overexpended
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	4,820,639	4,820,639	4,068,345	51,222	701,072	
Subtotal General Appropriations	21,518,984	21,518,984	19,863,158	928,818	727,008	
Reserve for Uncollected Taxes	897,000	897,000	897,000			
Total General Appropriations	\$ 22,415,984	22,415,984	20,760,158	928,818	727,008	

Adopted Budget \$ 22,364,154
 Added by N.J.S.A. 40A:4-87 51,830
\$ 22,415,984

Analysis of Paid or Charged
 Reserve for Uncollected Taxes 897,000
 Federal and State Grants 53,830
 Reserve for Encumbrances 550,358
 Deferred Charges 5,189
 Cash 19,253,781
\$ 20,760,158

See accompanying notes to financial statements.

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BOROUGH OF RIDGEFIELD
Comparative Balance Sheet-Regulatory Basis
Trust Funds
December 31, 2018 and 2017

<u>Assets</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Animal License Fund:			
Cash	B-1	\$ <u>5,596</u>	<u>7,336</u>
Unemployment Compensation Trust Fund:			
Cash	B-1		7,250
Accounts Receivable	B-6	1,609	1,369
Deficit in Reserve	B-8	<u>1,090</u>	<u> </u>
		<u>2,699</u>	<u>8,619</u>
Other Trust Funds:			
Cash	B-1	2,293,907	1,937,854
Interfunds Receivable	B-4	<u>39,180</u>	<u>35,000</u>
		<u>2,333,087</u>	<u>1,972,854</u>
		<u>\$ 2,341,382</u>	<u>1,988,809</u>

BOROUGH OF RIDGEFIELD
Comparative Balance Sheet-Regulatory Basis
Trust Funds
December 31, 2018 and 2017

<u>Liabilities and Reserves</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Animal License Fund:			
Reserve for Dog License Fund Expenditures	B-2	5,596	7,317
Due to State of New Jersey	B-3		19
		<u>5,596</u>	<u>7,336</u>
Unemployment Compensation Trust Fund:			
Interfund Accounts Payable	B-4	2,699	2,699
Unemployment Claims Payable	B-7		41
Reserve for Expenditures	B-8		5,879
		<u>2,699</u>	<u>8,619</u>
Other Trust Funds:			
Reserve for:			
Other Trust Deposits	B-5	2,333,087	1,972,854
		<u>\$ 2,341,382</u>	<u>1,988,809</u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

Comparative Balance Sheet-Regulatory Basis

General Capital Fund

December 31, 2018 and 2017

<u>Assets</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Cash:			
Checking	C-2,C-3	\$ 1,679,539	1,991,399
Grants Receivable	C-7	476,027	466,396
Deferred Charges to Future Taxation:			
Funded	C-4	6,392,946	6,969,929
Unfunded	C-5	5,785,658	5,141,994
Interfund Receivable	C-6	83,894	
Schedule of Deferred Charges	C-15		25,731
		\$ 14,418,064	14,595,449
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds	C-8	6,275,000	6,795,000
NJ Environmental Infrastructure Trust Loan	C-9	117,946	174,929
Bond Anticipation Notes	C-10	5,770,664	5,127,000
Capital Improvement Fund	C-11	221,370	161,710
Reserve for:			
Payment of Debt	C-12	291,069	117,443
Capital Projects	C-13	6,650	6,650
Grants Receivable	C-14	30,058	203,684
Improvement authorizations:			
Funded	C-16	27,114	90,915
Unfunded	C-16	1,643,157	1,899,373
Fund Balance	C-1	35,036	18,745
		\$ 14,418,064	14,595,449

There were bonds and notes authorized but not issued at December 31, 2018 and 2017 of \$85,503 and \$85,503 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>2018</u>	<u>2017</u>
Balance - December 31,	\$ 18,745	
Increased by :		
Funded Improvement Authorizations Cancelled		25,395
Premium on Sale of Notes	<u>35,035</u>	<u>25,395</u>
	<u>35,035</u>	<u>25,395</u>
	53,780	25,395
Decreased by:		
Budgeted Revenue	<u>18,744</u>	<u>6,650</u>
Balance - December 31,	<u>\$ 35,036</u>	<u>18,745</u>

See Accompanying Notes to Financial Statements

BOROUGH OF RIDGEFIELD

Comparative Balance Sheet - Regulatory Basis

Swimming Pool Utility Fund

December 31, 2018 and 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Assets</u>			
Operating Fund:			
Cash	D-5	\$ 68,551	29,091
Petty Cash		200	200
Interfunds Receivable:			
Due from Swimming Pool Utility Capital Fund	D-9	13,630	13,630
Total Operating Fund		<u>82,381</u>	<u>42,921</u>
Capital Fund:			
Cash	D-5,D-6	1,136	1,136
Fixed Capital	D-11	1,820,236	1,820,236
Fixed Capital Authorized and Uncompleted	D-12	1,342	1,342
Total Capital Fund		<u>1,822,714</u>	<u>1,822,714</u>
		<u>\$ 1,905,095</u>	<u>1,865,635</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves	D-4,D-7	\$ 31,864	22,491
Encumbrances Payable	D-4,D-7	1,439	309
Accounts Payable	D-8	309	
Due to Current Fund	D-9	25,236	768
Due to Other Trust Fund	D-9	4,180	
Fund Balance	D-1	19,353	19,353
Total Operating Fund		<u>82,381</u>	<u>42,921</u>
Capital Fund:			
Improvement Authorizations - Funded	D-13	1,342	1,342
Reserve for Amortization	D-14	1,783,236	1,783,236
Reserve for Capital Outlay	D-15	21,355	21,355
Deferred Reserve for Amortization	D-16	1,342	1,342
Due to Swimming Pool Operating Fund	D-10	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>\$ 1,905,095</u>	<u>1,865,635</u>

There were bonds and notes authorized but not issued on December 31, 2018 and 2017 in the amount of \$37,000 (per Exhibit D-17).

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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Revenue and Other Income Realized:		
Membership Fees	\$ 184,185	178,818
Miscellaneous Revenues	28,460	29,906
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	21,291	9,391
Total income	<u>233,936</u>	<u>218,115</u>
 Expenditures:		
Operations:		
Salaries and Wages	186,000	186,053
Other Expenses	100,000	100,000
Statutory Expenditures & Deferred Charges	13,500	13,500
Deficit in Operations in Prior Years		25,447
Total Expenditures	<u>299,500</u>	<u>325,000</u>
 Excess (Deficit)	 (65,564)	 (106,885)
 Adjustments to income before fund balance- Realized from General Fund Budget for Anticipated Deficit	 <u>65,564</u>	 <u>106,885</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, 2018 and 2017

	<u>2018</u>	<u>2017</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, 2018

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Membership Fees	\$ 178,800	184,185	5,385
Miscellaneous Revenues	<u>29,900</u>	<u>28,460</u>	<u>(1,440)</u>
	<u>208,700</u>	<u>212,645</u>	<u>3,945</u>
Deficit (General Budget)	<u>90,800</u>	<u>65,564</u>	<u>(25,236)</u>
Total Swim Pool Utility Revenue	<u>\$ 299,500</u>	<u>278,209</u>	<u>(21,291)</u>

Analysis of Miscellaneous Revenues

Snack Bar Contract	\$ 3,000
Chair Rental	1,630
Guest Fees	13,625
Miscellaneous	<u>10,205</u>
	<u>\$ 28,460</u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD
Statement of Expenditures-Regulatory Basis
Swimming Pool Utility Fund
Year Ended December 31, 2018

	Appropriations		Expended	
	Budget	Budget after modifi- cation	Paid or Charged	Reserved
Operating:				
Salaries and Wages	\$ 186,000	186,000	157,252	28,748
Other Expenses	<u>100,000</u>	<u>100,000</u>	<u>98,354</u>	<u>1,646</u>
Total Operating	286,000	286,000	255,606	30,394
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	<u>13,500</u>	<u>13,500</u>	<u>12,030</u>	<u>1,470</u>
Total Statutory Expenditures	<u>13,500</u>	<u>13,500</u>	<u>12,030</u>	<u>1,470</u>
	<u>\$ 299,500</u>	<u>299,500</u>	<u>267,636</u>	<u>31,864</u>
			Encumbrances \$ 1,439	
			Cash Disbursed <u>266,197</u>	
			\$ <u>267,636</u>	

See accompanying notes to financial statements.

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BOROUGH OF RIDGEFIELD

Comparative Balance Sheet - Regulatory Basis

Public Assistance Fund

December 31, 2018 and 2017

	<u>Ref.</u>	<u>Dec. 31</u> <u>2018</u>	<u>Dec. 31,</u> <u>2017</u>
<u>Assets</u>			
Cash	E-1	\$ <u>12,568</u>	<u>12,499</u>
		\$ <u><u>12,568</u></u>	<u><u>12,499</u></u>
<u>Liabilities</u>			
Due to Current Fund	E-2	\$ 278	209
Reserve for Public Assistance	E-3	<u>12,290</u>	<u>12,290</u>
		\$ <u><u>12,568</u></u>	<u><u>12,499</u></u>

See accompanying notes to the financial statements.

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BOROUGH OF RIDGEFIELD

Statement of Net Payroll and Withholdings Payable

December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<u>Assets</u>		
Cash		
Net Payroll	\$ 42,287	9,269
Payroll Agency	388,460	1,567
Deficit in Payroll Account	<u>35,545</u>	<u>25,731</u>
	<u>\$ 466,292</u>	<u>36,567</u>
 <u>Liabilities:</u>		
Reserve for Payroll Expenditures	\$ 372,274	
Due to Other Trust Fund	35,000	35,000
Due to Current Fund - Net Payroll	42,832	
Due to Current Fund - Payroll Agency	<u>16,186</u>	<u>1,567</u>
	<u>\$ 466,292</u>	<u>36,567</u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

Statement of General Fixed Assets-Regulatory Basis

General Fixed Assets Account Group

December 31, 2018 and 2017

	Dec. 31, <u>2018</u>	Dec. 31, <u>2017</u>
Land	\$ 19,927,700	19,927,700
Land Improvements	973,088	973,088
Buildings and Improvements	11,731,793	11,708,374
Automobiles and Vehicles	7,271,368	7,212,848
Machinery and Equipment	<u>2,490,357</u>	<u>2,074,115</u>
	<u>\$ 42,394,306</u>	<u>41,896,125</u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

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, 2018 AND 2017
(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, 2018 AND 2017
(CONTINUED)

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

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

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

Basis of Accounting

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

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on the 11th day of the 11th month in the fiscal year levied, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(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, 2018 AND 2017
(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, 2018 and 2017, the Governing Body approved additional revenues and appropriations of \$51,830 and \$242,858, respectively, in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were approved by the governing body in 2018 and 2017. The Mayor and Council approved Current Fund Emergency appropriations of \$-0- and \$-0-, respectively, in 2018 and 2017 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, 2018 AND 2017
(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, 2018 AND 2017
(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.

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

For the year ended December 31, 2018, the Borough adopted Government Accounting Standards Board GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment 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. As a result of adopting this Statement, the Borough was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(CONTINUED)

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

expense/expenditures related to their post-employment benefits other than pensions. As a result of the regulatory basis of accounting previously described in Note 1, the implementation of this Statement only required financial statement disclosure. There exists no impact on the financial statements of the Borough.

C. Basic Financial Statements

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

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2018 and 2017, \$-0- of the Borough's bank balance of \$11,712,722 and \$10,528,772, 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.

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(CONTINUED)**

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)

Credit Risk

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

Concentration of Credit Risk

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

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2018 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable - General Obligation Debt	\$6,795,000	\$	\$520,000	\$6,275,000	\$810,000
Other Liabilities:					
General Capital:					
NJ Infrastructure Trust Loans Payable	174,929		56,983	117,946	55,678
Compensated Absences	<u>732,181</u>	<u>76,987</u>	<u>84,971</u>	<u>724,197</u>	<u> </u>
	<u>\$7,702,110</u>	<u>\$76,987</u>	<u>\$661,954</u>	<u>\$7,117,143</u>	<u>\$865,678</u>
	<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 - General 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>180,106</u>	<u> </u>	<u>894,181</u>	<u> </u>
	<u>\$8,841,924</u>	<u>\$180,106</u>	<u>\$1,157,920</u>	<u>\$7,864,110</u>	<u>\$576,983</u>

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(CONTINUED)

NOTE 3. MUNICIPAL DEBT, (continued)

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 2018</u>	<u>Year 2017</u>	<u>Year 2016</u>
<u>Issued</u>			
General - Bonds, Notes and Loans	\$12,163,610	\$12,096,929	\$11,486,110
<u>Authorized But Not Issued</u>			
General - Bonds and Notes	85,503	85,503	2,182,199
Swimming Pool Utility - Bonds and Notes	<u>37,000</u>	<u>37,000</u>	<u>37,000</u>
	<u>122,503</u>	<u>122,503</u>	<u>2,219,199</u>
Total Bonds, Notes and Loans Issued and Authorized But Not Issued	12,286,113	12,219,432	13,705,309
Less: Deductions	<u>361,578</u>	<u>187,952</u>	<u>420,157</u>
Net Debt	<u>\$11,924,535</u>	<u>\$12,031,480</u>	<u>\$13,285,152</u>

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 .627% for 2018.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School District Debt	\$6,627,000	\$6,627,000	\$0
Swimming Pool Utility Debt	37,000		37,000
General Debt	<u>12,249,113</u>	<u>361,578</u>	<u>11,887,535</u>
	<u>\$18,913,113</u>	<u>\$6,988,578</u>	<u>\$11,924,535</u>

Net Debt \$11,924,535 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended of \$1,903,141,777 equals .627% for 2018.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(CONTINUED)

NOTE 3. MUNICIPAL DEBT, (continued)

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.

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

	<u>2018</u>	<u>2017</u>
3 ½% of equalized valuation basis (municipal)	\$66,609,962	\$63,894,345
Net Debt	<u>11,924,535</u>	<u>12,031,480</u>
Remaining borrowing power	<u>\$54,685,427</u>	<u>\$51,862,865</u>

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

	<u>2018</u>	<u>2017</u>
Cash receipts from fees, rents or other charges for year	\$212,645	\$208,724
Deductions:		
Operating and Maintenance Cost	<u>299,500</u>	<u>325,000</u>
Deficit in Revenue - Not Self Liquidating	<u>(\$86,855)</u>	<u>(\$116,276)</u>

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(CONTINUED)

NOTE 3. MUNICIPAL DEBT, (continued)

The Borough's long term debt consisted of the following at December 31, 2018:

Paid by Current Fund:

General Serial Bonds:

	Amount Outstanding	
	2018	2017
\$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
\$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>6,275,000</u>	<u>6,495,000</u>
Total General Serial Bonds	<u>\$6,275,000</u>	<u>\$6,795,000</u>

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	
	2018	2017
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>\$117,946</u>	<u>\$174,929</u>

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(CONTINUED)

NOTE 3. MUNICIPAL DEBT, (continued)

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

	<u>General Capital Bonds</u>			<u>General Capital Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$810,000	\$302,000	\$1,112,000	\$55,678	\$3,436	\$59,114
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	860,000	134,750	994,750			
2024-2026	<u>2,070,000</u>	<u>149,750</u>	<u>2,219,750</u>	<u> </u>	<u> </u>	<u> </u>
	<u>\$6,275,000</u>	<u>\$1,245,250</u>	<u>\$7,520,250</u>	<u>\$117,946</u>	<u>\$5,270</u>	<u>\$123,216</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, 2018 and 2017, the Borough had authorized but not issued debt as follows:

	<u>2018</u>	<u>2017</u>
General Capital Fund	\$85,503	\$85,503
Swim Pool Utility Capital Fund	37,000	37,000

NOTE 4. BOND ANTICIPATION NOTES

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

On December 31, 2018 and 2017, the Borough had \$5,770,664 and \$5,127,000, respectively, in outstanding General Capital bond anticipation notes.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(CONTINUED)

NOTE 4. BOND ANTICIPATION NOTES, (continued)

The following activity related to bond anticipation notes occurred during the periods ended December 31, 2018 and 2017:

<u>2018</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>General Capital Notes Payable:</u>				
Oppenheimer & Co.	\$	\$5,770,664	\$	\$5,770,664
TD Bank, N.A.	<u>5,127,000</u>		<u>5,127,000</u>	
	<u>\$5,127,000</u>	<u>\$5,770,664</u>	<u>\$5,127,000</u>	<u>\$5,770,664</u>
<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.	\$3,358,261	\$5,127,000	\$3,358,261	\$5,127,000
	<u>\$3,358,261</u>	<u>\$5,127,000</u>	<u>\$3,358,261</u>	<u>\$5,127,000</u>

NOTE 5. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2018, the following deferred charges are shown on the balance sheet of the Current Fund:

	<u>Balance December 31, 2018</u>	<u>2019 Budget Appropriation</u>	<u>Balance to Succeeding Years</u>
<u>Payroll Account</u>			
Deficit in Net Payroll Reserve	\$35,545	\$	\$35,545
<u>Unemployment Trust Fund</u>			
Deficit in Reserve	1,090		1,090
	<u>Balance December 31, 2017</u>	<u>2018 Budget Appropriation</u>	<u>Balance to Succeeding Years</u>
<u>Current Fund</u>			
Overexpenditure of Appropriations	\$5,189	\$5,189	\$ -
<u>Payroll Account</u>			
Deficit in Net Payroll Reserve	25,731		25,731

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(CONTINUED)

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/amnrpts.shtml.

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 1/55th 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 1/60th 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

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(CONTINUED)**

NOTE 6. PENSION PLANS, (continued)

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

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 55 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.

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.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(CONTINUED)

NOTE 6. PENSION PLANS, (continued)

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

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.

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.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(CONTINUED)

NOTE 6. PENSION PLANS, (continued)

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

Contribution Requirements, (continued)

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

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2018	\$341,593	\$818,835	\$2,234
2017	381,133	704,503	2,035
2016	352,344	807,395	1,392

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.

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, 2018, the Borough had a liability of \$7,742,447 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2018, the Borough's proportion was 0.039322702 percent, which was an increase/(decrease) of 0.0027231422 percent from its proportion measured as of June 30, 2017.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(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)

For the year ended December 31, 2018, the Borough recognized pension expense of \$341,593. At December 31, 2018, 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	\$147,650	\$39,923
Changes of assumptions	1,275,827	2,475,623
Net difference between projected and actual earnings on pension plan investments		72,624
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	672,425	904,102
Borough contributions subsequent to the measurement date	<u>392,696</u>	<u> </u>
Total	<u>\$2,488,598</u>	<u>\$3,492,272</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2018) 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:	
2019	\$53,737
2020	(74,399)
2021	(533,502)
2022	(462,447)
2023	(148,082)

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(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)

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 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances at June 30, 2018 and June 30, 2017 are as follows:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Collective deferred outflows of resources	\$4,684,852,302	\$6,424,455,842
Collective deferred inflows of resources	7,646,736,226	5,700,625,981
Collective net pension liability	19,689,501,539	23,278,401,588
Borough's Proportion	0.039322720%	0.0365995778%

Actuarial Assumptions

The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which rolled forward to June 30, 2018. 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, 2018 AND 2017
(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	2.25 Percent
Salary Increases:	
Through 2016	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2017 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 Conduent modified 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. 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
YEARS ENDED DECEMBER 31, 2018 AND 2017
(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 (7.00% at June 30, 2018) 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
High yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(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 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 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 employer contributed 50% 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 June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 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, 2018, 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:

	<u>June 30, 2018</u>		
	1% Decrease 4.66%	At Current Discount Rate 5.66%	1% Increase 6.66%
Borough's proportionate share of the pension liability	\$9,735,236	\$7,742,447	\$6,070,626

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(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.

Police and Firemen's Retirement System (PFRS)

At December 31, 2018, the Borough had a liability of \$13,425,276 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2018, the Borough's proportion was 0.09921389521 percent, which was an increase/(decrease) of 0.0066920461 percent from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the Borough recognized pension expense of \$818,835. At December 31, 2018, 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	\$136,585	\$55,557
Changes of assumptions	1,152,379	3,440,666
Net difference between projected and actual earnings on pension plan investments		73,448
Changes in proportion and differences between Borough contributions and proportionate share of contributions	1,740,363	1,267,986
Borough contributions subsequent to the measurement date	<u>969,962</u>	<u> </u>
Total	<u>\$3,999,289</u>	<u>\$4,837,657</u>

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(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, 2018) 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:	
2019	\$115,459
2020	(384,206)
2021	(1,088,856)
2022	(698,971)
2023	(219,134)

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 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2018, 2017, 2016, 2015 and 2014 amounts respectively.

Additional Information

Local Group Collective balances at June 30, 2018 and June 30, 2017 are as follows:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Collective deferred outflows of resources	\$1,988,215,695	\$2,941,952,753
Collective deferred inflows of resources	4,286,994,294	3,262,432,093
Collective net pension liability	13,531,648,591	17,167,260,198
Borough's Proportion	0.0992138952%	0.0925217991%

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(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 collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions:

Inflation	2.25 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	7.00 Percent

Mortality Rates

Preretirement mortality rates were based on the RP-2000 Combined Healthy Mortality tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. For preretirement accidental mortality, a custom table with representative rates was used and there is no mortality improvement assumed. Post-retirement mortality rates for male service retirements are based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis using Projection Scale AA from the base year of 2012 to 2013 and the Conduent modified 2014 projection scale thereafter. Postretirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scales thereafter. Disability mortality rates were based on a custom table with representative rates and no mortality improvement assumed.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) 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 PFRS's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
High yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(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 6.51% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018 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 50% 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 June 30, 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2062, 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, 2018, 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, 2018		
	1% Decrease <u>5.51%</u>	At Current Discount Rate <u>6.51%</u>	1% Increase <u>7.51%</u>
Borough's proportionate share of the pension liability	\$18,585,128	\$13,425,276	\$9,169,337

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(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)

Special Funding Situation - PFRS

Under N.J.S.A. 43:16A-15, the Borough is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the Borough by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Accordingly, the Borough's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

At December 31, 2018 and 2017, the State proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,823,602 and \$1,599,881, respectively. For the years ended December 31, 2018 and 2017, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$216,003 and \$145,702, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$108,001 and \$80,001, respectively. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

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.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(CONTINUED)

NOTE 7. OTHER POST EMPLOYMENT BENEFITS (OPEB)

In addition to the pension described in Note 6, the Borough provides post employment health care benefits as part of the State Health Benefits Local Government Retired Employments Plan.

General Information about the OPEB Plan

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(CONTINUED)**

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

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provides they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Total OPEB Liability

At December 31, 2018, the Borough had a liability of \$21,178,604 for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net OPEB liability was based on a projection of the Borough's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers a in the plan. At June 30, 2018 the Borough's proportion was 0.135183 percent.

For the year ended December 31, 2018, the Borough recognized OPEB expense of \$518,436. At December 31, 2018, deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$	\$4,300,012
Changes of assumptions		5,372,230
Net difference between projected and actual earnings on OPEB plan investments	11,192	
Changes in proportion	<u> </u>	<u>1,939,797</u>
Total	<u>\$11,192</u>	<u>\$11,612,039</u>

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(CONTINUED)

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

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

Year ended June 30:	
2019	\$(1,418,597)
2020	(1,418,597)
2021	(1,418,597)
2022	(1,419,779)
2023	(1,421,691)
Thereafter	(2,563,790)

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 8.14 and 8.04 years for 2018 and 2017 amounts, respectively.

Actual Assumptions and Other Inputs

The total OPEB liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which rolled forward to June 30, 2018. The total OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation rate	2.50%
Salary increases*:	
Through 2026	1.65 - 8.98%
Thereafter	2.65 - 9.98%

* Salary increases are based on the defined benefit plan that the member is enrolled in and his or her age.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(CONTINUED)

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

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

100% of active members are considered to participate in the Plan upon retirement.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.8% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rate for June 30, 2018 and 2017 was 3.87% and 3.58%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Borough's proportionate share of the net OPEB liability as of June 30, as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1 percentage point higher than the current rate:

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(CONTINUED)**

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

	June 30, 2018		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>2.87%</u>	<u>3.87%</u>	<u>4.87%</u>
Borough's proportionate share of Net OPEB liability	\$24,848,102	\$21,178,604	\$18,247,506

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rates

The following presents the Borough's proportionate share of the net OPEB liability as of June 30, as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage point lower or 1 percentage point higher than the current rate:

	June 30, 2018		
	1%	Healthcare Cost	1%
	<u>Decrease</u>	<u>Trend Rate</u>	<u>Increase</u>
Borough's proportionate share of Net OPEB liability	\$17,666,352	\$21,178,604	\$25,723,981

NOTE 8. FUND BALANCES

Fund balances as of December 31, 2018 that have been anticipated as revenue in the 2019 budget is as follows:

Current Fund	\$1,800,000
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.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(CONTINUED)

NOTE 9. ACCUMULATED VACATION AND SICK PAY, (continued)

It is estimated that the current cost of such unpaid compensation would approximate \$724,197 and \$732,181 at December 31, 2018 and 2017, respectively. This amount which is considered material to the financial statements, is not reported either as an expenditure or liability.

NOTE 10. FIXED ASSETS

The following is a summary of changes in the General Fixed Assets Account Group as of December 31, 2018 and 2017:

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Land	\$19,927,700	\$	\$	\$19,927,700
Land Improvements	973,088			973,088
Buildings and Improvements	11,708,374	23,419		11,731,793
Automobiles and Vehicles	7,212,848	58,520		7,271,368
Machinery and Equipment	<u>2,074,115</u>	<u>416,242</u>	<u> </u>	<u>2,490,357</u>
	<u>\$41,896,125</u>	<u>\$498,181</u>	<u>\$ </u>	<u>\$42,394,306</u>

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2017</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	7,193,101	19,747		7,212,848
Machinery and Equipment	<u>2,050,370</u>	<u>23,745</u>	<u> </u>	<u>2,074,115</u>
	<u>\$41,852,633</u>	<u>\$43,492</u>	<u>\$ </u>	<u>\$41,896,125</u>

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(CONTINUED)

NOTE 11. DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at December 31, 2018 consist of the following:

\$16,186	Due to the Current Fund from the Payroll Agency Account for excess funds in the account.
42,832	Due to the Current Fund from the Net Payroll Account for excess funds in the account.
2,699	Due to the Current Fund from the Unemployment Trust Fund for excess funds turned over.
278	Due to the Current Fund from the Public Assistance Trust Fund for interest earnings not turned over.
25,236	Due to the Current Fund from the Swim Pool Utility Operating Fund for deposits made into the incorrect account.
83,894	Due to the General Capital Fund from the Current Fund for receipts not turned over.
122,159	Due to the Federal and State Grant Fund from the Current Fund for receipts not turned over.
4,180	Due to the Other Trust Fund from the Swim Pool Utility Operating Fund for deposits made into the incorrect account.
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>\$346,094</u>	

NOTE 12. LEASES

Capital Leases Payable

The Borough had not entered into any Capital Leases as of December 31, 2018.

NOTE 13. RISK MANAGEMENT

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

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(CONTINUED)**

NOTE 13. RISK MANAGEMENT, (continued)

The Borough of Ridgefield is a member of the Public Alliance Insurance Coverage Fund (PAICF). The joint insurance fund is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The PAICF is a risk-sharing public entity pool. The PAICF coverage amounts are on file with the Borough.

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

The fund provides its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage in any of the prior three years.

NOTE 14. TAXES COLLECTED IN ADVANCES

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

	<u>Balance Dec 31, 2018</u>	<u>Balance Dec. 31, 2017</u>
Prepaid Taxes	<u>\$130,376</u>	<u>\$638,573</u>
Cash Liability for Taxes Collected in Advance	<u>\$130,376</u>	<u>\$638,573</u>

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(CONTINUED)

NOTE 15. LITIGATION

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

NOTE 16. COMMITMENTS AND CONTINGENCIES

There are numerous tax appeal litigations pending at December 31, 2018. The Borough's tax appeal attorney is rigorously defending the Borough's interest in those appeals. Any successful appeals would be raised through future taxation.

NOTE 17. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events through July 18, 2019, 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 (1/1/18-6/20/18)	Councilman		
Lauren Larkin (6/20/18-12/31/18)	Councilwoman		
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 (1/1/18-5/17/18)	Construction Code Official	(A)	
Gregory K. Yfantis (5/18/18-12/31/18)	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>2018</u>	December 31, <u>2017</u>	December 31, <u>2016</u>
Tax rate	2.417	2.324	2.238
Apportionment of tax rate:			
Local school	1.396	1.333	1.309
County	0.306	0.298	0.273
Municipal	0.715	0.693	0.656
Assessed valuation:			
2018	\$ 1,563,950,888		
2017		1,563,971,788	
2016			1,542,703,508

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>
2018	\$ 37,868,792	37,147,369	98.09%
2017	36,412,123	35,544,708	97.62%
2016	34,590,967	33,980,087	98.23%

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>
2018	129,205	676,109	805,314	2.13%
2017	115,588	797,274	912,862	2.51%
2016	102,495	545,984	648,479	1.87%

Property Acquired By Tax Title Lien Liquidation

No properties have been acquired in 2018 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>
2018	\$ 81,180
2017	81,180
2016	81,180

Comparative Schedule of Fund Balances

	<u>Year</u>		<u>Year ended</u>	<u>Utilized in budget of succeeding year</u>
Current Fund:	2018	\$	4,569,827	1,800,000
	2017		3,476,603	1,430,000
	2016		3,266,259	1,100,000
	2015		2,903,615	700,000
	2014		3,340,457	1,031,318
Swim Pool	2018		19,353	
Utility Operating	2017		19,353	
Fund	2016		19,353	
	2015		19,353	
	2014		19,353	

BOROUGH OF RIDGEFIELD
Schedule of Expenditures of Federal Awards
Year ended December 31, 2018

Federal Grantor	Program	CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Cash Received	Expenditures	(MEMO) Cumulative Expenditures
<u>Federal and State Grant Fund:</u> Department of Environmental Protection	Emergency Management Assistance	97.042	EMN2016EP00002	01CPX1603800855	2018	9,400	9,400	*	*
	Emergency Management Assistance	97.042	EMN2016EP00002	01CPX1603800855	2017	7,000		*	1,080
	Emergency Management Assistance	97.042	EMN2016EP00002	01CPX1603800855	2016	5,000		*	2,128
	Emergency Management Assistance	97.042	EMN2013EP00002	01CPX1603800855	2015	5,000	9,400	*	3,208
	Green Communities Grant	10.675	15-DG-11420004-183	FY15-100-042-4870-038	2015	3,000		*	3,000
	Bulletproof Vest Partnership Program	16.607			2016	1,770		*	1,770
U.S. Department of Justice	Community Development Block Grant Linden Ave. Roadway Improvements Senior Citizens Activities	14.218 14.218	226002247	SE-RDGFILD-08-17 PS-RIDFEFSR17	2017 2017	113,402 10,000		*	10,000
	<i>Total Federal and State Grant Fund</i>					9,400	10,000	*	17,978
<u>General Capital Fund:</u> Department of Housing and Urban Development (passed through County of Bergen)	Community Development Block Grant: Capital Fund: Various Roadway and Sewer Improvements Roadway and ADA Improvements Sanitary Sewer Improvements	14.218 14.218 14.218			Ord. 2319 Ord. 2338 Ord. 2338	83,894 113,402 100,000	83,894 113,402 100,000	*	83,894 113,402 100,000
	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
	<i>Total General Capital Fund</i>					83,894	227,911	*	428,476
								*	

BOROUGH OF RIDGEFIELD
Schedule of Expenditures of Federal Awards
Year ended December 31, 2018

<u>Current Fund:</u>	<u>Federal Grantor</u>	<u>Program</u>	<u>CFDA Number</u>	<u>FAIN Number</u>	<u>Grant or State Project Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Cash Received</u>	<u>Expenditures</u>	<u>(MEMO) Cumulative Expenditures</u>
Department of Homeland Security	FEMA - Hazard Mitigation FEMA - Severe Winter Storm	97.036 97.036	4086DRNJP0000001 4086DRNJP0000001	01CPX1600179798 066-1200-100-C27	2015 2018	75,000 29,065	75,000 29,065	29,065 29,065	75,000 29,065 104,065	
<i>Total Current Fund</i>						104,065	104,065	29,065	104,065	
<i>Total Federal Financial Assistance</i>							197,359	266,976	550,519	

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, 2018

<u>State Grantor</u>	<u>Program</u>	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>(MEMO) Cumulative Expenditures</u>
<u>State Financial Assistance:</u> <u>Federal and State Grant Fund:</u> Department of Environmental Protection	Recycling Tonnage Grant	4900-752-178840-60	2017	20,150 \$		923	923
	Recycling Tonnage Grant	4900-752-178840-60	2016	14,564		7,581	1,237
	Recycling Tonnage Grant	4900-752-178840-61	2015	19,457		8,504	7,581
Department of Environmental Protection	Clean Communities Program	4900-765-178900	2018	17,228	17,228	1,040	1,040
	Clean Communities Program	4900-765-178900	2016	21,189		10,585	21,189
	Clean Communities Program	4900-765-178900	2015	18,535	17,228	2,613	14,077
						14,238	36,306
	Radon Grant	4820-100-042-4CBC-047-V59D-2320	2018	2,000	2,000	2,000	2,000
						2,000	2,000
Department of Law and Public Safety	Body Armor Grant	1020-718-066-1020-001-YCJS	2017	2,830			
	Body Armor Grant	1020-718-066-1020-001-YCJS	2016	3,098		350	350
	Body Armor Grant	1020-718-066-1020-001-YCJS	2016	2,826		1,839	2,826
	Body Armor Grant	1020-718-066-1020-001-YCJS	2015	1,000		1,000	1,000
	Body Armor Grant	1020-718-066-1020-001-YCJS	2014	2,777		51	2,777
	Body Armor Grant	1020-718-066-1020-001-YCJS	2013	3,811		1,185	3,811
						4,425	10,764
Department of Law and Public Safety	Drunk Driving Enforcement Fund	6400-100-078-6400	2018	3,202	3,202		
	Drunk Driving Enforcement Fund	6400-100-078-6400	2017	11,389			
	Drunk Driving Enforcement Fund	6400-100-078-6400	2015	8,387			
							550
							550
Department of Transportation	NJDMV	098-9735-760-001	2016	550			
	NJDMV	098-9735-760-001	2015	350		156	156
	NJDMV	098-9735-760-001	2014	1,450			
	NJDMV	098-9735-760-001	2011	5,061			
							3,536
						156	3,692

BOROUGH OF RIDGEFIELD

Schedule of Expenditures of State Awards and Other Financial Assistance

Year ended December 31, 2018

<u>State Grantor</u>	<u>Program</u>	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>(MEMO) Cumulative Expenditures</u>
Administrative Offices of the Courts	Alcohol Education and Rehabilitation	4250-700-05000-063	2017	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			573
	Alcohol Education and Rehabilitation	4250-700-05000-063	2012	1,403			1,403
	Alcohol Education and Rehabilitation	4250-700-05000-063	PY	377			377
							2,353
New Jersey State Forest Service	Reforestation/Tree Planting Grant	FS17-034	2016	22,600		20,093	20,093
						20,093	
NJACCHO	NJACCHO		2017	2,320			
Family Health Initiatives	Shaping New Jersey		2018	20,000	10,000		
					10,000		
					32,430	49,416	85,499
<i>Total State Financial Assistance</i>							
County of Bergen	Municipal Alliance Grant Fund	100-082-2000-044	2017	9,876	9,716	7,376	9,876
			2016	19,752	9,716	7,376	13,957
							23,833
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

BOROUGH OF RIDGEFIELD

Schedule of Expenditures of State Awards and Other Financial Assistance

Year ended December 31, 2018

<u>State Grantor</u>	<u>Program</u>	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>(MEMO) Cumulative Expenditures</u>
Other Agencies	Firehouse Subs Public Safety Foundation		2017	15,628	1,000	15,628	15,628
	Arbor Tree Grant		2018	1,000	1,000	1,000	1,000
	Soccer Grant		2018	1,000	2,000	16,628	16,628
<i>Total Other Financial Assistance</i>				11,716	24,004	42,994	42,994
<i>Total Federal and State Grant Fund</i>				44,146	73,420	128,493	128,493
<u>General Capital Fund:</u>							
New Jersey Department of Transportation	Roadway Improvements	6320-480-601385-62	Ord. 2319	299,000		230,011	230,011
	Various Roadway and Sewer Improvements	6320-480-605177-62	Ord. 2325	165,627	18,127		165,627
	Various Roadway and Sewer Improvements	6320-480-609166-62	Ord. 2325	155,500	155,500		155,500
	Roadway Improvements	6320-480-605178-62	Ord. 2338	215,000	161,250	215,000	215,000
					334,877	445,011	766,138
County of Bergen Open Space Trust Fund	Nature Center Fence Improvements	N/A	Ord. 2260	44,000			44,000
	Nature Center Fence Improvements	N/A	Ord. 2285	72,250			59,893
							103,893
<i>Total General Capital Fund</i>					334,877	445,011	870,031
<u>Swim Pool Utility Capital Fund:</u>							
New Jersey Department of Transportation	ADA Improvement Swim Pool	022-99-8030-100-652	Ord. 1835	50,000			48,656
							48,656
<i>Total Swim Pool Utility Capital Fund</i>							48,656
<i>Total State and Local Financial Assistance</i>				\$ 379,023	518,431	1,047,180	1,047,180

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, 2018

	Regular Fund
	\$ 5,793,084
Balance - December 31, 2017	
Increased by Receipts:	
Revenue Accounts Receivable	8,957,624
Miscellaneous Revenues Not Anticipated	779,868
Taxes Receivable	37,266,195
Senior Citizens and Veterans Deductions	35,971
Prepaid Taxes	130,376
Interfunds	258,873
Tax Overpayments	26,120
Due to State of NJ	42,786
Various Reserves	53,116
Grants Receivable	128,546
	<u>47,679,475</u>
	<u>53,472,559</u>
Decreased by Disbursements:	
2018 Budget Appropriations	19,253,781
2017 Appropriation Reserves	763,290
Local District School Tax	21,824,484
County Taxes	4,789,932
Interfunds	256,898
Various Reserves	53,116
Accounts Payable	3,785
Due to State of NJ	37,812
Appropriated Reserves	85,889
Refunds	756
	<u>47,069,743</u>
	<u>\$ 6,402,816</u>
Balance - December 31, 2018	

BOROUGH OF RIDGEFIELD

Schedule of Cash - Change Fund

Current Fund

Year Ended December 31, 2018

Balance - December 31, 2017	\$ <u>450</u>
Balance - December 31, 2018	\$ <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, 2018

Balance - December 31, 2017		\$	69,852
Increased by:			
Senior Citizens' and Veterans' Deductions per Tax Billings	\$	38,500	
Senior Citizens' and Veterans' Allowed		<u>1,375</u>	
			<u>39,875</u>
			109,727
Decreased by:			
Cash Received			<u>35,971</u>
Balance - December 31, 2018		\$	<u><u>73,756</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2018

Year	Balance, Dec. 31, 2017	2018 Levy	Added 2018 Levy	Collected		Senior & Veteran's Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2018
				2017	2018				
2017	\$ 797,274				797,274				
2018		37,800,694	68,098	638,573	36,468,921	39,875	13,617	31,697	676,109
	\$ 797,274	37,800,694	68,098	638,573	37,266,195	39,875	13,617	31,697	676,109

Analysis of 2018 Tax Levy

Tax yield:	
General Property Tax	\$ 37,800,694
Added Tax (R.S. 54:4-63.1 et seq.)	68,098
	<u>\$ 37,868,792</u>
Tax Levy:	
Local District School Tax	\$ 21,824,484
County Tax	\$ 4,586,145
County Open Space Preservation	195,537
County Added and Omitted Taxes	8,626
	<u>4,790,308</u>
Local Tax for Municipal Purposes	\$ 11,184,145
Add: Additional Taxes Levied	69,855
	<u>11,254,000</u>
Local Tax for Municipal Purposes	\$ 37,868,792

BOROUGH OF RIDGEFIELD

Schedule of Tax Title Liens

Current Fund

Year Ended December 31, 2018

Balance - December 31, 2017	\$	115,588
Increased by:		
Transferred from Taxes Receivable		<u>13,617</u>
Balance - December 31, 2018	\$	<u><u>129,205</u></u>

BOROUGH OF RIDGEFIELD
Schedule of Property Acquired for Taxes
Current Fund
Year Ended December 31, 2018

Balance - December 31, 2017	\$ <u>81,180</u>
Balance - December 31, 2018	\$ <u><u>81,180</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2018

	Balance, Dec. 31, <u>2017</u>	Accrued in 2018	<u>Collected</u>	Balance, Dec. 31, <u>2018</u>
Clerk:				
Licenses:				
Alcoholic Beverages	\$	32,750	32,750	
Other		39,153	39,153	
Fees and Permits		243,617	243,617	
Municipal Court Fines and Costs	18,198	287,382	286,673	18,907
Interest and Cost on Taxes		126,930	126,930	
Interest on Investments		13,365	13,365	
Hackensack Meadowlands Adjustment to Tax Sharing		789,256	789,256	
Energy Receipts Tax		5,498,350	5,498,350	
Uniform Construction Code Fees		608,121	608,121	
Palisades Park-Health Officer		47,993	47,993	
Uniform Fire Safety Act		53,262	53,262	
Rental of Borough Property - Shaler Lease		203,600	203,600	
Rental of Borough Property - Shaler Lease - Debt Service Payments		298,600	298,600	
Sewer Charges		192,489	192,489	
Sewer Charges - Additional - Tier II User Charges		173,561	173,561	
Reserve for Sale of Property		350,262	350,262	
Capital Fund Balance		18,744	18,744	
EMS Medical Transport		209,232	209,232	
Cable TV Franchise Fee		121,928	121,928	
	<u>\$ 18,198</u>	<u>9,308,595</u>	<u>9,307,886</u>	<u>18,907</u>
			Cash \$ 8,957,624	
			Transfer from Various Reserves 350,262	
			<u>\$ 9,307,886</u>	

BOROUGH OF RIDGEFIELD

Schedule of Interfunds Due from/(to) Other Funds

Current Fund

Year Ended December 31, 2018

	Balance Dec. 31, <u>2017</u>	<u>Increased</u>	<u>Decreased</u>	Balance Dec. 31, <u>2018</u>
Federal and State Grant Fund	\$ (79,502)	85,889	128,546	(122,159)
Trust Funds:				
Payroll Account		42,832		42,832
Payroll Agency	1,567	42,209	27,590	16,186
Unemployment Trust Fund	2,699			2,699
General Capital Fund		134,752	218,646	(83,894)
Swim Pool Utility Operating Fund	768	37,105	12,637	25,236
Public Assistance Trust Fund	209	69		278
	<u>\$ (74,259)</u>	<u>342,856</u>	<u>387,419</u>	<u>(118,822)</u>
Due to Current Fund	5,243	122,215	40,227	87,231
Due from Current Fund	<u>(79,502)</u>	<u>220,641</u>	<u>347,192</u>	<u>(206,053)</u>
	<u>\$ (74,259)</u>	<u>342,856</u>	<u>387,419</u>	<u>(118,822)</u>
			Cash Receipts \$ 258,873	
		Cash Disbursement 256,898		
			Grants Receivable 128,546	
		Appropriated Grant Reserves 85,889		
		Interest Earned 69		
		<u>\$ 342,856</u>	<u>387,419</u>	

BOROUGH OF RIDGEFIELD

Schedule of Deferred Charges

Current Fund

Year Ended December 31, 2018

	Balance, Dec. 31, <u>2017</u>	<u>Reduced</u>
Overexpenditure of Current Budget Appropriations	\$ <u>5,189</u>	\$ <u>5,189</u>
	\$ <u><u>5,189</u></u>	\$ <u><u>5,189</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2018

	Balance, Dec. 31, <u>2017</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Rent Leveling	\$ 500	500		500
Mayor and Council	2,812	2,812		2,812
Municipal Clerk's Office	5,902	5,902		5,902
Financial Administration	86	86		86
Collection of Taxes	8,916	8,916		8,916
Assessment of Taxes	312	312		312
Information Technology		1,039		1,039
Community Center	7,670	7,670		7,670
Planning Board	833	833		833
Fire Prevention Bureau	3,347	3,347		3,347
Police	25,409	25,409	22,646	2,763
Community Service Officers	6,811	6,811		6,811
Emergency Management Services	1,901	1,901		1,901
Municipal Prosecutor	208	208		208
Road Repairs and Maintenance	87,315	87,315	21,320	65,995
Garbage and Trash Removal	22,753	22,753	14,272	8,481
Recycling Program	7,226	7,226	3,776	3,450
Board of Health	2,889	2,889		2,889
Parks and Recreation	7,209	7,209		7,209
Youth Commission	250	250		250
Municipal Court	4,077	4,077		4,077
Construction Code Official	5,583	5,680		5,680
Property Maintenance	266	266		266
Total Salaries and Wages Within "CAPS"	202,275	203,411	62,014	141,397
Other Expenses Within "CAPS":				
General Administration		2,500	2,500	
Rent Leveling	862	862	432	430
Mayor and Council	25	176	151	25
Municipal Clerk's Office	3,534	7,578	4,440	3,138
Financial Administration	1,787	23,346	21,823	1,523
Collection of Taxes	1,328	289		289
Assessment of Taxes:				
Professional Services	701	701		701
Legal Services	4,005	70,158	18,668	51,490
Engineering	5,709	43,643	42,550	1,093
Information Technology	7,549	22,959	13,962	8,997

BOROUGH OF RIDGEFIELD

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2018

	Balance, Dec. 31, <u>2017</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Planning Board:				
Other Expenses	3,525	1,721	926	795
Board of Adjustment				
Community Center	167	666	488	178
Insurance:				
Unemployment	7,984	7,984		7,984
Liability	343	343		343
Workers Compensation	805	805		805
Employee Group Health	4,405	158,966	143,988	14,978
Fire:				
Clothing Allowance	15,842	36,734	36,734	
Fire Hydrant Service	11,154	11,154	9,903	1,251
Miscellaneous	2,285			
Fire Prevention Bureau	610	959	618	341
Fire Protection		17,113	15,462	1,651
Police:				
Other Expenses	10,519	43,012	41,110	1,902
Purchase of Police Vehicles	173	75,011	75,001	10
First Aid Organization:				
Clothing Allowance	39,356	39,356	38,350	1,006
Miscellaneous	1,670	8,843	7,360	1,483
Community Service Officers	7,447	9,017	3,358	5,659
Emergency Management Services	2,413	2,413		2,413
Road Repairs and Maintenance	4,804	24,020	16,936	7,084
Maintenance of Borough Vehicles:				
Streets and Roads	13,544	20,773	8,818	11,955
Fire	199	8,254	7,678	576
Police	3,340	12,658	11,932	726
Ambulance	6,009	6,009		6,009
Garbage	20	5,920	4,882	1,038
Building	1,000	1,000		1,000
Health	830	830		830
Sanitation:				
Garbage and Trash Removal	18,058	33,331	28,553	4,778
Sanitary Landfill Disposal Costs - Contractual	57,993	57,993	44,224	13,769
Public Buildings and Grounds	3,960	22,226	18,309	3,917
Health and Welfare:				
Board of Health	10,149	11,640	802	10,838
Bergen County Animal Shelter	15,000	15,000	12,888	2,112

BOROUGH OF RIDGEFIELD

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2018

	Balance, Dec. 31, <u>2017</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Environmental Commission:				
Arborist	2,653	4,803	1,980	2,823
Administration of Public Assistance:				
Other Expenses	500	500		500
Parks and Recreation	1,255	12,791	11,504	1,287
Youth Commission	95	95	19	76
Public Library Contribution			(11,694)	11,694
Celebration of Public Events	1,258	1,908		1,908
Municipal Court	7,775	8,330	587	7,743
Public Defender	-	800	600	200
Construction Code Official	3,864	4,953	1,516	3,437
Property Maintenance	2,116	2,116		2,116
Utilities:				
Street Lighting	33,464	33,464	30,788	2,676
Electricity	101,705	101,705	44,293	57,412
Telephone	15,984	16,443	712	15,731
Water	10,193	10,193		10,193
Gasoline	19,427	19,427	14,874	4,553
Snow Removal Trust	5,000	5,000		5,000
Anti Bullying Committee:				
Other Expenses	2,000	2,000		2,000
Contingent	5,000	5,000	5,000	
Total Other expenses Within "CAPS"	<u>481,393</u>	<u>1,035,491</u>	<u>733,025</u>	<u>302,466</u>
Deferred Charges and Statutory Expenditures				
Within "CAPS":				
Social Security (O.A.S.I.)	23,056	23,056	(855)	23,911
Pension of Widow Volunteer Firemen	240	240		240
Volunteer Fireman's Pension	650	1,550	900	650
Volunteer Fireman's Over Age Burial Fund	10,500	10,500		10,500
Defined Contribution Retirement Program	965	965		965
Total Deferred Charges and Statutory				
Expenditures Within "CAPS"	<u>35,411</u>	<u>36,311</u>	<u>45</u>	<u>36,266</u>
Total Reserves Within "CAPS"	<u>719,079</u>	<u>1,275,213</u>	<u>795,084</u>	<u>480,129</u>

BOROUGH OF RIDGEFIELD

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2018

	Balance, Dec. 31, <u>2017</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Other Expenses Excluded From "CAPS":				
Reserve for Tax Appeals	23,160	1,368		1,368
Recycling Tax	<u>2,691</u>	<u>2,691</u>	<u>2,467</u>	<u>224</u>
Total Other Expenses Excluded from "CAPS"	<u>25,851</u>	<u>4,059</u>	<u>2,467</u>	<u>1,592</u>
 Total Reserves	 <u>\$ 744,930</u>	 <u>1,279,272</u>	 <u>797,551</u>	 <u>481,721</u>
 Appropriation reserves \$		744,930		
Encumbrances		<u>534,342</u>		
		<u>\$ 1,279,272</u>		
 Cash Disbursements \$			763,290	
Transferred to Accounts Payable			<u>34,261</u>	
			<u>\$ 797,551</u>	

Exhibit A-14

BOROUGH OF RIDGEFIELD
Schedule of Reserve for Encumbrances
Current Fund
Year Ended December 31, 2018

Balance - December 31, 2017	\$	534,342
Increased by:		
2018 Encumbrances		<u>550,358</u>
		1,084,700
Decreased by:		
Transferred to Appropriation Reserves		<u>534,342</u>
Balance - December 31, 2018	\$	<u><u>550,358</u></u>

Exhibit A-15

Schedule of Tax Overpayments
Current Fund
Year Ended December 31, 2018

Balance - December 31, 2017	\$	33
Increased by:		
Cash Receipts		<u>26,120</u>
		26,153
Decreased by:		
Cancellation		<u>33</u>
Balance - December 31, 2018	\$	<u><u>26,120</u></u>

Exhibit A-16

BOROUGH OF RIDGEFIELD

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2018

Balance - December 31, 2017	\$	638,573
Increased by:		
Prepaid Taxes Collected		<u>130,376</u>
		768,949
Decreased by:		
Taxes Realized as Revenue		<u>638,573</u>
Balance - December 31, 2018	\$	<u><u>130,376</u></u>

Exhibit A-17

Schedule of Accounts Payable

Current Fund

Year Ended December 31, 2018

Balance - December 31, 2017	\$	19,778
Increased by:		
Transferred from Appropriation Reserves		<u>34,261</u>
		54,039
Decreased by:		
Cash Disbursements	\$	3,785
Cancelled		<u>14,686</u>
		<u>18,471</u>
Balance - December 31, 2018	\$	<u><u>35,568</u></u>

BOROUGH OF RIDGEFIELD

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

Current Fund

Year Ended December 31, 2018

	<u>Marriage License Fee</u>	<u>Construction Training Fee</u>	<u>Total</u>
Balance - December 31, 2017	\$ 350	13,902	\$ 14,252
Increased by:			
Collections	<u>1,400</u>	<u>41,386</u>	<u>42,786</u>
	1,750	55,288	57,038
Decreased by:			
Payments	<u>1,300</u>	<u>36,512</u>	<u>37,812</u>
	<u>1,300</u>	<u>36,512</u>	<u>37,812</u>
Balance - December 31, 2018	<u>\$ 450</u>	<u>18,776</u>	<u>\$ 19,226</u>

BOROUGH OF RIDGEFIELD

Schedule of Local District School Taxes Payable

Current Fund

Year Ended December 31, 2018

Increased by:		
2018 Levy	\$	<u>21,824,484</u>
Decreased by:		
Cash Disbursed	\$	<u><u>21,824,484</u></u>

Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2018

Increased by:			
County Tax Levy	\$	4,586,145	
County Open Space Tax Levy		<u>195,537</u>	
			\$ <u>4,781,682</u>
Decreased by:			
Cash Disbursed	\$		<u><u>4,781,682</u></u>

BOROUGH OF RIDGEFIELD
Schedule of Due County for Added
and Omitted Taxes
Current Fund
Year Ended December 31, 2018

Balance - December 31, 2017	\$	8,250
Increased by:		
2018 Added Levy		<u>8,626</u>
		16,876
Decreased by:		
Cash Disbursed		<u>8,250</u>
Balance - December 31, 2018	\$	<u><u>8,626</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Various Reserves

Current Fund

Year Ended December 31, 2018

	Balance, Dec. 31, <u>2017</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2018</u>
Reserve for:				
Sale of Property	\$ 350,262		350,262	
Tax Title Lien Redemptions		53,116	53,116	
Re-Assessment	2,000			2,000
Miscellaneous	<u>50</u>			<u>50</u>
	<u>\$ 352,312</u>	<u>53,116</u>	<u>403,378</u>	<u>2,050</u>
		Cash Receipts \$ 53,116		
		Cash Disbursements	53,116	
		Miscellaneous Revenue Anticipated	<u>350,262</u>	
		<u>\$ 53,116</u>	<u>403,378</u>	

BOROUGH OF RIDGEFIELD

Schedule of Interfunds Due from/(to) Other Funds

Federal and State Grant Fund

Year Ended December 31, 2018

	Balance Dec. 31, <u>2017</u>	<u>Increased</u>	<u>Decreased</u>	Balance Dec. 31, <u>2018</u>
Current Fund	\$ <u>79,502</u>	<u>128,546</u>	<u>85,889</u>	<u>122,159</u>
	\$ <u><u>79,502</u></u>	<u><u>128,546</u></u>	<u><u>85,889</u></u>	<u><u>122,159</u></u>
Grants Receivable	\$	128,546		
Appropriated Grant Reserves			<u>85,889</u>	
	\$	<u><u>128,546</u></u>	<u><u>85,889</u></u>	

BOROUGH OF RIDGEFIELD

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2018

<u>Purpose</u>	Balance, Dec. 31, 2017	2018 Budget Revenue <u>Realized</u>	<u>Received</u>	Balance, Dec. 31, 2018
Municipal Alliance on Alcoholism and Drug Abuse	\$ 13,376		9,716	3,660
FEMA Hazard Mitigation - 2015	75,000		75,000	
DMV - 2016	550			550
Green Communities - 2015	3,000			3,000
Bullet Proof Vest - 2016	1,770			1,770
Forest Station Tree Planting - 2016	22,600			22,600
Bergen County Open Space - 2016	52,474			52,474
Senior Citizens Activities - 2017	10,000			10,000
Bergen County Open Space - 2017	22,000			22,000
Clean Communities - 2018		17,228	17,228	
Drunk Driving Enforcement - 2018		3,202	3,202	
Emergency Management - 2018		9,400	9,400	
Radon Grant - 2018		2,000	2,000	
Shaping New Jersey - 2018		20,000	10,000	10,000
Arbor Tree Grant - 2018		1,000	1,000	
Soccer Grant - 2018		1,000	1,000	
DOT - 2017	<u>113,402</u>			<u>113,402</u>
	<u>\$ 314,172</u>	<u>53,830</u>	<u>128,546</u>	<u>239,456</u>
		Adopted Budget \$ 2,000		
		Added by N.J.S.A. 40A:4-87 <u>51,830</u>		
		<u>\$ 53,830</u>		

BOROUGH OF RIDGEFIELD

Schedule of Appropriated Grant Reserves

Federal and State Grant Fund

Year Ended December 31, 2018

Purpose	Balance, Dec. 31, 2017	Transferred from Budget Appropriations	Expended	Balance, Dec. 31, 2018
Alcohol Education Rehabilitation - PY	4			4
Alcohol Education Rehabilitation - 2012	515			515
Alcohol Education Rehabilitation - 2014	119			119
Alcohol Education Rehabilitation - 2015	177			177
Alcohol Education Rehabilitation - 2016	1,132			1,132
Alcohol Education Rehabilitation - 2017	708			708
Bergen County Open Space	49,941			49,941
Bergen County Open Space	22,000			22,000
Bergen County Open Space - Match	22,000			22,000
Body Armor Replacement Program - 2010	535		535	
Body Armor Replacement Program - 2011	150		150	
Body Armor Replacement Program - 2013	2,041		2,041	
Body Armor Replacement Program - 2014	51		51	
Body Armor Replacement Program - 2015	1,000		1,000	
Body Armor Replacement Program - 2016	1,871		449	1,422
Body Armor Replacement Program - 2016	1,527		199	1,328
Body Armor Replacement Program - 2017	2,830			2,830
Clean Communities Program - 2015	7,071		2,613	4,458
Clean Communities Program - 2016	10,585		10,585	
Clean Communities Program - 2018		17,228	1,040	16,188
DOT	113,402			113,402
Drunk Driving Enforcement Fund - 2015	7,837			7,837
Drunk Driving Enforcement Fund - 2017	11,389			11,389
Drunk Driving Enforcement Fund - 2018		3,202		3,202
Emergency Management Grant - 2015	2,872			2,872
Emergency Management Grant - 2016	3,920			3,920
Emergency Management Grant - 2017	7,000			7,000
Emergency Management Grant - 2018		9,400		9,400
Firehouse Subs Public Safety Foundation	15,628		15,628	
Forest Station Tree Planting	22,600		20,093	2,507
Municipal Alliance - 2016	5,795			5,795
Municipal Alliance - 2017	7,376		7,376	
Municipal Alliance Match - 2017	2,469		2,469	
Municipal Court DMV - 2011	1,525			1,525
Municipal Court DMV - 2014	1,450			1,450
Municipal Court DMV - 2015	350		156	194
Municipal Court DMV - 2016	550			550
NJEA Arbor Tree Grant - 2018		1,000	1,000	
NJACCHO Health Grant - 2017	2,320			2,320
Radon Awareness - 2018		2,000	2,000	
Recycling Tonnage Grant - 2015	19,457		7,581	11,876
Recycling Tonnage Grant - 2016	13,327			13,327
Recycling Tonnage Grant - 2017	20,150		923	19,227
Senior Citizen Activities	10,000		10,000	
Shaping NJ - 2018		20,000		20,000
Soccer Grant - 2018		1,000		1,000
	<u>\$ 393,674</u>	<u>53,830</u>	<u>85,889</u>	<u>361,615</u>

Adopted Budget \$ 2,000
 Added by N.I.S.A. 40A:4-87 51,830
 \$ 53,830

BOROUGH OF RIDGEFIELD

Schedule of Cash - Treasurer

Trust Funds

Year Ended December 31, 2018

	Animal License Fund	Unemployment Compensation Fund	Other Trust Funds
Balance - December 31, 2017	\$ <u>7,336</u>	<u>7,250</u>	<u>1,937,854</u>
Increased by:			
Employee Payroll Deductions		12,918	
Dog License Fees	4,826		
State Fees	697		
Miscellaneous Reserves			1,908,494
	<u>5,523</u>	<u>12,918</u>	<u>1,908,494</u>
	<u>12,859</u>	<u>20,168</u>	<u>3,846,348</u>
Decreased by:			
State Fees	716		
Interfunds			4,180
Animal License Expenditures	6,547		
Unemployment Claims Payable		20,168	
Miscellaneous Reserves			1,548,261
	<u>7,263</u>	<u>20,168</u>	<u>1,552,441</u>
Balance - December 31, 2018	\$ <u><u>5,596</u></u>	<u><u>20,168</u></u>	<u><u>2,293,907</u></u>

BOROUGH OF RIDGEFIELD
Schedule of Reserve for Expenditures
Animal License Fund
Year Ended December 31, 2018

Balance - December 31, 2017	\$	7,317
Increased by:		
Dog License Fees	\$	4,062
Cat License Fees		462
Late Fees		300
Miscellaneous Fees		<u>2</u>
		<u>4,826</u>
		12,143
Decreased by:		
Disbursements		<u>6,547</u>
Balance - December 31, 2018	\$	<u><u>5,596</u></u>

<u>Dog License Fees Collected</u>		
	2016	6,254
	2017	<u>6,006</u>
	\$	<u><u>12,260</u></u>

BOROUGH OF RIDGEFIELD

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

Animal License Trust Fund

Year Ended December 31, 2018

Balance - December 31, 2017	\$	19
Increased by:		
2018 Fees Collected		<u>697</u>
		716
Decreased by:		
Paid to State Treasurer	\$	<u><u>716</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Interfunds

Trust Funds

Year Ended December 31, 2018

	Balance Due from/(to) Dec. 31, <u>2017</u>	<u>Increased</u>	Balance, from/(to) Dec. 31, <u>2018</u>
Unemployment Trust Fund:			
Current Fund	(2,699)		(2,699)
Other Trust Fund:			
Swimming Pool Utility		4,180	4,180
Net Payroll Account	<u>35,000</u>		<u>35,000</u>
	<u>\$ 32,301</u>	<u>4,180</u>	<u>36,481</u>

BOROUGH OF RIDGEFIELD

Schedule of Miscellaneous Reserves

Other Trust Funds

Year Ended December 31, 2018

	Balance, Dec. 31, <u>2017</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2018</u>
Reserve for:				
P.O.A.A.	\$ 18,032	3,694	2,194	19,532
Fire Prevention	9,024	16,861	11,785	14,100
Fire Department Donation		5,000		5,000
Tax Sale Premiums	43,700	208,300	33,700	218,300
Recycling Program	54,314	23,659	7,414	70,559
Community Gardens	2,962	570	549	2,983
Shade Tree Commission	41,383	136,250		177,633
Recreation Fees	23,882	21,978	27,376	18,484
Public Defender	14,234	4,350	4,000	14,584
Library Donation	2,250			2,250
Anti Bullying Committee	1,060	400		1,460
Police Outside Duty	95,214	1,252,820	1,227,246	120,788
Accumulated Unused Sick Leave	176,041	5,000		181,041
Snow Removal	86,735	19,670	32,600	73,805
Youth Commission	34,338	24,996	32,195	27,139
Marriage Ceremony Fees	1,500	2,200	3,100	600
Road Opening Deposits	2,735	575	500	2,810
Miscellaneous Deposits	3,995			3,995
Escrow	303,208	141,149	135,639	308,718
COAH	902,592	2,276	28	904,840
Landlord Security and Maintenance	61,322	136		61,458
Rehab Revolving Loan	73,311			73,311
Police Vests	1,200			1,200
Building Violation	5,044	16,800	4,659	17,185
Clean Communities	1,491	250		1,741
Celebration Donations	13,287	21,560	25,276	9,571
	<u>\$ 1,972,854</u>	<u>1,908,494</u>	<u>1,548,261</u>	<u>2,333,087</u>

BOROUGH OF RIDGEFIELD
Schedule of Accounts Receivable
Unemployment Compensation Trust Fund
Year Ended December 31, 2018

Balance - December 31, 2017	\$	1,369
Increased by:		
Unemployment Insurance Payroll Deductions		13,158
		14,527
Decreased by:		
Cash Receipts		12,918
Balance - December 31, 2018	\$	1,609

Analysis of Balance	
4th Quarter 2018 \$	1,609

BOROUGH OF RIDGEFIELD
Schedule of Due to State of New Jersey
Unemployment Compensation Trust Fund
Year Ended December 31, 2018

Balance - December 31, 2017	\$	41
Increased by:		
Unemployment Due to State		<u>20,127</u>
		20,168
Decreased by:		
Disbursements	\$	<u><u>20,168</u></u>

BOROUGH OF RIDGEFIELD

**Schedule of Reserve for Unemployment
Compensation Insurance**

Unemployment Insurance Compensation Trust

Year Ended December 31, 2018

Balance - December 31, 2017	\$	5,879
Increased by:		
Unemployment Insurance Payroll Deductions		<u>13,158</u>
		19,037
Decreased by:		
Unemployment Due to State		<u>20,127</u>
Balance - December 31, 2018	\$	<u><u>(1,090)</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Cash - Treasurer

General Capital Fund

Year Ended December 31, 2018

Balance - December 31, 2017		\$	1,991,399
Increased by Receipts:			
Interfunds	\$	134,752	
Grants Receivable		200,125	
Bond Anticipation Notes Issued		733,664	
Premium on Bond Anticipation Notes		35,035	
Deferred Charge-Budget Appropriation		25,731	
Capital Improvement Fund		150,000	
			<u>1,279,307</u>
			3,270,706
Decreased by Disbursements:			
Capital Improvement Fund		56,406	
Fund Balance		18,744	
Improvement Authorizations		1,516,017	
			<u>1,591,167</u>
Balance - December 31, 2018		\$	<u><u>1,679,539</u></u>

BOROUGH OF RIDGEFIELD
Schedule of General Capital Fund Cash
General Capital Fund
Year Ended December 31, 2018

Fund Balance	\$ 35,036
Capital Improvement Fund	221,370
Grant Receivable	(476,027)
Reserve for Payment of Debt	291,069
Reserve for Grants Receivable	30,058
Reserve for Capital Projects	6,650
Excess Proceeds from Note Sale	70,509

Improvement Description

2116	Acquisition of Pumper Ladder	(84,699)
2265	Various Capital Improvements	96,153
2283	Renovations to Truss System and Installation of Fire Protection System for Community Center	287,954
2285	Nature Center Fence Improvements	27,114
2307	Various Capital Improvements	156,388
2319	2017 Roadway Improvements	24,325
2321	Various Capital Improvements	55,477
2325	Various Roadway and Sewer Improvements	351,175
2338	Various Public Improvements	670,881
		<u>\$ 1,679,539</u>

BOROUGH OF RIDGEFIELD

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

General Capital Fund

Year Ended December 31, 2018

Balance - December 31, 2017		\$	6,969,929
Decreased by:			
Budget appropriations:			
Bond Principal	\$	520,000	
NJ Environmental Infrastructure Trust Loan		<u>56,983</u>	
			<u>576,983</u>
Balance - December 31, 2018		\$	<u><u>6,392,946</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2018

Ordinance Number	Improvement Description	Balance, Dec. 31, 2017	2018 Authorizations	Decreased by:	Balance, Dec. 31, 2018	Analysis of Balance - December 31, 2018	Unexpended Improvement Authorization
					Funded by Bond Anticipation Notes	Expenditures	
1952	Various Road Improvements	\$ 21,291			21,291	21,291	
2108	Synthetic Turf Athletic Field, Willis Field	318,986		25,532	293,454	346,468	
2116	Acquisition of Pumper Ladder	316,224		13,480	302,744	218,045	84,699
2207	Various Public Improvements	477,593		22,477	455,116	455,373	
2222	Sanitary Sewer Imps. at Hoyt and Edgewater	161,500		2,045	159,455	159,455	
2265	Various Capital Improvements	689,700		26,466	663,234	663,234	
2283	Renovations to the Truss Roof and Installation of a Fire Protection System for the Community Center	617,500			617,500	617,500	
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
2338	Various Public Improvements		733,664		733,664	733,664	
		<u>\$ 5,141,994</u>	<u>733,664</u>	<u>90,000</u>	<u>5,785,658</u>	<u>5,770,664</u>	<u>84,699</u>
							<u>804</u>

	Less: Excess Note Proceeds	
	Ord. 2306	(17,238)
	Ord. 2207	(257)
	Ord. 2108	(53,014)
		<u>\$ 5,700,155</u>

Improvement Authorizations - Unfunded \$	1,643,157
Less: Unexpended note proceeds:	
Ord. 2265	96,153
Ord. 2283	287,954
Ord. 2307	156,388
Ord. 2319	24,325
Ord. 2321	55,477
Ord. 2325	351,175
Ord. 2338	670,881
	<u>\$ 804</u>

BOROUGH OF RIDGEFIELD

Schedule of Interfunds

General Capital Fund

Year Ended December 31, 2018

	<u>Increased</u>	<u>Decreased</u>	Balance, from/(to) Dec. 31, <u>2018</u>
Current Fund	\$ 218,646	134,752	83,894
	<hr/>	<hr/>	<hr/>
	<u>\$ 218,646</u>	<u>134,752</u>	<u>83,894</u>
Cash Receipts	\$	134,752	
Grants Receivable	<u>218,646</u>	<hr/>	
	<u>\$ 218,646</u>	<u>134,752</u>	

BOROUGH OF RIDGEFIELD

Schedule of Grants Receivable

General Capital Fund

Year Ended December 31, 2018

	<u>Grant Amount</u>	<u>Year</u>	<u>Ordinance</u>	<u>Balance Dec. 31, 2017</u>	<u>2018 Grants Authorized</u>	<u>Received</u>	<u>Balance Dec. 31, 2018</u>
<u>New Jersey Department of Transportation</u>							
Roadway Improvements	299,000	2017	2319	114,086			114,086
Various Roadway and Sewer Improvements	165,627	2017	2325	48,184		18,127	30,057
Various Roadway and Sewer Improvements	155,500	2017	2325	155,500		155,500	
Roadway Improvements	215,000	2018	2338		215,000	161,250	53,750
<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>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	
Roadway and ADA Improvements	113,402	2017	2338		113,402		113,402
Sanitary Sewer Improvements	100,000	2016	2338		100,000		100,000
				\$ 466,396	428,402	418,771	476,027
					Cash Receipts \$	200,125	
					Interfunds	218,646	
						\$ 418,771	

BOROUGH OF RIDGEFIELD

Schedule of Serial Bonds

General Capital Fund

Year Ended December 31, 2018

Purpose	Date of Issue	Original Issue	Maturities of bonds outstanding		Interest Rate	Balance, Dec. 31, 2017	Decreased	Balance, Dec. 31, 2018
			Date	Amount				
General Improvement Bonds of 2008	October 15, 2008	6,656,000			\$	300,000	300,000	
Refunding Bonds of 2016	March 17, 2016	7,070,000	August 15, 2019	810,000	5.000%	6,495,000	220,000	6,275,000
			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%				
					\$	6,795,000	520,000	6,275,000

BOROUGH OF RIDGEFIELD
Schedule of New Jersey Infrastructure Trust Loan

General Capital Fund

Year Ended December 31, 2018

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of bonds outstanding</u> <u>Date</u> <u>Amount</u>	<u>Interest Rate</u>	<u>Balance, Dec. 31, 2017</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2018</u>
NJ Environmental Infrastructure Trust Loan	November 9, 2000	490,000	August 1, 2019 31,323	5.250% \$	98,735	31,478	67,257
			August 1, 2020 35,934	5.250%			
NJ Environmental Infrastructure Trust Loan	November 9, 2000	500,000	February 1, 2019 1,231	\$	76,194	25,505	50,689
			August 1, 2019 23,124				
			February 1, 2020 657				
			August 1, 2020 25,677				
					<u>\$ 174,929</u>	<u>56,983</u>	<u>117,946</u>

BOROUGH OF RIDGEFIELD

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2018

Ord. Number	Purpose	Date of original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, Dec. 31, 2017	Increased	Decreased	Balance, Dec. 31, 2018
2108	Synthetic Turf Willis Field	December 10, 2010	Oct. 17, 2018	Oct. 17, 2019	3.0000%	372,000	346,468	372,000	346,468
2116	Acquisition of Pump Ladder	December 10, 2010	Oct. 17, 2018	Oct. 17, 2019	3.0000%	231,525	218,045	231,525	218,045
1952	Various Road Improvements	October 20, 2016	Oct. 17, 2018	Oct. 17, 2019	3.0000%	21,291	21,291	21,291	21,291
2306	Replacement of Storm Sewer Line along River Street	October 20, 2016	Oct. 17, 2018	Oct. 17, 2019	3.0000%	52,250	52,250	52,250	52,250
2307	Various Capital Improvements	October 20, 2016	Oct. 17, 2018	Oct. 17, 2019	3.0000%	1,313,850	1,313,850	1,313,850	1,313,850
2207	Various Capital Improvements	July 1, 2015	Oct. 17, 2018	Oct. 17, 2019	3.0000%	477,850	455,373	477,850	455,373
2222	Sanitary Sewer Imps. at Hoyt and Edgewater Avenues	July 1, 2015	Oct. 17, 2018	Oct. 17, 2019	3.0000%	161,500	159,455	161,500	159,455
2265	Various Capital Improvements	July 1, 2015	Oct. 17, 2018	Oct. 17, 2019	3.0000%	689,700	663,234	689,700	663,234
2283	Renovations to Truss System and Installation of Fire Protection	October 18, 2017	Oct. 17, 2018	Oct. 17, 2019	3.0000%	617,500	617,500	617,500	617,500
2319	System for Community Center	October 18, 2017	Oct. 17, 2018	Oct. 17, 2019	3.0000%	215,339	215,339	215,339	215,339
2321	2017 Roadway Improvements	October 18, 2017	Oct. 17, 2018	Oct. 17, 2019	3.0000%	219,047	219,047	219,047	219,047
2325	Various Capital Improvements	October 18, 2017	Oct. 17, 2018	Oct. 17, 2019	3.0000%	755,148	755,148	755,148	755,148
2338	Various Roadway and Sewer Imps. Various Public Improvements	October 17, 2018	Oct. 17, 2018	Oct. 17, 2019	3.0000%	733,664	733,664	733,664	733,664
						<u>\$ 5,127,000</u>	<u>5,770,664</u>	<u>5,127,000</u>	<u>5,770,664</u>

Cash \$	733,664
Budget Appropriation Renewed	5,037,000
	<u>\$ 5,770,664</u>

BOROUGH OF RIDGEFIELD
Schedule of Capital Improvement Fund
General Capital Fund
Year Ended December 31, 2018

Balance - December 31, 2017		\$	161,710
Increased by:			
Budget Appropriation			<u>150,000</u>
			311,710
Decreased by:			
Appropriated to Finance			
Improvement Authorizations	\$	33,934	
Preliminary Expenses		<u>56,406</u>	
			<u>90,340</u>
Balance - December 31, 2018		\$	<u><u>221,370</u></u>

Exhibit C-12

BOROUGH OF RIDGEFIELD
Schedule of Reserve for Payment of Debt
General Capital Fund
Year Ended December 31, 2018

Balance - December 31, 2017	\$	117,443
Increased by:		
Cash Receipts:		
Grants Receivable		<u>173,626</u>
Balance - December 31, 2018	\$	<u>291,069</u>
	Ord. 2325	\$ <u>291,069</u>

Exhibit C-13

Schedule of Reserve for Capital Projects
General Capital Fund
Year Ended December 31, 2018

Balance - December 31, 2017	\$	<u>6,650</u>
Balance - December 31, 2018	\$	<u>6,650</u>

BOROUGH OF RIDGEFIELD
Schedule of Reserve for Grants Receivable
General Capital Fund
Year Ended December 31, 2018

Balance - December 31, 2017	\$	203,684
Decreased by:		
Transfer to Reserve for Payment of Debt		<u>173,626</u>
Balance - December 31, 2018	\$	<u><u>30,058</u></u>
NJDOT Various Roadway and Sewer Improvements	\$	<u><u>30,058</u></u>

BOROUGH OF RIDGEFIELD
Schedule of Deferred Charges
General Capital Fund
Year Ended December 31, 2018

Balance - December 31, 2017	\$ <u>25,731</u>
Decreased by:	
Budget Appropriation	\$ <u><u>25,731</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2018

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance, Dec. 31, 2017		Authorized	Expended	Balance, Dec. 31, 2018	
				Funded	Unfunded			Funded	Unfunded
2251	Interior Improvements to the Community Center	3/4/2014	110,000	3,900			3,900		
2264	Community Center Kitchen Improvements	10/27/2014	110,000	2,494			2,494		
2265	Various Capital Improvements	10/27/2014	726,000		436,940		340,787		96,153
2283	Renovations to the Truss Roof and Installation of a Fire Protection System for Community Center	6/22/2015	650,000		362,954		75,000		287,954
2285	Nature Center Fence Improvements	9/14/2015	144,500	27,114				27,114	
2307	Various Capital Improvements	7/6/2016	1,383,000		240,500		84,112		156,388
2319	2017 Roadway Improvements	3/1/2017	609,000	53,506	215,339		244,520		24,325
2321	Various Capital Improvements	5/3/2017	230,000	3,901	219,047		167,471		55,477
2325	Various Roadway and Sewer Improvements	6/21/2017	760,000		424,593		72,614		351,979
2338	Various Public Improvements	3/23/2018	1,196,000			1,196,000	525,119		670,881
				\$ 90,915	1,899,373	1,196,000	1,516,017	27,114	1,643,157

Capital Improvement Fund \$	33,934
Grants	428,402
Deferred Charges Unfunded	733,664
	\$ 1,196,000

BOROUGH OF RIDGEFIELD

Schedule of Bonds and Notes Authorized but not Issued

General Capital Fund

Year Ended December 31, 2018

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance, Dec. 31, <u>2017</u>	<u>Authorized</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2018</u>
2116	Acquisition of a Pump Ladder Truck	\$ 84,699			84,699
2325	Various Roadway and Sewer Improvements	804			804
2338	Various Public Improvements		<u>733,664</u>	<u>733,664</u>	
		<u>\$ 85,503</u>	<u>733,664</u>	<u>733,664</u>	<u>85,503</u>
				Bond Anticipation Notes Issued \$ <u>733,664</u>	
				\$ <u>733,664</u>	

BOROUGH OF RIDGEFIELD

Schedule of Cash - Collector-Treasurer

Swimming Pool Utility Fund

Year Ended December 31, 2018

	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2017	\$ <u>29,091</u>	<u>1,136</u>
Increased by Receipts:		
Membership Fees	184,185	
Miscellaneous	28,460	
Deficit (General Budget)	65,564	
Interfund	<u>40,085</u>	
	<u>318,294</u>	
	347,385	1,136
Decreased by Disbursements:		
2018 Appropriations	266,197	
Interfunds	<u>12,637</u>	
	<u>278,834</u>	
Balance - December 31, 2018	\$ <u><u>68,551</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, 2018

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>\$ 1,136</u>

BOROUGH OF RIDGEFIELD

Schedule of 2017 Reserves - Operating Fund

Swimming Pool Utility Fund

Year Ended December 31, 2018

	Balance, Dec. 31, <u>2017</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages	\$ 20,554	20,554	1,200	19,354
Other Expenses	<u>1,098</u>	<u>1,407</u>	<u>309</u>	<u>1,098</u>
Total Operating	<u>21,652</u>	<u>21,961</u>	<u>1,509</u>	<u>20,452</u>
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	<u>839</u>	<u>839</u>		<u>839</u>
Total Deferred Charges and Statutory Expenditures	<u>839</u>	<u>839</u>		<u>839</u>
	<u>\$ 22,491</u>	<u>22,800</u>	<u>1,509</u>	<u>21,291</u>
Appropriation Reserves	\$ 22,491			
Encumbrances		<u>309</u>		
		<u>\$ 22,800</u>		
Transfer to Accounts Payable			\$ 309	
			<u>Interfunds</u>	<u>1,200</u>
			<u>\$ 1,509</u>	

BOROUGH OF RIDGEFIELD
Schedule of Accounts Payable
Swimming Pool Utility Operating Fund
Year Ended December 31, 2018

Increased by:	
Transferred from Appropriation Reserves	\$ <u>309</u>
Balance - December 31, 2018	\$ <u><u>309</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Interfund Receivables/(Payable)

Swimming Pool Utility - Operating Fund

Year Ended December 31, 2018

	Balance Dec. 31, <u>2017</u>	<u>Increased</u>	<u>Decreased</u>	Balance Dec. 31, <u>2018</u>
Swim Pool Utility Capital Fund	\$ 13,630			13,630
Current Fund	(768)	12,637	37,105	(25,236)
Other Trust Fund			4,180	(4,180)
	<u>\$ 12,862</u>	<u>12,637</u>	<u>41,285</u>	<u>(15,786)</u>
			Cash Receipts \$ 40,085	
		Cash Disbursement 12,637		
			Reimbursement for expenses paid 1,200	
		<u>\$ 12,637</u>	<u>41,285</u>	

BOROUGH OF RIDGEFIELD

Schedule of Interfund Receivables/(Payable)

Swimming Pool Utility - Capital Fund

Year Ended December 31, 2018

	Balance Dec. 31, <u>2017</u>	Balance Dec. 31, <u>2018</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-11

BOROUGH OF RIDGEFIELD

Schedule of Fixed Capital

Swimming Pool Utility Capital Fund

Year Ended December 31, 2018

Balance - December 31, 2017	\$ <u>1,820,236</u>
Balance - December 31, 2018	\$ <u><u>1,820,236</u></u>
<u>Analysis of Balance</u>	
Swim Pool Improvements	\$ <u><u>1,820,236</u></u>

Exhibit D-12

**Schedule of Fixed Capital Authorized
and Uncompleted**

Swimming Pool Utility Capital Fund

Year Ended December 31, 2018

Balance - December 31, 2017	\$ <u>1,342</u>
Balance - December 31, 2018	\$ <u><u>1,342</u></u>
<u>Analysis of Balance</u>	
Ord. 1835	\$ <u><u>1,342</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Improvement Authorizations

Swimming Pool Utility Capital Fund

Year Ended December 31, 2018

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance December, 31, 2017		Balance December 31, 2018	
				Funded	Unfunded	Funded	Unfunded
1835	ADA Improvements	Sept. 8, 2003	50,000 \$	1,342		1,342	
			\$	<u>1,342</u>		<u>1,342</u>	

Exhibit D-14

BOROUGH OF RIDGEFIELD
Schedule of Reserve for Amortization
Swimming Pool Utility Capital Fund
Year Ended December 31, 2018

Balance - December 31, 2017	\$ <u>1,783,236</u>
Balance - December 31, 2018	\$ <u><u>1,783,236</u></u>

Exhibit D-15

Schedule of Reserve for Capital Outlay
Swimming Pool Utility Capital Fund
Year Ended December 31, 2018

Balance - December 31, 2017	\$ <u>21,355</u>
Balance - December 31, 2018	\$ <u><u>21,355</u></u>

BOROUGH OF RIDGEFIELD
Schedule of Deferred Reserve for Amortization
Swimming Pool Utility Capital Fund
Year Ended December 31, 2018

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2017</u>	<u>Balance Dec. 31, 2018</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, 2018

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance Dec. 31, <u>2017</u>	Balance Dec. 31, <u>2018</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, 2018

	<u>Total</u>	<u>P.A.T.F. Account #1/ Petty Cash</u>	<u>Relocation Account</u>
Balance - December 31, 2017	\$ 12,499	6,926	5,573
Increased by:			
Due to Current Fund	<u>69</u>	<u>38</u>	<u>31</u>
Balance - December 31, 2018	<u>\$ 12,568</u>	<u>6,964</u>	<u>5,604</u>

BOROUGH OF RIDGEFIELD

Schedule of Due from/(to) Current Fund

Public Assistance Fund

Year Ended December 31, 2018

Balance - December 31, 2017	\$	(209)
Increased by:		
Interest Earned		<u>69</u>
Balance - December 31, 2018	\$	<u><u>(278)</u></u>

BOROUGH OF RIDGEFIELD
Schedule of Reserve for Public Assistance
Public Assistance Fund
Year Ended December 31, 2018

	<u>Total</u>	<u>P.A.T.F. Account #1/ Petty Cash</u>	<u>Relocation Account</u>
Balance - December 31, 2017	\$ <u>12,290</u>	<u>6,585</u>	<u>5,705</u>
Balance - December 31, 2018	\$ <u><u>12,290</u></u>	<u><u>6,585</u></u>	<u><u>5,705</u></u>

BOROUGH OF RIDGEFIELD

LETTERS ON COMPLIANCE AND ON INTERNAL CONTROL

GENERAL COMMENTS AND RECOMMENDATIONS

DECEMBER 31, 2018

Ferraioli, Wielkocz, 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, 2018 and the related notes to the financial statements, and have issued our report thereon dated July 18, 2019, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

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

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



Honorable Mayor and
Members of the Borough Council
Page 2.

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

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

Compliance and Other Matters

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

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

Purpose of this Report

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


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


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

July 18, 2019



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:

- Firehouse Engine Company 2 Improvements
- Positive Replacement Combination Sewer Cleaning Truck
- Edgewater Avenue Sanitary Rehabilitation Project
- NJDOT Municipal Aid Program FY2018 Abbot Ave (Banta Pl. to Slocum Ave)
and Elite Ct. (Shaler Blvd to Chestnut St)
- Linden Avenue Roadway Improvements (FY2017 CDBG)
- Tree Removal and Tree Trimming

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, 2018 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, 2018 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, 2018	2
December 31, 2017	2
December 31, 2016	2

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

**BOROUGH OF RIDGEFIELD
COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2018**

COMMENTS:

Finance:

1. *Prior year interfund balances were not liquidated prior to the close of the current fiscal year.
2. *Subsidiary ledgers in the Grant Fund do not agree to audited balances for the Appropriated Grant Reserves.
3. *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.
4. *There are unfunded improvement authorizations in the General Capital Fund greater than five years old.
5. *Interest earned on the Public Assistance Trust Fund, Rent Deposit Trust Fund and COAH Trust Fund are not being posted to the general ledger.
6. *There were instances in which vendors receiving payments in excess of IRS thresholds were not issued the required Form 1099.
7. *There were instances in which amounts paid per the vendor history exceeded the amounts reported on Form 1099.
8. Accounts payable balances were cancelled without approval from Mayor and Council.
9. The bank reconciliation for the Borough's Current Fund included items that were not accurate.
10. Payments for DCA fees collected Due to State are not made in a timely manner.
11. The Borough does not have a system in place for tagging fixed assets.
12. There is a deficit in the amount of \$1,090 in the Unemployment Insurance Compensation Trust Account due to invoices being paid in excess of the available amounts.

Purchasing

1. * There were instances in which goods or services were ordered prior to encumbrance.
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.

Payroll:

1. *The Net Payroll Account and Payroll Agency Accounts were not properly reconciled as of year-end.
2. There is a deficit in the reserve for Net Payroll in the amount of \$35,545 resulting from amounts being transferred to the net payroll account which did not agree to the payroll registers.

Departments:

Municipal Court

1. There are 644 items in Other Case Status on the December Monthly Management Report.

**BOROUGH OF RIDGEFIELD
COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2018**

RECOMMENDATIONS:

Finance:

1. *That all interfund balances be liquidated prior to the close of the year.
2. *That the Grant Fund subsidiary ledgers be reviewed and adjusted accordingly to reflect the audited balances for Appropriated Grant Reserves.
3. *That all transactions be recorded in the general ledger for all funds.
4. *That all ordinances with cash deficits over five years old should be funded through a valid funding source.
5. *That all interest earnings be posted to the appropriate general ledgers.
6. *That all eligible vendors receive a Form 1099 as required by IRS Rev. Rul. 2006-66.
7. *That all eligible payments are reported on Form 1099 as required by IRS Rev. Rul. 2006-66.
8. That all cancellations of accounts payable be approved by Mayor and Council via resolution.
9. That all reconciling items be investigated on a monthly basis for accuracy.
10. That more care be taken to be sure amounts paid are made in a timely manner.
11. That the Borough develop and implement a system for tagging fixed assets as required by N.J.A.C. 5:30-5.6.
12. That more care be taken to ensure sufficient funds are available in the reserve prior to disbursement.

Purchasing

1. *That controls over purchasing procedures be enhanced to ensure that purchase orders are issued and funds are encumbered prior to ordering goods and/or services.
2. *That all purchases in excess of 15% of the bid threshold have informal quotes obtained as required by Local Public Contracts Law.

Payroll:

1. *That more care be taken to ensure monthly reconciliations are completed.
2. That more care be taken to ensure amounts being transferred to the net payroll agree to the payroll registers.

Departments:

Municipal Court

1. That items in Other Case Status 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. Wielkotz
Registered Municipal Accountant
No. CR00413


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

July 18, 2019