

BOROUGH OF RIDGEFIELD

**Financial Statements With
Supplementary Information**

December 31, 2012

(With Independent Auditors' Reports Thereon)

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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 year ended December 31, 2012 and the six month period ended December 31, 2011, the related statement of operations and changes in fund balance - regulatory basis for the periods 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, 2012, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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



Honorable Mayor and
Members of the Borough Council
Page 2.

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Ridgefield as of December 31, 2012 and 2011, or changes in financial position for the periods then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2012 and 2011, the regulatory basis statements of operations for the periods then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2012 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

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

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

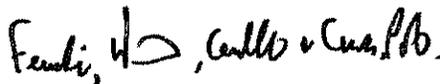
The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 3, 2013 on our consideration of the Borough of Ridgefield's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Ridgefield's internal control over financial reporting and compliance.



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



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

April 3, 2013



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BOROUGH OF RIDGEFIELD

Comparative Balance Sheet-Regulatory Basis

Current Fund

Twelve Month Period Ended December 31, 2012 and
Six Month Period Ended December 31, 2011

<u>Assets</u>	<u>Ref.</u>	Dec. 31, <u>2012</u>	Dec. 31, <u>2011</u>
Current Fund:			
Cash	A-4	\$ 4,690,781	4,978,217
Change Fund	A-5	450	450
Due from State of New Jersey:			
Senior citizens' and veterans' deductions	A-11	46,132	40,332
Grants Receivable	A-24	<u>221,034</u>	<u>217,837</u>
		<u>4,958,397</u>	<u>5,236,836</u>
Receivables and other assets with full reserves:			
Delinquent property taxes receivable	A-6	787,157	357,357
Tax Title Liens	A-22	54,172	42,893
Property Acquired for Taxes			
Assessed Valuations	A-10	81,180	81,180
Revenue accounts receivable	A-7	21,520	26,126
Due from Local School District	A-12	3	
Due from Library	A-9	3,586	
Interfunds Receivable:			
Community Development Trust Fund			
Animal License Trust Fund	A-21		275
Other Trust Fund	A-21		2,787
Payroll Account	A-21		15,889
Payroll Agency Account	A-21	2,084	13,632
Public Assistance	A-21	6	6
General Capital Fund	A-21		<u>1</u>
		<u>949,708</u>	<u>540,146</u>
Deferred Charges:			
Special Emergency	A-8	<u>72,000</u>	<u>90,000</u>
		<u>72,000</u>	<u>90,000</u>
		<u>\$ 5,980,105</u>	<u>5,866,982</u>

BOROUGH OF RIDGEFIELD

Comparative Balance Sheet-Regulatory Basis

Current Fund

Twelve Month Period Ended December 31, 2012 and
Six Month Period Ended December 31, 2011

	<u>Ref.</u>	<u>Dec. 31,</u> <u>2012</u>	<u>Dec. 31,</u> <u>2011</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation reserves	A-3, A-15 \$	833,820	543,017
Encumbrances payable	A-16	477,015	467,229
Accounts Payable	A-19	18,412	34,822
Tax overpayments	A-17	22,287	3,824
Prepaid Taxes	A-18	130,993	147,982
Due to State of New Jersey	A-20	3,890	25,508
Due to County of Bergen	A-14	585	5,065
Interfunds Payable:			
Other Trust Fund	A-21	34	
Swim Pool Utility Operating Fund	A-21	7,475	3,065
Appropriated reserves	A-25	203,007	201,396
Unappropriated reserves	A-26	32,659	29,879
Reserve for:			
Tax Appeals	A-22	269,336	425,535
Re-Assessment	A-22	4,500	63,450
Miscellaneous	A-22	6	
		<u>2,004,019</u>	<u>1,950,772</u>
Reserve for receivables and other assets	A	949,708	540,146
Fund balance	A-1	<u>3,026,378</u>	<u>3,376,064</u>
		<u>3,976,086</u>	<u>3,916,210</u>
		<u>\$ 5,980,105</u>	<u>5,866,982</u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

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

Current Fund

Twelve Month Period Ended December 31, 2012 and
Six Month Period Ended December 31, 2011

	Dec. 31, <u>2012</u>	Dec. 31, <u>2011</u>
Revenue and other income realized:		
Fund balance utilized	\$ 900,000	
Miscellaneous revenue anticipated	9,331,119	7,651,850
Receipts from delinquent taxes	336,370	556,165
Receipts from current taxes	30,231,466	14,723,016
Nonbudget revenues	203,773	122,645
Other credits to income:		
Unexpended balance of appropriation reserves	308,991	590,318
Tax overpayments cancelled	1,824	62,716
Adjustment to appropriated grant reserves		15,589
Interfunds Returned	<u>22,032</u>	<u>256</u>
Total revenue	<u>41,335,575</u>	<u>23,722,555</u>
Expenditures:		
Budget and emergency appropriations:		
Operations:		
Salaries and wages	6,721,811	3,341,315
Other expenses	9,543,629	5,559,504
Deferred charges and statutory expenditures	1,467,254	650,831
Capital improvements	125,000	834,488
Municipal debt service	1,456,590	1,059,379
County taxes	3,701,053	1,786,393
Due county for added taxes	585	5,065
Local district school taxes	17,760,013	8,792,647
Interfunds Advanced	5,676	
Refunds	<u>3,650</u>	
Total expenditures	<u>40,785,261</u>	<u>22,029,622</u>
Excess in Revenue	550,314	1,692,933
Adjustments to income before fund balance- expenditures which are by statute deferred charges to budget of succeeding year		
Special Emergency Authorization		<u>90,000</u>
Statutory excess to fund balance	550,314	1,782,933
Fund balance - July 1,	3,376,064	1,593,131
Decreased by utilization as anticipated revenue	<u>900,000</u>	
Fund balance	<u>\$ 3,026,378</u>	<u>\$ 3,376,064</u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

Statement of Revenues-Regulatory Basis

Current Fund

Twelve Month Period Ended December 31, 2012

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Surplus anticipated	\$ 900,000	900,000	
Miscellaneous revenues:			
Licenses:			
Alcoholic beverages	30,000	32,688	2,688
Other	40,000	40,026	26
Fees and permits:			
Other	165,000	190,413	25,413
Fines and costs municipal court	350,000	351,448	1,448
Interest and costs on taxes	120,000	66,232	(53,768)
Interest on investments and deposits	2,000	996	(1,004)
Hackensack Meadowlands Adjustment to			
Tax Sharing	1,214,556	1,214,556	
Energy Receipts Tax	5,242,420	5,242,420	
Supplemental Energy Receipts Tax	511,860	511,860	
Uniform Construction Code Fees	284,500	316,678	32,178
Recycling Tonnage Grant	13,437	13,437	
Drunk Driving Enforcement Fund	2,064	2,064	
Clean Communities Grant	14,116	14,116	
Alcohol Education and Rehabilitation Fund	377	377	
Municipal Alliance on Alcoholism and Drug Abuse	13,856	13,856	
Drive Sober or Get Pulled Over	4,400	4,400	
NJDMV	5,061	5,061	
Emergency Management Assistance Program	5,000	5,000	
Body Armor Replacement	3,940	3,940	
Bullet Proof Vest	1,460	1,460	
Uniform Fire Safety Act	33,900	29,877	(4,023)
Rental of Borough Property - Shaler Lease	250,000	250,000	
Rental of Borough Property - Shaler Lease -			
Debt Service Payments	367,400	367,400	
Sewer Charges	133,000	134,054	1,054
Sewer Charges - Additional - Tier II User Charges	300,000	290,694	(9,306)
Municipal Court Inspection Fees	18,000	3,821	(14,179)
Hudson Transmission Partners Agreement - Interim Fees	102,000	113,900	11,900
Cable TV Franchise Fee	110,345	110,345	
Total miscellaneous revenues	<u>9,338,692</u>	<u>9,331,119</u>	<u>(7,573)</u>
Receipts from delinquent taxes	<u>350,000</u>	<u>336,370</u>	<u>(13,630)</u>
Amount to be raised by taxes for support of municipal budget	<u>9,574,326</u>	<u>9,564,815</u>	<u>(9,511)</u>
Budget total	<u>\$ 20,163,018</u>	<u>20,132,304</u>	<u>(30,714)</u>
Nonbudget revenue		<u>203,773</u>	
		<u>\$ 20,336,077</u>	

BOROUGH OF RIDGEFIELD

Statement of Revenues-Regulatory Basis

Current Fund

Twelve Month Period Ended December 31, 2012

Analysis of Realized Revenue

Allocation of current tax collections;	
Revenue from collections	\$ <u>30,231,466</u>
Allocated to:	
Local district school tax	17,760,013
County taxes	<u>3,701,638</u>
	<u>21,461,651</u>
Balance for support of municipal	
budget appropriations	8,769,815
Reserve for uncollected taxes	<u>795,000</u>
	\$ <u><u>9,564,815</u></u>
Receipts from:	
Delinquent tax collections	<u>336,370</u>
	\$ <u><u>336,370</u></u>

Analysis of Miscellaneous Revenue Not Anticipated

FEMA	\$ 39,799
BCUA	3,368
Poll Rental	200
BOE Willis	3,000
Bank Charges Refunded	555
Ambulance Donations	1,090
Reimbursed Legal Fees	30,000
Hotel Tax	33,885
Flu Shots	6,284
Fees	28,678
Offsets Not Applied	15,865
Health Benefit Contributions	29,325
Other	<u>11,724</u>
	\$ <u><u>203,773</u></u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Twelve Month Period Ended December 31, 2012

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Operations-within "CAPS"					
Administrative and executive:					
Salaries and wages	\$ 62,000	62,500	62,384	116	
Other expenses	35,000	35,000	34,411	589	
Rent Leveling:					
Salaries and wages	6,000	6,000	6,000		
Other expenses	5,000	5,000	1,217	3,783	
Mayor and Council:					
Salaries and wages	43,000	40,500	40,375	125	
Other expenses	18,000	18,000	10,981	7,019	
Municipal Clerk:					
Salaries and wages	107,000	107,000	105,215	1,785	
Other expenses:	42,000	42,000	31,665	10,335	
Financial Administration:					
Salaries and wages	165,000	165,000	159,710	5,290	
Annual Audit	30,000	30,000	27,500	2,500	
Miscellaneous Other expenses	50,000	50,000	26,822	23,178	
Collection of taxes:					
Salaries and wages	85,800	85,800	84,661	1,139	
Other expenses	25,000	25,000	21,088	3,912	
Assessment of Taxes:					
Salaries and wages	17,300	17,300	16,925	375	
Other expenses	3,000	3,000	2,972	28	
Professional Services	7,300	8,800	8,714	86	

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Twelve Month Period Ended December 31, 2012

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Legal services and costs:					
Retainer	46,000	46,000	45,600	400	
Other expenses	150,000	150,000	139,356	10,644	
Engineering:					
Other expenses	110,000	124,500	122,843	1,657	
Municipal Land Use Law (N.J.S.A. 40:55D-1):					
Planning Board:					
Salaries and wages	6,000	6,000	6,000		
Other expenses	19,000	9,000	4,342	4,658	
Insurance:					
Unemployment Insurance	50,000	50,000	50,000		
Liability	448,000	436,000	431,411	4,589	
Workers Compensation	423,000	416,700	416,528	172	
Group Insurance for Employees	2,430,000	2,430,000	2,110,797	319,203	
PUBLIC SAFETY:					
Fire:					
Clothing Allowance	249,125	249,125	206,775	42,350	
Fire hydrant service	118,000	118,000	117,373	627	
Miscellaneous	105,000	108,000	105,919	2,081	
Fire Prevention Bureau:					
Salaries and wages	70,000	70,000	69,772	228	
Other expenses	23,000	23,000	22,343	657	
Police:					
Salaries and wages	3,760,600	3,810,600	3,808,034	2,566	
Other expenses	115,000	115,000	108,778	6,222	
Purchase of Police Vehicles	80,000	80,000	79,373	627	

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Twelve Month Period Ended December 31, 2012

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Police Dispatching/911:					
911 Service Agreement	200,000	200,000	200,000		
First Aid Organization:					
Clothing Allowance	90,000	90,000	81,516	8,484	
Miscellaneous	25,000	21,000	16,344	4,656	
Community Service Officer					
Salaries and wages	98,000	98,000	95,061	2,939	
Other expenses	8,000	8,000	5,828	2,172	
Emergency Management Services:					
Salaries and wages	25,000	20,000	18,020	1,980	
Other expenses	6,000	6,000	4,756	1,244	
Municipal Prosecutor:					
Salaries and wages	13,000	13,000	12,500	500	
Streets and Roads:					
Road Repairs and Maintenance:					
Salaries and wages	1,300,000	1,300,000	1,287,979	12,021	
Other expenses	148,000	148,000	133,071	14,929	
Maintenance of Borough Vehicles:					
Streets and Roads	60,000	55,000	47,458	7,542	
Fire	45,000	35,000	20,200	14,800	
Police	37,000	37,000	30,582	6,418	
Ambulance	4,000	8,000	7,682	318	
Garage	30,000	35,000	33,026	1,974	
Building	1,000	1,000	70	930	
Health	500	500	356	144	

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Twelve Month Period Ended December 31, 2012

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Sanitation:					
Garbage and Trash Removal:					
Salaries and wages	260,000	260,000	257,148	2,852	
Other expenses	60,000	65,000	62,496	2,504	
Sanitary Landfill - Contractual	360,000	360,000	274,810	85,190	
Recycling Program:					
Salaries and wages	7,000	7,000	5,280	1,720	
Public Building and Grounds:					
Other Expenses - Maintenance & Repair	150,000	165,000	162,122	2,878	
Health and Welfare:					
Board of Health:					
Salaries and wages	158,000	158,000	137,680	20,320	
Other expenses	80,000	83,000	82,535	465	
Bergen County Animal Shelter	10,500	7,500	7,000	500	
Environmental Commission (NJSA 40:56A-1):					
Other expenses - miscellaneous	3,000	3,000	3,000		
Other expenses - arborist	3,000	3,000	2,936	64	
Administration of Public Assistance:					
Miscellaneous Other expenses	1,000	1,000			1,000
Recreation and Education:					
Parks and Recreation:					
Salaries and wages	160,000	160,000	153,617	6,383	
Other expenses	137,000	137,000	133,506	3,494	
Youth Commission					
Salaries and wages	12,000	14,200	14,127	73	
Other expenses	1,200	100	40	60	

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Twelve Month Period Ended December 31, 2012

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Celebration of Public Events:					
Other expenses	28,000	28,000	23,243	4,757	
Uniform Construction Code-Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Uniform construction code official:					
Salaries and wages	167,411	156,111	151,102	5,009	
Other expenses	28,000	28,000	26,955	1,045	
Property Maintenance					
Salaries and wages	7,000	7,000	6,299	701	
Other expenses	1,000	2,100	2,022	78	
Municipal Court:					
Salaries and wages	160,000	157,800	141,681	16,119	
Other expenses	36,000	38,200	37,750	450	
Public Defender:					
Other expenses	3,500	3,500	2,500	1,000	
UNCLASSIFIED:					
Utilities:					
Street lighting	200,000	190,000	166,624	23,376	
Electric & Gas	300,000	300,000	269,173	30,827	
Telephone	105,000	105,000	88,365	16,635	
Water	20,000	20,000	12,032	7,968	
Gasoline	245,000	235,000	229,782	5,218	
Accumulated Absences	5,000	10,000	10,000		
Total Operations within "CAPS"	13,703,236	13,722,836	12,944,158	778,678	

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Twelve Month Period Ended December 31, 2012

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Contingent	5,000	5,000		5,000	
Total Operations Including Contingent-within "CAPS"	13,708,236	13,727,836	12,944,158	783,678	
Detail:					
Salaries & Wages	6,690,111	6,721,811	6,639,570	82,241	
Other Expenses (Including Contingent)	7,018,125	7,006,025	6,304,588	701,437	
	13,708,236	13,727,836	12,944,158	783,678	
Deferred Charges and Statutory Expenditures-Municipal within "CAPS"					
DEFERRED CHARGES					
Anticipated Deficit in Swim Pool Utility	39,500	39,500	7,475		32,025
STATUTORY EXPENDITURES:					
Contribution to:					
Social Security System (O.A.S.I.)	370,000	351,400	343,677	7,723	
Pension of Widow Volunteer Firemen	16,000	16,000	14,873	1,127	
Volunteer Fireman's Pension	17,000	17,000	13,500	3,500	
Volunteer Fireman's Over Age Burial Fund	5,000	5,000		5,000	
Defined Contribution Retirement Program	7,000	7,000	1,714	5,286	
Public Employees Retirement system	340,494	340,494	340,494		
Police and Firemans Retirement System of N.J.	704,885	704,885	704,885		
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	1,499,879	1,481,279	1,426,618	22,636	32,025

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Twelve Month Period Ended December 31, 2012

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Total General Appropriations for Municipal Purposes within "CAPS"	15,208,115	15,209,115	14,370,776	806,314	32,025
Operations-Excluded from "CAPS"					
Bergen County Utilities Authority:					
Sewage Processing and Disposal	1,850,000	1,850,000	1,839,025	10,975	
Maintenance of Free Public Library:					
Contribution to Library	605,428	605,428	605,428		
Recycling Tax	15,000	15,000	10,026	4,974	
Public and Private Programs Offset by Revenues:					
Clean Communities	14,116	14,116	12,046	2,070	
Alcohol Education and Rehabilitation	378	378	374	4	
Emergency Management Assistance	5,000	5,000	315	4,685	
Body Armor Grant	3,940	3,940	2,670	1,270	
NJ Department of Motor Vehicle	5,061	5,061	2,092	2,969	
Drunk Driving Enforcement Fund	2,064	2,064	2,064		
Municipal Alliance	13,856	13,856	13,456	400	
Municipal Alliance - Matching Funds	3,464	3,464	3,422	42	
Bullet Proof Vest - Federal	1,460	1,460	1,460		
Recycling Tonnage Grant	13,437	13,437	13,320	117	
Drive Sober or Get Pulled Over	4,400	4,400	4,400		
Total Operations-Excluded from "CAPS"	2,537,604	2,537,604	2,510,098	27,506	

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Twelve Month Period Ended December 31, 2012

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Detail:					
Salaries and Wages	2,537,604	2,537,604	2,510,098	27,506	
Other Expenses	2,537,604	2,537,604	2,510,098	27,506	
Capital Improvements - Excluded from CAPS					
Capital Improvement Fund	100,000	100,000	100,000		
Acquisition of Employee Time System	25,000	25,000	25,000		
Total Capital Improvements - Excluded from CAPS	125,000	125,000	125,000		
Municipal Debt Service-Excluded from "CAPS"					
Payment of Bond Principal	855,000	855,000	855,000		
Interest on Bonds	550,000	550,000	529,762		20,238
Interest on Notes	8,700	8,700	8,641		59
Infrastructure Trust Loan	64,600	64,600	63,187		1,413
Total Municipal Debt Service-Excluded from "CAPS"	1,478,300	1,478,300	1,456,590		21,710
Deferred Charges- Municipal Excluded from "CAPS"					
Special Emergency Authorizations - 5 years (N.J.S. 40A:4-55)	18,000	18,000	18,000		
Total Deferred Charges-Municipal-Excluded from "CAPS"	18,000	18,000	18,000		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	4,158,904	4,158,904	4,109,688	27,506	21,710

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Twelve Month Period Ended December 31, 2012

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Subtotal General Appropriations	19,367,019	19,368,019	18,480,464	833,820	53,735
Reserve for Uncollected Taxes	795,000	795,000	795,000		
Total General Appropriations	<u>\$ 20,162,019</u>	<u>20,163,019</u>	<u>19,275,464</u>	<u>833,820</u>	<u>53,735</u>
Adopted Budget		20,155,119			
Added by N.J.S.A. 40A:4-87		7,900			
		<u>\$ 20,163,019</u>			
Analysis of Paid or Charged					
Reserve for Uncollected Taxes			795,000		
Interfunds			7,475		
Reserve for Encumbrances			477,015		
Cash			17,995,974		
			<u>\$ 19,275,464</u>		

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

Comparative Balance Sheet-Regulatory Basis

Trust Funds

**Twelve Month Period Ended December 31, 2012 and
Six Month Period ended December 31, 2012**

<u>Assets</u>	<u>Ref.</u>	Dec. 31, <u>2012</u>	Dec. 31, <u>2011</u>
Animal License Fund:			
Cash	B-1	\$ <u>11,466</u>	<u>12,450</u>
		<u>11,466</u>	<u>12,450</u>
Unemployment Compensation Trust Fund:			
Cash	B-1	35,956	33,862
Accounts Receivable	B-8	<u>1,463</u>	<u>1,631</u>
		<u>37,419</u>	<u>35,493</u>
Other Trust Funds:			
Cash	B-1	1,721,038	1,932,584
Interfund Receivables:			
Due from Current Fund	B-5	<u>34</u>	<u> </u>
		<u>1,721,072</u>	<u>1,932,584</u>
		<u>\$ 1,769,957</u>	<u>1,980,527</u>

BOROUGH OF RIDGEFIELD

Comparative Balance Sheet-Regulatory Basis

Trust Funds

Twelve Month Period Ended December 31, 2012 and
Six Month Period ended December 31, 2012

	<u>Ref.</u>	Dec. 31, <u>2012</u>	Dec. 31, <u>2011</u>
<u>Liabilities and Reserves</u>			
Animal License Fund:			
Reserve for Dog License Fund expenditures	B-2	11,217	11,934
Due to State of New Jersey	B-3	249	241
Due to Current Fund	B-5	<u> </u>	<u>275</u>
		<u>11,466</u>	<u>12,450</u>
Unemployment Compensation Trust Fund:			
Unemployment claims Payable	B-9	4,351	6,878
Reserve for Expenditures	B-7	<u>33,068</u>	<u>28,615</u>
		<u>37,419</u>	<u>35,493</u>
Other Trust Funds:			
Due to Criminal Disposition and Review	B-4		4,442
Interfunds Payable:			
Due to Current Fund - Other Trust	B-5		2,787
Reserve for:			
Other Trust Deposits	B-6	<u>1,721,072</u>	<u>1,925,355</u>
		<u>1,721,072</u>	<u>1,932,584</u>
		<u>\$ 1,769,957</u>	<u>1,980,527</u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

Comparative Balance Sheet-Regulatory Basis

General Capital Fund

Twelve Month Period Ended December 31, 2012 and
Six Month Period Ended December 31, 2011

<u>Assets</u>	<u>Ref.</u>	Dec. 31, <u>2012</u>	Dec. 31, <u>2011</u>
Cash:			
Checking	C-2,C-3	\$ 2,178,821	1,735,266
Grants Receivable	C-7	415,993	136,654
Deferred charges to future taxation:			
Funded	C-4	13,409,222	14,314,048
Unfunded	C-5	<u>1,442,850</u>	<u>1,385,000</u>
		<u>\$ 17,446,886</u>	<u>17,570,968</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds	C-8	12,946,000	13,801,000
NJ Environmental Infrastructure Trust Loan	C-9	463,222	513,048
Bond Anticipation Notes	C-10	795,000	795,000
Capital Improvement Fund	C-11	614,928	571,763
Reserve for:			
Payment of Debt	C-13	1,046,079	444,071
Capital Projects	C-14	6,650	6,650
CDBG Grants Receivable	C-15	100,000	
Acquisition of Employee Time System	C-16	25,000	
Interfund Payable	C-6		1
Improvement authorizations:			
Funded	C-17	709,509	766,297
Unfunded	C-17	594,244	537,831
Fund Balance	C-1	<u>146,254</u>	<u>135,307</u>
		<u>\$ 17,446,886</u>	<u>17,570,968</u>

There were bonds and notes authorized but not issued at December 31, 2012 and 2011 of \$647,850 and \$590,000 respectively. See exhibit C-18.

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

Schedule of Fund Balance

General Capital Fund

Twelve Month Period Ended December 31, 2012

Balance - December 31, 2011	\$	135,307
Increased by :		
Funded Improvement Authorizations canceled	\$	10,706
Close out of Refunding Escrow		6,571
Premium on Sale of Notes		<u>817</u>
		<u>18,094</u>
		153,401
Decreased by:		
Cancellation of Grants Receivable		<u>7,147</u>
Balance - December 31, 2012	\$	<u><u>146,254</u></u>

See Accompanying Notes to Financial Statements

BOROUGH OF RIDGEFIELD

Comparative Balance Sheet - Regulatory Basis

Swimming Pool Utility Fund

Twelve Month Period Ended December 31, 2012 and
Six Month Period Ended December 31, 2011

	<u>Ref.</u>	December 31, <u>2012</u>	December 31, <u>2011</u>
<u>Assets</u>			
Operating Fund:			
Cash	D-5	\$ 323	12,520
Petty Cash		100	100
Interfunds Receivable:			
Due from Swimming Pool Utility Capital Fund	D-8	13,630	13,630
Due from Current Fund	D-8	7,475	3,065
		<u>21,528</u>	<u>29,315</u>
Total Operating Fund		<u>21,528</u>	<u>29,315</u>
Capital Fund:			
Cash	D-5,D-6	1,136	1,136
Fixed capital	D-10	1,820,236	1,820,236
Fixed capital authorized and uncompleted	D-11	1,342	1,342
Total Capital Fund		<u>1,822,714</u>	<u>1,822,714</u>
		<u>\$ 1,844,242</u>	<u>1,852,029</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves	D-4,D-7	\$ 2,175	5,195
Encumbrances Payable	D-4,D-7		4,767
Fund Balance	D-1	19,353	19,353
Total Operating Fund		<u>21,528</u>	<u>29,315</u>
Capital Fund:			
Improvement Authorizations - Funded	D-12	1,342	1,342
Reserve for Amortization	D-13	1,783,236	1,783,236
Reserve for Capital Outlay	D-14	21,355	21,355
Deferred Reserve for Amortization	D-15	1,342	1,342
Due to Swimming Pool Operating Fund	D-9	13,630	13,630
Fund Balance	D-2	1,809	1,809
Total Capital Fund		<u>1,822,714</u>	<u>1,822,714</u>
		<u>\$ 1,844,242</u>	<u>1,852,029</u>

There were bonds and notes authorized but not issued on December 31, 2012 and 2011 in the amount of \$37,000 (per Exhibit D-16).

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

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

Swimming Pool Utility Fund

Twelve Month Period Ended December 31, 2012 and
Six Month Period Ended December 31, 2011

	December 31, <u>2012</u>	December 31, <u>2011</u>
Revenue and other income realized:		
Membership fees	\$ 181,620	22,155
Miscellaneous revenues	68,153	23,121
Other credits to income:		
Unexpended balance of appropriation reserves	6,252	21,159
Total income	<u>256,025</u>	<u>66,435</u>
Expenditures:		
Operations:		
Salaries and wages	158,434	127,000
Other expenses	96,200	43,000
Statutory Expenditures & Deferred Charges	8,866	9,500
Total expenditures	<u>263,500</u>	<u>179,500</u>
Excess (Deficit)	(7,475)	(113,065)
Adjustments to income before fund balance:		
Realized from General Fund Budget for Anticipated Deficit	<u>7,475</u>	<u>118,065</u>
		5,000
Fund balance, January 1	<u>19,353</u>	<u>14,353</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

Twelve Month Period Ended December 31, 2012

Balance - December 31, 2011	\$ <u>1,809</u>
Balance - December 31, 2012	\$ <u><u>1,809</u></u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD
Statement of Revenues-Regulatory Basis
Swimming Pool Utility Fund
Twelve Month Period ended December 31, 2012

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Membership fees	\$ 179,140	181,620	2,480
Miscellaneous revenues	<u>44,860</u>	<u>68,153</u>	<u>23,293</u>
	<u>224,000</u>	<u>249,773</u>	<u>25,773</u>
Deficit (General Budget)	<u>39,500</u>	<u>7,475</u>	<u>(32,025)</u>
Total Swim Pool Utility Revenue	<u>\$ 263,500</u>	<u>257,248</u>	<u>(6,252)</u>

Analysis of Miscellaneous Revenues

Snack Bar Contract	\$	8,500
Chair Rental		11,690
Guest Fees		41,813
Miscellaneous		<u>6,150</u>
	\$	<u>68,153</u>
Cash		60,680
Due from Current Fund		<u>7,473</u>
	\$	<u>68,153</u>

See accompanying notes to financial statements.

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BOROUGH OF RIDGEFIELD

Comparative Balance Sheet - Regulatory Basis

Public Assistance Fund

**Twelve Month Period Ended December 31, 2012 and
Six Month Period Ended December 31, 2011**

	<u>Ref.</u>	<u>Dec. 31 2012</u>	<u>Dec. 31, 2011</u>
<u>Assets</u>			
Cash	E-1	\$ <u>12,296</u>	<u>12,296</u>
		\$ <u><u>12,296</u></u>	<u><u>12,296</u></u>
<u>Liabilities</u>			
Due to Current Fund	E-2	\$ 6	6
Reserve for Public Assistance	E-3	<u>12,290</u>	<u>12,290</u>
		\$ <u><u>12,296</u></u>	<u><u>12,296</u></u>

See accompanying notes to the financial statements.

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BOROUGH OF RIDGEFIELD

Statement of Net Payroll and Withholdings Payable

Twelve Month Period Ended December 31, 2012

Six Month Period ended December 31, 2011

	December 31, <u>2012</u>	December 31, <u>2011</u>
<u>Assets</u>		
Cash		
Net Payroll	\$	15,889
Payroll Agency	2,084	13,632
Deficit in Reserve for Payroll	<u>4,805</u>	<u> </u>
	<u>\$ 6,889</u>	<u>29,521</u>
 <u>Liabilities:</u>		
Cash Deficit	\$ 4,805	
Due to Current Fund	<u>2,084</u>	<u>29,521</u>
	<u>\$ 6,889</u>	<u>29,521</u>

See accompanying notes to financial statements.

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BOROUGH OF RIDGEFIELD

Statement of General Fixed Assets-Regulatory Basis

General Fixed Assets Account Group

**Twelve Month Period Ended December 31, 2012 and
Six Month Period Ended December 31, 2011**

	Dec. 31, <u>2012</u>	Dec. 31, <u>2011</u>
Land	\$ 19,927,700	19,927,700
Land Improvements	761,702	761,702
Buildings and Improvements	11,015,990	11,015,990
Automobiles and Vehicles	6,513,341	6,103,137
Machinery and Equipment	<u>1,192,379</u>	<u>1,083,346</u>
	<u>\$ 39,411,112</u>	<u>38,891,875</u>

See accompanying notes to financial statements.

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BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012 AND
SIX MONTH PERIOD ENDED DECEMBER 31, 2011

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
YEAR ENDED DECEMBER 31, 2012 AND
SIX MONTH PERIOD ENDED DECEMBER 31, 2011
(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
YEAR ENDED DECEMBER 31, 2012 AND
SIX MONTH PERIOD ENDED DECEMBER 31, 2011
(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 April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012 AND
SIX MONTH PERIOD ENDED DECEMBER 31, 2011
(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 August 10, of the fiscal year. The budget shall be adopted not later than September 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012 AND
SIX MONTH PERIOD ENDED DECEMBER 31, 2011
(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 2012, the Mayor and Council approved several budget transfers and \$7,900 in additional grant awards in accordance with N.J.S.A. 40A:4-87.

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at June 30, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at June 30, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

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

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

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

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012 AND
SIX MONTH PERIOD ENDED DECEMBER 31, 2011
(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
YEAR ENDED DECEMBER 31, 2012 AND
SIX MONTH PERIOD ENDED DECEMBER 31, 2011
(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.

C. Basic Financial Statements

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

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012 AND
SIX MONTH PERIOD ENDED DECEMBER 31, 2011
(CONTINUED)**

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2012, \$-0- of the Borough's bank balance of \$8,885,612 was exposed to custodial credit risk.

Investments

Investment Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012 AND
SIX MONTH PERIOD ENDED DECEMBER 31, 2011
(CONTINUED)

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2012 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable:					
Obligation Debt	\$13,801,000	\$	\$855,000	\$12,946,000	\$840,000
Other Liabilities:					
General Capital:					
NJ Infrastructure Trust					
Loans Payable	513,048		49,826	463,222	49,044
Compensated Absences	<u>645,109</u>	<u>76,852</u>	<u>16,696</u>	<u>705,265</u>	<u> </u>
	<u>\$14,959,157</u>	<u>\$76,852</u>	<u>\$921,522</u>	<u>\$14,114,487</u>	<u>\$889,044</u>

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

The Borough's debt is summarized as follows:

	<u>Year Ended</u> <u>December 31,</u> <u>2012</u>	<u>Six Months</u> <u>Ended</u> <u>December 31,</u> <u>2011</u>	<u>Year Ended</u> <u>June 30, 2011</u>
<u>Issued</u>			
General - Bonds, Notes and Loans	\$14,204,223	\$15,109,048	\$15,934,670
<u>Authorized But Not Issued</u>			
General - Bonds and Notes	647,850	590,000	65,000
Swim Pool Utility - Bonds and Notes	<u>37,000</u>	<u>37,000</u>	<u>37,000</u>
	<u>684,850</u>	<u>627,000</u>	<u>102,000</u>
Total Bonds, Notes and Loans Issued and Authorized But Not Issued	14,889,073	15,736,048	16,036,670
Less: Deductions	<u>1,046,079</u>	<u>481,071</u>	<u>77,248</u>
Net Debt	<u>\$13,842,994</u>	<u>\$15,254,977</u>	<u>\$15,959,422</u>

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012 AND
SIX MONTH PERIOD ENDED DECEMBER 31, 2011
(CONTINUED)

NOTE 3. MUNICIPAL DEBT, (continued)

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENTS

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .764%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School District Debt	\$9,533,000	\$9,533,000	\$0
Swimming Pool Utility	37,000		37,000
General Debt	<u>14,852,073</u>	<u>1,046,079</u>	<u>13,805,994</u>
	<u>\$24,422,073</u>	<u>\$10,579,079</u>	<u>\$13,842,994</u>

Net Debt \$13,842,994 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended of \$1,811,236,324 equals .764%.

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

3 ½% of equalized valuation basis (municipal)	\$63,393,271
Net Debt	<u>13,842,994</u>
Remaining borrowing power	<u>\$49,550,277</u>

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

Cash receipts from fees, rents or other charges for year	\$257,248
Deductions:	
Operating and Maintenance Cost	<u>263,500</u>
Deficit in Revenue - Not Self Liquidating	<u>(\$6,252)</u>

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012 AND
SIX MONTH PERIOD ENDED DECEMBER 31, 2011
(CONTINUED)**

NOTE 3. MUNICIPAL DEBT, (continued)

The Borough's long term debt consisted of the following at December 31, 2012:

Paid by Current Fund:

General Serial Bonds:

	<u>Amount Outstanding</u>
\$4,950,000 General Serial Bonds - with an interest rate of 4.00%, issued October 16, 2006, due through October 15, 2026	\$3,855,000
\$6,656,000 General Serial Bonds - with an interest rate of 4.125% to 4.625% issued October 15, 2008, due through April 15, 2025	6,356,000
\$2,780,000 Refunding Bonds - with an interest rate of 2.00% to 4.00% issued December 29, 2011, due through August 1, 2017	<u>2,735,000</u>
Total General Serial Bonds	<u>\$12,946,000</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.

	<u>Amount Outstanding</u>
The sewer improvement project award is a rate of 5.00% to 5.25%, in the amount of \$990,000 with principal and interest payments commencing August 1, 2004 and continuing on a semiannual basis through August 1, 2020	<u>\$463,222</u>

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012 AND
SIX MONTH PERIOD ENDED DECEMBER 31, 2011
(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>
2013	\$840,000	\$534,453	\$1,374,453	\$49,043	\$13,437	\$62,480
2014	1,060,000	501,853	1,561,853	56,389	12,187	68,576
2015	1,080,000	464,240	1,544,240	55,451	10,688	66,139
2016	1,100,000	425,553	1,525,553	54,489	9,150	63,639
2017	1,130,000	380,428	1,510,428	61,655	7,613	69,268
2018-2022	4,385,000	1,287,472	5,672,472	186,196	11,813	198,009
2023-2026	<u>3,351,000</u>	<u>273,403</u>	<u>3,624,403</u>	<u> </u>	<u> </u>	<u> </u>
	<u>\$12,946,00</u>	<u>\$3,867,402</u>	<u>\$16,813,40</u>	<u>\$463,223</u>	<u>\$64,888</u>	<u>\$528,111</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, 2012, the Borough had authorized but not issued debt as follows:

General Capital Fund	\$647,850
Swim Pool Utility Capital Fund	37,000

NOTE 4. BOND ANTICIPATION NOTES

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

**BOROUGH OF RIDGEFIELD
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2012 AND
 SIX MONTH PERIOD ENDED DECEMBER 31, 2011
 (CONTINUED)**

NOTE 4. BOND ANTICIPATION NOTES, (continued)

On December 31, 2012, the Borough had \$795,000 outstanding in general capital bond anticipation notes maturing on October 29, 2013 at an interest rate of 1.375%.

On December 31, 2012, the Borough had \$795,000 in outstanding General Capital bond anticipation notes.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>General Capital Notes Payable:</u>				
Capital One Bank	<u>\$795,000</u>	<u>\$795,000</u>	<u>\$795,000</u>	<u>\$795,000</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, 2012, the following deferred charges are shown on the balance sheet of the Current Fund:

	Balance December 31, <u>2012</u>	2013 Budget <u>Appropriation</u>	Balance to <u>Succeeding Years</u>
<u>Current Fund</u>			
Special Emergency	<u>\$72,000</u>	<u>\$18,000</u>	<u>\$54,000</u>

NOTE 6. PENSION PLANS

Description of Systems:

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

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012 AND
SIX MONTH PERIOD ENDED DECEMBER 31, 2011
(CONTINUED)

NOTE 6. PENSION PLANS, (continued)

Description of Systems, (continued)

Public Employees' Retirement System (PERS)

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

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

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

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

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012 AND
SIX MONTH PERIOD ENDED DECEMBER 31, 2011
(CONTINUED)

NOTE 6. PENSION PLANS, (continued)

Description of Systems, (continued)

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

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

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

Chapter 78, P.L. 2011, provides that new members of PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65. Tier 5 members will be eligible for a service retirement benefit at age 65.

Police and Firemens' Retirement System (PFRS)

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

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

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012 AND
SIX MONTH PERIOD ENDED DECEMBER 31, 2011
(CONTINUED)**

NOTE 6. PENSION PLANS, (continued)

Description of Systems, (continued)

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

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

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

Contribution Requirements

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

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012 AND
SIX MONTH PERIOD ENDED DECEMBER 31, 2011
(CONTINUED)**

NOTE 6. PENSION PLANS, (continued)

Contribution Requirements, (continued)

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

<u>Period</u>	<u>PERS</u>	<u>PFRS</u>
Year Ended December 31, 2012	\$704,885	\$340,494
Six Months Ended December 31, 2011	-0-	-0-
Year Ended June 30, 2011	820,895	325,311

Defined Contribution Retirement Program

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

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

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

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

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

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012 AND
SIX MONTH PERIOD ENDED DECEMBER 31, 2011
(CONTINUED)**

NOTE 6: PENSION PLANS, (continued)

Defined Contribution Retirement Program, (continued)

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

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

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

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

<u>Period</u>	<u>DCRP</u>
Year Ended December 31, 2012	\$1,714
Six Months Ended December 31, 2011	416
Year Ended June 30, 2011	1,857

NOTE 7. OTHER POST EMPLOYMENT BENEFITS

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

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012 AND
SIX MONTH PERIOD ENDED DECEMBER 31, 2011
(CONTINUED)**

NOTE 7. OTHER POST EMPLOYMENT BENEFITS, (continued)

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

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/gasb-43-july2011.pdf>

Plan Coverage

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

Funding Policy

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

Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Borough of Ridgefield on a monthly basis. The rates charged by the system for the year ended December 31, 2012 and the six month period ended December 31, 2011 were as follows:

The Borough of Ridgefield contributions to SHBP for post-retirement benefits for the year ended December 31, 2012 was \$646,677 and \$252,735 for the six month period ended December 31, 2011, which equaled the required contribution for each year.

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012 AND
SIX MONTH PERIOD ENDED DECEMBER 31, 2011
(CONTINUED)**

NOTE 8. FUND BALANCES

Fund balances as of December 31, 2012 that have been anticipated as revenue in the 2013 budget is as follows:

Current Fund	\$875,000
Swimming Pool Operating Fund	-0-

NOTE 9. ACCUMULATED VACATION AND SICK PAY

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

It is estimated that the current cost of such unpaid compensation would approximate \$705,265 and \$645,109 at December 31, 2012 and 2011, respectively. This amount which is considered material to the financial statements, is not reported either as an expenditure or liability.

NOTE 10. FIXED ASSETS

The following is a summary of changes in the General Fixed Assets Account Group as of December 31, 2012:

	Balance December 31, <u>2011</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2012</u>
Land	\$19,927,700	\$	\$	\$19,927,700
Land Improvements	761,702			761,702
Buildings and Improvements	11,015,990			11,015,990
Automobiles and Vehicles	6,103,137	498,204	88,000	6,513,341
Machinery and Equipment	<u>1,083,346</u>	<u>109,033</u>	<u> </u>	<u>1,192,379</u>
	<u>\$38,891,875</u>	<u>\$607,237</u>	<u>\$88,000</u>	<u>\$39,411,112</u>

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012 AND
SIX MONTH PERIOD ENDED DECEMBER 31, 2011
(CONTINUED)**

NOTE 11. DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at December 31, 2012 consist of the following:

\$2,084	Due to the Current Fund from the Payroll Agency Account for excess funds in the account.
34	Due to the Other Trust Fund from the Current Fund for deposit made in error.
6	Due to the Current Fund from the Public Assistance Trust Fund for interest earnings not turned over.
7,475	Due to the Swim Pool Utility Operating Fund from the Current Fund for operating deficit.
<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>\$23,229</u>	

NOTE 12. LEASES

Capital Leases Payable

The Borough had not entered into any Capital Leases as of December 31, 2012.

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
YEAR ENDED DECEMBER 31, 2012 AND
SIX MONTH PERIOD ENDED DECEMBER 31, 2011
(CONTINUED)**

NOTE 13. RISK MANAGEMENT, (continued)

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

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

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

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

NOTE 14. TAXES COLLECTED IN ADVANCES

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

	Balance <u>Dec 31, 2012</u>	Balance <u>Dec. 31, 2011</u>
Prepaid Taxes	<u>\$130,993</u>	<u>\$147,982</u>
Cash Liability for Taxes Collected in Advance	<u>\$130,993</u>	<u>\$147,982</u>

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012 AND
SIX MONTH PERIOD ENDED DECEMBER 31, 2011
(CONTINUED)

NOTE 15. COMMITMENTS AND CONTINGENT LIABILITIES

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

The Borough did receive a formal notice of claim from its Mayor Anthony Suarez seeking reimbursement for legal fees and costs he incurred in connection with his successful defense of certain federal criminal charges brought against him which arose during the course of this duties. Mayor Suarez is an insured under the EPL/POL policies which insure the Borough. Mayor Suarez is pressing a first party claim against the Borough's EPL/POL insurance carrier in year 2010, the Municipal Excess Liability Fund (the MEL). The Borough has joined in that claim, seeking defense and indemnification from the carrier against the Mayor's claim against the Borough. By virtue of the 2010 policy issued by the MEL, the case is to be determined via binding arbitration, which arbitration proceeding had already commenced as of December 31, 2012. During the course of the arbitration, certain information became clear, which significantly changed the outlook of the claim. Specifically, the Mayor's retainer agreement with the Critchley Law firm which defended him limits the Mayor's exposure for legal fees to a maximum of \$250,000, which amount the Mayor has paid. Taken together with his out of pocket expenses and legal fees to other attorneys, the Mayor's claim against the carrier and against the Borough is thus approximately \$273,000. Although the Critchley firm has bills totaling an additional \$800,000, it is doubtful, in my opinion, that the Borough could be responsible to the Critchley firm for amounts greater than the Mayor is responsible for. Accordingly, the likely total of the claims is \$273,000.

Moreover, since December 31, 2012 the Borough, the Mayor and the insurance carrier have reached a settlement, although same has not been formally approved by the Ridgefield Mayor and Council and the various entities involved. That settlement would have the MEL (with a contribution from another carrier) paying \$161,500 towards the Mayor's out of pocket expenses with the Borough paying \$111,500 as its contribution. In addition, the Mayor incurred approximately \$28,000 in legal fees in pursuing the within claim. The insurance carrier has agreed to pay \$14,000 of the amount, and the Borough will pay the additional amount of approximately \$14,000. Accordingly, the Borough has agreed to make payment of approximately \$125,500 towards the settlement. Although not formally part of the agreement, the Mayor has agreed informally, to my understanding, that he will defer the payment from the Borough until 2014 so that same can be anticipated and paid out of that year's budget appropriations.

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012 AND
SIX MONTH PERIOD ENDED DECEMBER 31, 2011
(CONTINUED)**

NOTE 15. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)

In addition, the Borough was, during the period in question, a defendant in litigation brought by former Borough Administrator Gary Bonacci. Bonacci's claim is that he was improperly terminated from his former position as Borough Administrator. The complaint seeks compensatory damages, front pay, back pay and statutory damages, as well as interest and counsel fees. The Borough's EPL carrier has denied coverage based, in part, upon what I believe is an erroneous conclusion about when the Borough gave the carrier's representative notice of the litigation. Nonetheless, it appears that the complaint in essence seeks damages for back pay and front pay, and is not a claim that is covered by the Borough's policy of insurance. The claim has been defended by the Borough's employment counsel, Chasan Leyner and Lamperello, P.C.. At this point in the litigation, the trial judge has ruled that Bonacci was in fact improperly terminated and has scheduled a hearing in the immediate future to determine the amount of damages. Counsel for the Borough has estimated that the worst case scenario for the Borough would be a judgment of approximately \$80,000.

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

SUPPLEMENTARY DATA AND SCHEDULES

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COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	December 31, <u>2012</u>	December 31, <u>2011</u>	June30, <u>2011</u>
<u>Tax Rate</u>	2.002	1.647	1.615
<u>Apportionment of Tax Rate</u>			
Local School	1.146	0.931	0.889
County	0.239	0.208	0.225
Municipal	0.617	0.508	0.501
<u>Assessed Valuation</u>			
FY 2012	\$1,550,641,508		
TY 2011		\$1,852,199,033	
FY 2011			\$1,852,199,033

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
FY 2012	\$31,048,740	\$30,231,446	96.36%
TY 2011	15,109,822	14,723,016	97.44%
FY 2011	30,844,431	30,147,270	97.74%

DELINQUENT TAXES AND TAX TITLE LIENS

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

	<u>Amount of Tax Title Lien</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent Taxes</u>	<u>Percentage of Tax Levy</u>
FY 2012	\$54,172	\$787,157	\$841,329	2.71%
TY 2011	42,893	357,357	400,250	2.65%
FY 2011	60,307	560,198	620,505	2.01%

PROPERTY ACQUIRED BY TAX TITLE LIENS LIQUIDATION

No properties have been acquired in 2012 by foreclosure or deed, as a result of liquidation of tax title liens.

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

	<u>Amount</u>
FY 2012	\$81,180
TY 2011	81,180
FY 2011	81,180

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund:		
FY 2012	\$3,026,378	\$875,000
TY 2011	3,376,064	900,000
FY 2011	1,593,131	875,000
FY 2010	1,391,332	875,000
FY 2009	1,373,802	850,000
Swim Pool Utility Operating Fund:		
FY 2012	\$19,353	\$
TY 2011	19,353	
FY 2011	14,353	
FY 2010	14,353	
FY 2009	24,353	10,000

BOROUGH OF RIDGEFIELD

Supplementary Data

Official in Office and Surety Bonds

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

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

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

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BOROUGH OF RIDGEFIELD

Schedule of Expenditures of Federal Awards

Twelve month period ended December 31, 2012

Federal grantor	Program	CFDA number	Grant period	Award Amount	Balance at Dec. 31, 2011	Cash Received	Expenditures	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2012	(MEMO) Cumulative Expenditures
Department of Environmental Protection	Emergency Management Assistance	97.042	2012	5,000	5,000	5,000	315		4,685	315
	Emergency Management Assistance	97.042	TY2011	5,000	5,000				5,000	
	Emergency Management Assistance	97.042	2011	5,000	90	5,000	315		90	4,910
					5,090				9,775	
Department of Housing and Urban Development (passed through County of Hudson):	Community Development Block Grant:									
	Current Fund:									
	ADA Borough Hall	14.219	FY2010	100,000	(17,934)				(17,934)	17,934
	Capital Fund:									
	Stocum Avenue Improvements	14.219	Ord. 2153	160,000	(49,322)	49,322				149,322
	ADA Borough Hall Improvements	14.219	Ord. 2153	40,000						
Department of Agriculture (passed through State Department of Environmental Protection)	ADA Cooperative Eng. Design Grant	14.219	Ord. 2210	55,000						
	Banta Place Road Improvements	14.219		100,000	(67,256)	49,322			(17,934)	34,000
Department of Homeland Security	Green Communities Grant	10.664	2011	3,000	(3,000)				(3,000)	3,000
					(3,000)				(3,000)	
Department of Transportation	FEMA - Severe Snowstorm	97.036	2012	13,485		13,485	13,485			13,485
	FEMA - Hurricane Irene	97.036	2012	26,315		26,315	26,315			26,315
						39,800	39,800			
Department of Law and Public Safety	Stay Sober or Get Pulled Over	20.601	2012	4,400		4,400	4,400			440
						4,400	4,400			
Total Federal Financial Assistance	Bullet Proof Vest	16.607	2012	1,460		1,460	1,460			1,460
						1,460	1,460			
				\$	(65,166)	99,982	45,975		(11,159)	

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

BOROUGH OF RIDGEFIELD

Schedule of Expenditures of State Awards and Other Financial Assistance

Twelve month period ended December 31, 2012

State grantor	Program	Grant number	Grant period	Award Amount	Balance Dec. 31, 2011	Cash Received	Budgetary Expenditures	Adjustment	Deferred Revenue/Accounts Receivable at Dec. 31, 2012	(MEMO) Cumulative Expenditures
Department of Environmental Protection	Recycling Tonnage Grant	4900-752-178840-60	2012	18,557 \$		18,557			18,557 *	
	Recycling Tonnage Grant	4900-752-178840-60	2011	13,437	13,437		13,320		117 *	13,320
	Recycling Tonnage Grant	4900-752-178840-60	2010	12,480	6,480				6,480 *	6,000
	Recycling Tonnage Grant	4900-752-178840-60	2009	13,437	3,199				3,199 *	14,765
					23,116	18,557	13,320		28,353 *	
Department of Environmental Protection	Clean Communities Program	4900-765-178900	2012	14,116		14,116	12,046		2,070 *	12,046
	Clean Communities Program	4900-765-178900	2011	14,075	4,469		4,380		89 *	9,606
	Clean Communities Program	4900-765-178900	2010	14,970	1,828				1,828 *	13,142
					6,297	14,116	16,426		3,987 *	
Department of Law and Public Safety	Body Armor Grant	1020-718-066-1020-001-YCIS	2012	3,039		3,039			3,039 *	
	Body Armor Grant	1020-718-066-1020-001-YCIS	2011	2,801	2,801		1,531		1,270 *	1,531
	Body Armor Grant	1020-718-066-1020-001-YCIS	2010	2,629	1,193				1,193 *	1,436
	Body Armor Grant	1020-718-066-1020-001-YCIS	2009	1,788	1,139		1,139			1,788
				5,133	3,039	2,670		5,502 *		
Department of Law and Public Safety	Drunk Driving Enforcement Fund	6400-100-078-6400	2012	4,660		4,660	2,064	2,064 A	4,660 *	2,064
	Drunk Driving Enforcement Fund	6400-100-078-6400	2010	2,064		4,660	2,064	2,064	4,660 *	
Department of Law and Public Safety	Secure Our Schools	100-066-1020-107	2011	98,000						
Department of Transportation	NJDMV		2011	5,061			2,092	5,061 A	2,969 *	2,092
							2,092	5,061	2,969 *	
Administrative Offices of the Courts	Alcohol Education and Rehabilitation	4250-700-05000-063	2012	1,403		1,403			1,403 *	373
		4250-700-05000-063	PY	377	377		373		4 *	4,353
		4250-700-05000-063	PY	4,353	1,256		1,256			1,757
		4250-700-05000-063	PY	1,757	1,399		1,399			2,270
		4250-700-05000-063	PY	2,270	1,770		1,770			1,663
		4250-700-05000-063	PY	1,663	62		62			62
				6,527	1,403	6,523		1,407 *		
County of Bergen	Municipal Alliance Grant Fund	100-082-2000-044	2012	13,856		5,158	13,456		(8,298) *	13,456
	Municipal Alliance Grant Fund	100-082-2000-044	2010	20,712	(5,349)	5,301			152 *	13,542
				(5,349)	10,659	13,456			(8,146) *	

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BOROUGH OF RIDGEFIELD

Schedule of Expenditures of State Awards and Other Financial Assistance

Twelve month period ended December 31, 2012

State grantor	Program	Grant number	Grant period	Award Amount	Balance Dec. 31, 2011	Cash Received	Budgetary Expenditures	Adjustment	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2012	(MEMO) Cumulative Expenditures
General Capital Fund: New Jersey Smart Growth	Redemption Plan Overpeck Creek	100-022-8070-39-9990000	Ord. 1919	60,000	(20,000) (20,000)				(20,000) (20,000)	60,000
New Jersey Department of Transportation	Art Lane Improvements Elm Ave Improvements	6320-480-601385-61	Ord. 2062	150,000	(34,037)		6,030	34,037 B	(6,030)	150,000
		6320-480-601385-61	Ord. 2207	146,500	(34,037)		6,030	34,037	(6,030)	6,030
County of Bergen Open Space Trust Fund	Tennis Court at Veterans's Memorial Park Improvements to Steward Yeate Pool Complex	N/A	Ord. 2191	28,315			7,944		(7,944)	7,944
		N/A	Ord. 2207	49,500			7,944		(7,944)	
New Jersey Meadowlands Commission	NIDEP Stormwater Management COAH	N/A	Ord. 1932 PY	25,000	(497)			(1,425) C	(497)	10,685
		N/A		11,336	(497)			(1,425)	(1,425)	
Swim Pool Utility Capital Fund: New Jersey Department of Transportation	ADA Improvement Swim Pool	022-99-8030-100-652	Ord. 1835	50,000	1,342 1,342				1,342 1,342	48,656
Total State Financial Assistance					\$ (17,468)	52,434	70,525	39,737	4,178	

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

- A - Adjustment for prior year unappropriated grant reserves.
- B - Grant Cancelled
- C - Adjustment for prior year appropriated reserve (\$9,911) and prior year accounts receivable (\$11,336)

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BOROUGH OF RIDGEFIELD

Schedule of Cash - Collector/Treasurer

Current Fund

Twelve Month Period Ended December 31, 2012

	Regular <u>Fund</u>
Balance - December 31, 2011	\$ 4,978,217
Increased by receipts:	
Revenue accounts receivable	9,267,409
Miscellaneous revenues not anticipated	203,773
Taxes receivable	30,340,104
Senior citizens and veterans deductions	73,950
Prepaid Taxes	130,993
Interfunds	1,521,374
Tax Overpayments	51,085
Due to State of NJ	20,726
Tax Title Lien Redemptions	
Various Reserves	40
Grants Receivable	35,635
Unappropriated reserves	<u>27,659</u>
	<u>41,672,748</u>
	<u>46,650,965</u>
Decreased by disbursements:	
2012 budget appropriations	17,995,974
2011 appropriation reserves	693,494
Tax overpayment refunds	30,798
Local district school tax	17,760,016
County taxes	3,706,118
Interfunds	1,486,461
Various Reserves	215,183
Due from Library	3,586
Accounts Payable	16,410
Due to State of NJ	42,344
Appropriated Reserves	6,150
Refunds	<u>3,650</u>
	<u>41,960,184</u>
Balance, December 31, 2012	<u><u>4,690,781</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Cash - Change Fund

Current Fund

Twelve Month Period Ended December 31, 2012

Balance - December 31, 2011	\$ <u>450</u>
Balance, December 31, 2012	\$ <u><u>450</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Twelve Month Period Ended December 31, 2012

Year	Balance, Dec. 31, 2011	TY 2012 Levy	Added 2012 Levy	Collected 2011	Collected in 2012	Senior & Veteran's Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2012
TY2011 \$	357,357				336,370			20,987	
	357,357				336,370			20,987	
2012		31,043,843	4,897	147,982	30,003,734	79,750	11,279	18,838	787,157
\$	357,357	31,043,843	4,897	147,982	30,340,104	79,750	11,279	39,825	787,157

Analysis of 2012 Tax Levy

Tax yield:	
General property tax	\$ 31,043,843
Added tax (R.S. 54:4-63.1 et seq.)	4,897
	<u>\$ 31,048,740</u>

Tax Levy:	
Local District School Tax	\$ 17,760,013
County Tax	3,658,694
County Open Space Preservation	42,359
County Added and Omitted Taxes	585
	<u>3,701,638</u>

Local Tax for Municipal Purposes	\$ 9,574,326
Add: Additional Taxes Levied	12,763
	<u>9,587,089</u>

Local Tax for Municipal Purposes	
	<u>\$ 31,048,740</u>

BOROUGH OF RIDGEFIELD

Schedule of Revenue Accounts Receivable

Current Fund

Twelve Month Period Ended December 31, 2012

	Balance, Dec. 31, <u>2011</u>	Accrued in 2012	<u>Collected</u>	Balance, Dec. 31, <u>2012</u>
Clerk:				
Licenses:				
Alcoholic beverages	\$	32,688	32,688	
Other		40,026	40,026	
Fees and permits		190,413	190,413	
Municipal Court fines and costs	26,126	346,842	351,448	21,520
Interest and cost on taxes		66,232	66,232	
Interest on investments		996	996	
Hackensack Meadowlands Adjustment to				
Tax Sharing		1,214,556	1,214,556	
Energy Receipts Tax		5,242,420	5,242,420	
Supplemental Energy Receipts Tax		511,860	511,860	
Uniform Construction Code Fees		316,678	316,678	
Uniform Fire Safety Act		29,877	29,877	
Rental of Borough Property - Shaler Lease		250,000	250,000	
Rental of Borough Property - Shaler Lease -				
Debt Service Payments		367,400	367,400	
Sewer Charges		134,054	134,054	
Sewer Charges - Additional - Tier II User Charges		290,694	290,694	
Municipal Court Inspection Fees		3,821	3,821	
Hudson Transmission Partners Agreement -				
Interim Fees		113,900	113,900	
Cable TV Franchise Fee		110,346	110,346	
	\$ 26,126	9,262,803	9,267,409	21,520

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

Current Fund

Twelve Month Period Ended December 31, 2012

<u>Purpose</u>	<u>Date</u>	Amount Authorized	Not Less Than 1/5 of Amount Authorized	Balance, Dec. 31, 2011	Decreased	Balance, Dec. 31, 2012
Re-Assessment of Real Property	July 2011	90,000	18,000	90,000	18,000	72,000
		\$ 90,000		90,000	18,000	72,000

BOROUGH OF RIDGEFIELD

Schedule of Due from Library

Current Fund

Twelve Month Period Ended December 31, 2012

Increased by:	
Cash Disbursements	\$ <u> 3,586</u>
Balance - December 31, 2012	\$ <u><u> 3,586</u></u>

BOROUGH OF RIDGEFIELD
Schedule of Property Aquired for Taxes

Current Fund

Twelve Month Period Ended December 31, 2012

Balance - December 31, 2011	\$ <u>81,180</u>
Balance - December 31, 2012	\$ <u><u>81,180</u></u>

BOROUGH OF RIDGEFIELD

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

Current Fund

Twelve Month Period Ended December 31, 2012

Balance - December 31, 2011	\$ 40,332
Increased by:	
Senior citizens' and veterans' deductions per tax billings	<u>79,750</u>
	120,082
Decreased by:	
Cash received	<u>73,950</u>
Balance - December 31, 2012	<u><u>\$ 46,132</u></u>

Schedule of Local District School Taxes Payable

Current Fund

Twelve Month Period Ended December 31, 2012

Increased by:	
2012 Levy	<u>\$ 17,760,013</u>
Decreased by:	
Cash Disbursed	<u>\$ 17,760,016</u>
Balance - December 31, 2012	<u><u>\$ (3)</u></u>

BOROUGH OF RIDGEFIELD
Schedule of County Taxes Payable
Current Fund

Twelve Month Period Ended December 31, 2012

Increased by:		
County Tax Levy	\$	3,658,694
County Open Space Tax Levy		<u>42,359</u>
	\$	<u>3,701,053</u>

Decreased by:		
Cash Disbursed	\$	<u>3,701,053</u>

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

Twelve Month Period Ended December 31, 2012

Balance - December 31, 2011	\$	5,065
Increased by:		
2012 Added Levy		<u>585</u>
		5,650
Decreased by:		
Cash Disbursed		<u>5,065</u>
Balance - December 31, 2012	\$	<u>585</u>

BOROUGH OF RIDGEFIELD

Schedule of Appropriation Reserves

Current Fund

Twelve Month Period Ended December 31, 2012

	Balance, Dec. 31, <u>2011</u>	Balance after <u>Transfers</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Mayor and Council	\$ 125	125		125
Municipal Clerk's Office	226	226		226
Financial Administration	2,538	2,538		2,538
Collection of Taxes	1,177	1,177		1,177
Assessment of Taxes	163	163		163
Planning Board	19	19		19
Fire Prevention Bureau	205	205		205
Police	66,079	66,079	65,377	702
Community Service Officers	823	823		823
Emergency Management Services	667	667		667
Municipal Prosecutor	750	750		750
Streets and Roads	5,637	5,637		5,637
Garbage and Trash Removal	1,436	1,436		1,436
Recycling Program	220	220		220
Board of Health	61	61		61
Parks and Recreation	953	953		953
Youth Commission	2	2		2
Municipal Court	1,404	1,404		1,404
Construction Code Official	397	397		397
Property Maintenance	66	66		66
Total Salaries and Wages Within "CAPS"	82,948	82,948	65,377	17,571
Other Expenses Within "CAPS":				
General Administration	1,440	4,214	2,964	1,250
Rent Leveling	1,909	2,119	361	1,758
Mayor and Council	2,190	2,886	546	2,340
Municipal Clerk's Office	14,627	22,871	8,125	14,746
Financial Administration	10,226	18,768	12,204	6,564
Auditing and Accounting Services	10,500	38,000	28,350	9,650
Collection of Taxes	10	360	341	19
Assessment of Taxes:				
Other Expenses	739	1,215	477	738
Professional Services	5,331	5,331		5,331
Legal Services:				
Other Expenses	713	35,103	26,029	9,074
Engineering	234	36,975	36,741	234

BOROUGH OF RIDGEFIELD

Schedule of Appropriation Reserves

Current Fund

Twelve Month Period Ended December 31, 2012

	Balance, Dec. 31, <u>2011</u>	Balance after <u>Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Planning Board:				
Other Expenses	3,336	3,336	143	3,193
Insurance:				
Liability	4,646	6,248	1,602	4,646
Workers Compensation	1,239	1,239		1,239
Employee Group Health	251,765	252,343	134,566	117,777
Fire:				
Clothing Allowance	2,412	51,412	40,217	11,195
Fire Hydrant Service	17	17		17
Miscellaneous	2,200	38,265	38,027	238
Fire Prevention Bureau	224	800	679	121
Police:				
Other Expenses	492	6,704	6,690	14
Purchase of Police Vehicles	68	68	52	16
First Aid Organization:				
Clothing Allowance	49	28,049	26,825	1,224
Miscellaneous	1,084	11,681	10,637	1,044
Community Service Officers	398	1,447	1,249	198
Emergency Management Services	590	619	29	590
Road Repairs and Maintenance	9,427	20,378	16,127	4,251
Maintenance of Borough Vehicles:				
Streets and Roads	3,067	9,059	7,983	1,076
Fire	3,429	9,347	9,308	39
Police	4,192	9,632	7,542	2,090
Ambulance	43	3,400	3,357	43
Garbage	1,712	3,866	3,817	49
Building	500	500		500
Health	250	250		250
Sanitation:				
Garbage and Trash Removal	8,357	9,307	8,729	578
Sanitary Landfill Disposal Costs - Contractual	9,958	59,958	44,139	15,819
Public Buildings and Grounds	7,573	39,412	38,154	1,258
Health and Welfare:				
Board of Health	1,080	1,958	1,028	930
Bergen County Animal Shelter	67	67		67
Environmental Commission:				
Arborist	24	2,489	2,465	24
Administration of Public Assistance:				
Other Expenses - Miscellaneous	1,000	1,000		1,000

BOROUGH OF RIDGEFIELD

Schedule of Appropriation Reserves

Current Fund

Twelve Month Period Ended December 31, 2012

	Balance, Dec. 31, 2011	Balance after Transfers	Paid or Charged	Balance Lapsed
Parks and Recreation	812	18,536	18,409	127
Youth Commission	50	50		50
Celebration of Public Events	6,424	7,696	7,579	117
Municipal Court	3,035	4,204	3,752	452
Public Defender	2,000	2,200	200	2,000
Construction Code Official	3,082	3,082	29	3,053
Property Maintenance	325	325		325
Street Lighting	15,375	32,375	15,796	16,579
Electricity	7,808	35,808	24,923	10,885
Telephone	13,478	15,640	1,223	14,417
Water	87	1,587	631	956
Gasoline	5,129	21,647	16,614	5,033
Accumulated Absences	5,000	5,000	5,000	
Contingent	2,500	2,500		2,500
Total Other expenses Within "CAPS"	<u>432,223</u>	<u>891,343</u>	<u>613,659</u>	<u>277,684</u>
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security (O.A.S.I.)	1,787	1,787		1,787
Fire Widow's Pension (NJS 43:12-28)	94	94		94
Volunteer Fireman's Pension	2,600	2,600		2,600
Volunteer Fireman's Over Age Burial Fund	2,500	2,500		2,500
Defined Contribution Retirement Program	1,584	1,584		1,584
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>8,565</u>	<u>8,565</u>		<u>8,565</u>
Total Reserves Within "CAPS"	<u>523,736</u>	<u>982,856</u>	<u>679,036</u>	<u>303,820</u>
Operations - Excluded from "CAPS"				
Public and Private Programs Offset by Revenues:				
Clean Communities Program	4,469	9,578	9,578	
Body Armor Grant	1,193	1,193	1,193	
Green Communities Grant		3,000	3,000	
Recycling Tonnage Grant	6,480	6,480	6,480	
Total Public and Private Programs Offset by Revenues	<u>12,142</u>	<u>20,251</u>	<u>20,251</u>	

BOROUGH OF RIDGEFIELD

Schedule of Appropriation Reserves

Current Fund

Twelve Month Period Ended December 31, 2012

	Balance, Dec. 31, <u>2011</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Other Expenses Excluded From "CAPS":				
Bergen County Utility Authority				
Sewarge Processing and Disposal	1,378	1,378		1,378
Recycling Tax	<u>5,761</u>	<u>5,761</u>	1,968	<u>3,793</u>
Total Other Expenses Excluded from "CAPS"	<u>7,139</u>	<u>7,139</u>	<u>1,968</u>	<u>5,171</u>
 Total Reserves Excluded from "CAPS"	 <u>19,281</u>	 <u>27,390</u>	 <u>22,219</u>	 <u>5,171</u>
 Total Reserves	 <u>\$ 543,017</u>	 <u>1,010,246</u>	 <u>701,255</u>	 <u>308,991</u>
		Appropriation reserves 543,017		
		Encumbrances <u>467,229</u>		
		<u>\$ 1,010,246</u>		
		Cash Disbursements 693,494		
		Transferred to Appropriated Reserves <u>7,761</u>		
			<u>\$ 701,255</u>	

BOROUGH OF RIDGEFIELD
Schedule of Reserve for Encumbrances
Current Fund

Twelve Month Period Ended December 31, 2012

Balance - December 31, 2011	\$	467,229
Increased by:		
2012 encumbrances		477,015
		944,244
Decreased by:		
Transferred to appropriation reserves		467,229
Balance - December 31, 2012	\$	477,015

Schedule of Tax Overpayments
Current Fund

Twelve Month Period Ended December 31, 2012

Balance - December 31, 2011	\$	3,824
Increased by:		
Cash Receipts		51,085
		54,909
Decreased by:		
Cash Disbursements	\$	30,798
Cancelled to Operations		1,824
Cash Disbursements		32,622
Balance - December 31, 2012	\$	22,287

BOROUGH OF RIDGEFIELD

Schedule of Prepaid Taxes

Current Fund

Twelve Month Period Ended December 31, 2012

Balance - December 31, 2011	\$ 147,982
Increased by:	
2012 prepaid taxes collected	<u>130,993</u>
	278,975
Decreased by:	
Taxes realized as revenue	<u>147,982</u>
Balance - December 31, 2012	<u><u>\$ 130,993</u></u>

Schedule of Accounts Payable

Current Fund

Twelve Month Period Ended December 31, 2012

Balance - December 31, 2011	\$ 34,822
Decreased by:	
Cash Disbursements	<u>16,410</u>
Balance - December 31, 2012	<u><u>\$ 18,412</u></u>

BOROUGH OF RIDGEFIELD

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

Current Fund

Twelve Month Period Ended December 31, 2011

	<u>Marriage License Fee</u>	<u>Burial Permit Fee</u>	<u>Construction Training Fee</u>	<u>Total</u>
Balance - December 31, 2011	\$ 250	270	24,988	\$ 25,508
Increased by:				
Collections	<u>1,425</u>	<u>10</u>	<u>19,291</u>	<u>20,726</u>
	1,675	280	44,279	46,234
Decreased by:				
Payments	<u>1,425</u>	<u>10</u>	<u>40,909</u>	<u>42,344</u>
Balance - December 31, 2012	<u>\$ 250</u>	<u>270</u>	<u>3,370</u>	<u>\$ 3,890</u>

BOROUGH OF RIDGEFIELD

Schedule of Interfunds Due from/(to) Other Funds

Current Fund

Twelve Month Period Ended December 31, 2012

	Balance Dec. 31, <u>2011</u>	<u>Increased</u>	<u>Decreased</u>	Balance Dec. 31, <u>2012</u>
Trust Funds:				
Animal License Fund	\$ 275		275	
Payroll Account	15,889	3,124	19,013	
Payroll Agency	13,632		11,548	2,084
Other Trust Fund	2,787		2,821	(34)
General Capital Fund	1	1,494,560	1,494,561	
Swim Pool Utility Operating Fund	(3,065)	3,065	7,475	(7,475)
Public Assistance Trust Fund	<u>6</u>	<u>67</u>	<u>67</u>	<u>6</u>
	<u>\$ 29,525</u>	<u>1,500,816</u>	<u>1,535,760</u>	<u>(5,419)</u>
			Cash Receipts \$ 1,521,374	
		Cash Disbursement 1,486,461		
			Operating Deficit 7,475	
		Reimbursement for expenses paid 11,223	6,911	
		Deferred Charge raised in Budget 3,065		
		Interest Earned <u>67</u>		
		<u>\$ 1,500,816</u>	<u>1,535,760</u>	

BOROUGH OF RIDGEFIELD

Schedule of Various Reserves

Current Fund

Twelve Month Period Ended December 31, 2012

	Balance, Dec. 31, <u>2011</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2012</u>
Reserve for:				
Tax Appeals	\$ 425,535		156,199	269,336
Re-Assessment	63,450		58,950	4,500
Miscellaneous		40	34	6
	<u>488,985</u>	<u>40</u>	<u>215,183</u>	<u>273,842</u>
		Cash Receipts \$ 40		
		Cash Disbursements	215,183	
		Transferred from Budget Appropriations		
		<u>\$ 40</u>	<u>215,183</u>	

BOROUGH OF RIDGEFIELD

Schedule of Tax Title Liens

Current Fund

Twelve Month Period Ended December 31, 2012

Balance - December 31, 2011	\$	42,893
Increased by:		
Transferred from taxes receivable		<u>11,279</u>
Balance - December 31, 2012	\$	<u><u>54,172</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Grants Receivable

State and Federal Grant Fund

Twelve Month Period Ended December 31, 2012

<u>Purpose</u>	Balance, Dec. 31, 2011	2012 Budget Revenue <u>Realized</u>	<u>Received</u>	Balance, Dec. 31, 2012
NJ Meadowlands Grant - COAH	\$ 11,336			11,336
Municipal Alliance	5,501	13,856	10,659	8,698
Community Development Block Grant - ADA Borough Hall	100,000			100,000
US Dept of Justice - Secure Our Schools	98,000			98,000
Recycling Tonnage Grant		13,437	13,437	
Clean Communities		14,116	14,116	
Stay Sober or Get Pulled Over		4,400	4,400	
Body Armor		3,940	3,940	
Green Communities	3,000			3,000
Bullet Proof Vest		1,460	1,460	
Drunk Driving Enforcement Fund		2,064	2,064	
Alcohol Education Rehabilitation		377	377	
NJDMV		5,061	5,061	
Emergency Management		5,000	5,000	
	<u>\$ 217,837</u>	<u>63,711</u>	<u>60,514</u>	<u>221,034</u>

Cash receipts	\$ 35,635
Unappropriated Reserves	<u>24,879</u>
	<u>\$ 60,514</u>

BOROUGH OF RIDGEFIELD

Schedule of Appropriated Grant Reserves

State and Federal Grant Fund

Twelve Month Period Ended December 31, 2012

<u>Purpose</u>	Balance, Dec. 31, <u>2011</u>	<u>Expended</u>	Transferred from Appropriation <u>Reserves</u>	Balance, Dec. 31, <u>2012</u>
Clean Communities Program	\$ 1,828		88	1,916
NJ Meadowlands Grant - COAH	9,911			9,911
Municipal Alliance	152			152
Body Armor Grant			1,193	1,193
Emergency Management Grant	90			90
Community Development Block Grant - ADA Borough Hall	82,066			82,066
NJ Alcohol Education and Rehab. Fund	6,150	6,150		
NJ Recycling Tonnage Grant	3,199		6,480	9,679
US Dept. of Justice - Secure Our Schools	98,000			98,000
	<u>\$ 201,396</u>	<u>6,150</u>	<u>7,761</u>	<u>203,007</u>

BOROUGH OF RIDGEFIELD
Schedule of Unappropriated Grant Reserves
State and Federal Grant Fund
Twelve Month Period Ended December 31, 2012

<u>Purpose</u>	Balance, Dec. 31, <u>2011</u>	<u>Received</u>	Appropriated in 2012 <u>Budget</u>	Balance, Dec. 31, <u>2012</u>
Body Armor Grant	\$ 3,940	3,039	3,940	3,039
Emergency Management Assistance	5,000			5,000
Drunk Driving Enforcement Fund	2,064	4,660	2,064	4,660
Recycling Tonnage Grant	13,437	18,557	13,437	18,557
Alcohol Education and Rehab. Fund	377	1,403	377	1,403
NJ Department of Motor Vehicles - Drunk Driving Enforcement Fund	5,061		5,061	
	<u>\$ 29,879</u>	<u>27,659</u>	<u>24,879</u>	<u>32,659</u>

BOROUGH OF RIDGEFIELD

Schedule of Cash - Treasurer

Trust Funds

Twelve Month Period Ended December 31, 2012

	Animal License <u>Fund</u>	Unemployment Compensation <u>Fund</u>	Other Trust <u>Funds</u>
Balance - December 31, 2011	\$ <u>12,450</u>	<u>33,862</u>	<u>1,932,584</u>
Increased by:			
Employee payroll deductions		11,668	
Budget Appropriation		51,251	
Dog License Fees	6,283		
State Fees	1,013		
Miscellaneous Reserves			975,835
	<u>7,296</u>	<u>62,919</u>	<u>975,835</u>
	<u>19,746</u>	<u>96,781</u>	<u>2,908,419</u>
Decreased by:			
State Fees	1,005		
Interfunds	275		2,821
Animal license expenditures	7,000		
Unemployment Claims payable		60,825	
Criminal Disposition and Review			4,442
Miscellaneous Reserves			1,180,118
	<u>8,280</u>	<u>60,825</u>	<u>1,187,381</u>
Balance - December 31, 2012	\$ <u><u>11,466</u></u>	<u><u>35,956</u></u>	<u><u>1,721,038</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Reserve for Expenditures

Animal License Fund

Twelve Month Period Ended December 31, 2012

Balance - December 31, 2011		\$	11,934
Increased by:			
Dog license fees	\$	5,583	
Postage/late fees		<u>700</u>	
			<u>6,283</u>
			18,217
Decreased by:			
Disbursements			<u>7,000</u>
Balance - December 31, 2012		\$	<u><u>11,217</u></u>

Dog License Fees Collected

TY2011 9,140

FY2011 7,332

\$ 16,472

BOROUGH OF RIDGEFIELD

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

Animal License Trust Fund

Twelve Month Period Ended December 31, 2012

Balance - December 31, 2011	\$	241
Increased by:		
2012 fees collected		<u>1,013</u>
		1,254
Decreased by:		
Paid to State Treasurer		<u>1,005</u>
Balance - December 31, 2012	\$	<u><u>249</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Due to Criminal Disposition and Review

Other Trust Fund

Twelve Month Period Ended December 31, 2012

Balance - December 31, 2011	\$ <u>4,442</u>
Decreased by:	
Cash Disbursements	\$ <u><u>4,442</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Interfunds

Trust Funds

Twelve Month Period Ended December 31, 2012

	Balance Due from/(to) Dec. 31, <u>2011</u>	<u>Decreased</u>	Balance, from/(to) Dec. 31, <u>2012</u>
Animal License Fund:			
Current Fund	\$ (275)	275	
Other Trust Fund:			
Current Fund	<u>(2,787)</u>	<u>2,821</u>	<u>34</u>
	<u>\$ (3,062)</u>	<u>3,096</u>	<u>34</u>

BOROUGH OF RIDGEFIELD

Schedule of Miscellaneous Reserves

Other Trust Funds

Twelve Month Period Ended December 31, 2012

	Balance, Dec. 31, <u>2011</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2012</u>
Reserve for:				
P.O.A.A.	\$ 3,792	2,502		6,294
Fire Prevention	29,127	13,350	20,950	21,527
Landlord Security and Maintenance	60,549	139		60,688
Tax Sale Premiums	164,300	32,200	121,100	75,400
Recycling Program	147,617	52,025	100,067	99,575
Community Gardens	1,227	420		1,647
Shade Tree Commission	10,913		2,578	8,335
Recreation Fees	28,620	32,295	30,660	30,255
Public Defender	8,651	7,230	6,600	9,281
Library Donation	2,250			2,250
COAH	897,568	24,206	22,268	899,506
Affordable Housing	153,071		153,071	
Police Outside Duty	40,730	651,835	568,296	124,269
Accumulated Unused Sick Leave	138,541	15,000		153,541
Snow Removal	54,755		507	54,248
Youth Commission	16,929	47,645	30,109	34,465
Marriage Ceremony Fees	2,997	4,200	6,747	450
Road Opening Deposits				
Miscellaneous Deposits	12,020		4,625	7,395
Escrow	151,698	92,788	112,540	131,946
	<u>\$ 1,925,355</u>	<u>975,835</u>	<u>1,180,118</u>	<u>1,721,072</u>
		Cash Receipts 975,835		
		Cash Disbursements	1,180,118	
		Interfunds		
		<u>\$ 975,835</u>	<u>1,180,118</u>	

BOROUGH OF RIDGEFIELD

**Schedule of Reserve for Unemployment
Compensation Insurance**

Unemployment Insurance Compensation Trust

Twelve Month Period Ended December 31, 2012

Balance - December 31, 2011		\$	28,615
Increased by:			
Employee payroll deductions	\$	11,500	
Budget Appropriation		<u>51,251</u>	
			<u>62,751</u>
			91,366
Decreased by:			
Payment of Unemployment Insurance claims			<u>58,298</u>
Balance - December 31, 2012		\$	<u><u>33,068</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Accounts Receivable

Unemployment Compensation Trust Fund

Twelve Month Period Ended December 31, 2012

Balance - December 31, 2011	\$ 1,631
Increased by:	
Unemployment Insurance Payroll Deductions	<u>11,500</u>
	13,131
Decreased by:	
Cash Receipts	<u>11,668</u>
Balance - December 31, 2012	<u><u>\$ 1,463</u></u>

Analysis of Balance:	
4th quarter 2012	<u>1,463</u>
	<u><u>\$ 1,463</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Due to State of New Jersey

Unemployment Compensation Trust Fund

Twelve Month Period Ended December 31, 2012

Balance - December 31, 2011	\$ 6,878
Increased by:	
Quarterly Billings	<u>58,298</u>
	65,176
Decreased by:	
Disbursements	<u>60,825</u>
Balance - December 31, 2012	<u><u>\$ 4,351</u></u>

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BOROUGH OF RIDGEFIELD

Schedule of Cash - Treasurer

General Capital Fund

Twelve Month Period Ended December 31, 2012

Balance - December 31, 2011		\$	1,735,266
Increased by receipts:			
Interfunds	\$	1,494,560	
Grants Receivable		49,322	
Bond Anticipation Notes Issued		795,000	
Premium on Bond Anticipation Notes		817	
Reserve for Payment of Debt		602,008	
Reserve for Acquisition of Employee Time System		25,000	
Close Out of Refunding Escrow		6,571	
Capital Improvement Fund		<u>100,000</u>	
			<u>3,073,278</u>
			4,808,544
Decreased by disbursements:			
Bond Anticipation Notes Payable		795,000	
Interfunds		1,494,561	
Improvement Authorizations		<u>340,162</u>	
			<u>2,629,723</u>
Balance - December 31, 2012		\$	<u><u>2,178,821</u></u>

BOROUGH OF RIDGEFIELD
Schedule of General Capital Fund Cash
General Capital Fund

Twelve Month Period Ended December 31, 2012

Capital Improvement Fund	\$	614,928
Grant Receivable		(415,993)
Reserve for Payment of Debt		1,046,079
Reserve for Capital Projects		6,650
Reserve for CDBG Grants Receivable		100,000
Reserve for Acquisition of Employee Time System		25,000
Fund Balance		146,254

Improvement description

1888	Addition to Shaler Academy	70,117
1917/1927	Various Improvements	46,452
1944/2059	Improvements to Ridgfield Library	79,906
1952	Various Road Improvements	(21,291)
2005/2012	Various Public Improvements	154,327
2108	Synthetic Turf Athletic Field, Willis Field	53,014
2116	Acquisition of Pumper Ladder	(85,329)
2153	Various Improvements	16,499
2187	Sidewalk Improvements/Improvements to the 9-11 Memorial Path	18,326
2188	Acquisition of a Compacting Garbage Truck	18,655
2191	Upgrades to Tennis Courts at Veteran's Memorial Park	60,000
2207	Various Public Improvements	190,227
2210	Design of ADA Compliance Requirements at Intersections Along Bergen County Roads	55,000
		\$ 2,178,821

BOROUGH OF RIDGEFIELD
Schedule of Deferred Charges to Future
Taxation - Funded
General Capital Fund
Twelve Month Period Ended December 31, 2012

Balance - December 31, 2011		\$ <u>14,314,048</u>
Decreased by:		
Budget appropriations:		
Bond Principal	\$ 855,000	
NJ Environmental Infrastructure		
Trust Loan	<u>49,826</u>	
		<u>904,826</u>
Balance - December 31, 2012		\$ <u><u>13,409,222</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Twelve Month Period Ended December 31, 2012

Ordinance number	Improvement description	Balance, Dec. 31, 2011	2012 Authorizations	Decreased by:	Balance, Dec. 31, 2012	Analysis of Balance - December 31, 2012		
						Funded by Bond Anticipation Notes	Expenditures	Unexpended improvement authorization
1952	Various Road Improvements	\$ 65,000			65,000		21,291	43,709
2108	Synthetic Turf Athletic Field, Willis Field	500,000			500,000	500,000		
2116	Acquisition of Pumper Ladder	400,000			400,000	295,000	105,000	477,850
2207	Various Public Improvements		477,850		477,850			
		\$ 965,000	477,850		1,442,850	795,000	126,291	521,559

Grants Receivable \$ 279,315
 Capital Improvement Fund 56,835
\$ 336,150

Improvement Authorizations - Unfunded \$ 594,244
 Less: Unexpended note proceeds:
 Ord. 2108 53,014
 Ord. 2116 19,671
\$ 521,559

BOROUGH OF RIDGEFIELD

Schedule of Interfunds

General Capital Fund

Twelve Month Period Ended December 31, 2012

	Balance Due from/(to) Dec. 31, <u>2011</u>	<u>Increased</u>	<u>Decreased</u>
Current Fund	(1)	1,494,560	1,494,561
	<u> </u>	<u> </u>	<u> </u>
	\$ <u> (1)</u>	<u> 1,494,560</u>	<u> 1,494,561</u>

BOROUGH OF RIDGEFIELD

Schedule of Grants Receivable

General Capital Fund

Twelve Month Period Ended December 31, 2012

	Grant Amount	Year	Ordinance	Balance Dec. 31, 2011	2012 Grants Authorized	Received	Cancelled	Balance Dec. 31, 2012
<u>New Jersey Meadowlands Commission</u>								
Wolf Creek Flood Study	75,000	2005	1931	\$ 1,805			1,805	
NJDEP Stormwater Management	25,000	2007	1932	14,812			14,812	
<u>New Jersey Smart Growth</u>								
Redemption Plan Overpeck Creek	60,000	2005	1919	20,000				20,000
<u>New Jersey Department of Transportation</u>								
Art Lane Improvements	150,000	2008	2062	34,037			34,037	
Elm Ave Improvements	146,500	2012	2207		146,500			146,500
<u>Bergen County ADA Cooperative Engineering</u>								
<u>Design Grant:</u>								
ADA Compliance Improvements at all Intersections along Bergen County Roads	55,000	2012	2210		55,000			55,000
<u>Bergen County Open Space Preservation</u>								
<u>Trust Fund:</u>								
Tennis Courts at Veteran's Memorial Park	28,315	2012	2191		28,315			28,315
Improvements to Steward Veal Pool Complex	49,500	2012	2207		49,500			49,500
<u>Community Development Block Grant</u>								
Various Improvements	200,000	2009	2153	66,000		49,322		16,678
Banta Place Road Improvements	100,000	2012	n/a		100,000			100,000
				\$ 136,654	379,315	49,322	50,654	415,993

BOROUGH OF RIDGEFIELD

Schedule of Serial Bonds

General Capital Fund

Twelve Month Period Ended December 31, 2012

Purpose	Date of issue	Original issue	Maturities of bonds outstanding		Interest rate	Balance, Dec. 31, 2011	Decreased	Balance, Dec. 31, 2012
			Date	Amount				
General Obligation Bonds of 2002	August 1, 2002	6,200,000			\$	505,000	505,000	
General Obligation Bonds of 2006	October 15, 2006	4,950,000	October 15, 2013	215,000	4.000%	4,060,000	205,000	3,855,000
			October 15, 2014	225,000	4.000%			
			October 15, 2015	235,000	4.000%			
			October 15, 2016	245,000	4.000%			
			October 15, 2017	255,000	4.000%			
			October 15, 2018	265,000	4.000%			
			October 15, 2019	275,000	4.000%			
			October 15, 2020	280,000	4.000%			
			October 15, 2021	290,000	4.000%			
			October 15, 2022	300,000	4.000%			
			October 15, 2023	310,000	4.000%			
			October 15, 2024-26	320,000	4.000%			
General Improvement Bonds of 2008	October 15, 2008	6,656,000	April 15, 2013	100,000	4.125%	6,456,000	100,000	6,356,000
			April 15, 2014	300,000	4.125%			
			April 15, 2015	300,000	4.250%			
			April 15, 2016-17	300,000	4.375%			
			April 15, 2018	300,000	4.500%			
			April 15, 2019	650,000	4.625%			
			April 15, 2020-23	675,000	4.625%			
			April 15, 2024	700,000	4.625%			
			April 15, 2025	706,000	4.625%			

BOROUGH OF RIDGEFIELD

Schedule of Serial Bonds

General Capital Fund

Twelve Month Period Ended December 31, 2012

<u>Purpose</u>	<u>Date of issue</u>	<u>Original issue</u>	<u>Maturities of bonds outstanding</u>		<u>Interest rate</u>	<u>Balance, Dec. 31, 2011</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2012</u>
			<u>Date</u>	<u>Amount</u>				
Refunding Bonds of 2011	December 31, 2011	2,780,000	April 1, 2013	525,000	3.000%	2,780,000	45,000	2,735,000
			April 1, 2014	535,000	3.000%			
			April 1, 2015	545,000	3.000%			
			April 1, 2016	555,000	4.000%			
			April 1, 2017	575,000	4.000%			
						<u>\$ 13,801,000</u>	<u>855,000</u>	<u>12,946,000</u>

BOROUGH OF RIDGEFIELD

Schedule of New Jersey Infrastructure Trust Loan

General Capital Fund

Twelve Month Period Ended December 31, 2012

<u>Purpose</u>	<u>Date of issue</u>	<u>Original issue</u>	<u>Maturities of bonds outstanding</u>		<u>Interest rate</u>	<u>Balance, June 30, 2012</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2012</u>
			<u>Date</u>	<u>Amount</u>				
NJ Environmental Infrastructure Trust Loan	November 9, 2000	990,000	February 1, 2013	4,203	5%-5.25%\$	513,048	49,826	463,222
			August 1, 2013	44,841				
			February 1, 2014	3,812				
			August 1, 2014	52,577				
			February 1, 2015	3,343				
			August 1, 2015	52,108				
			February 1, 2016	2,862				
			August 1, 2016	51,627				
			February 1, 2017	2,381				
			August 1, 2017	59,274				
			February 1, 2018	1,806				
			August 1, 2018	58,699				
			February 1, 2019	1,231				
		August 1, 2019	58,125					
		February 1, 2020	657					
		August 1, 2020	65,676					
						\$ 513,048	49,826	463,222

BOROUGH OF RIDGEFIELD

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Twelve Month Period Ended December 31, 2012

<u>Ord. Number</u>	<u>Purpose</u>	<u>Date of original issue</u>	<u>Original issue</u>	<u>Date of Maturity</u>	<u>Interest rate</u>	<u>Balance, Dec. 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2012</u>
2108	Synthetic Turf Willis Field	December 10, 2010	Oct. 31, 2011	Oct. 29, 2013	1.375%	\$ 500,000	500,000	500,000	500,000
2116	Acquisition of Pump Ladder	December 10, 2010	Oct. 31, 2011	Oct. 29, 2013	1.375%	295,000	295,000	295,000	295,000
						<u>\$ 795,000</u>	<u>795,000</u>	<u>795,000</u>	<u>795,000</u>
							<u>Renewed</u>	<u>795,000</u>	<u>795,000</u>
							<u>\$ 795,000</u>	<u>795,000</u>	<u>795,000</u>

BOROUGH OF RIDGEFIELD
Schedule of Capital Improvement Fund
General Capital Fund

Twelve Month Period Ended December 31, 2012

Balance - December 31, 2011	\$ 571,763
Increased by:	
Budget Appropriation	<u>100,000</u>
	671,763
Decreased by:	
Appropriated to Finance	
Improvement Authorizations	<u>56,835</u>
Balance - December 31, 2012	<u><u>\$ 614,928</u></u>

Schedule of Overexpenditure of Improvement Authorization
General Capital Fund

Twelve Month Period Ended December 31, 2012

Increased by:	
Overexpenditure of Ord. 2117/2154	<u>\$ 179</u>
Balance - December 31, 2012	<u><u>\$ 179</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Reserve for Payment of Debt

General Capital Fund

Twelve Month Period Ended December 31, 2012

Balance - December 31, 2011		\$	444,071
Increased by:			
Cash Receipts:			
2006 General Obligation Bonds	534,595		
Ord. 2108, Willis Field Reimbursement	<u>67,413</u>		
			<u>602,008</u>
Balance - December 31, 2012		\$	<u><u>1,046,079</u></u>

Ord. 2108	102,561
2006 Bonds	<u>943,518</u>
	<u><u>1,046,079</u></u>

Exhibit C-14

Schedule of Reserve for Capital Projects

General Capital Fund

Twelve Month Period Ended December 31, 2012

Balance - December 31, 2011	\$	<u>6,650</u>
Balance - December 31, 2012	\$	<u><u>6,650</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Reserve for CDBG Grant Receivable

General Capital Fund

Twelve Month Period Ended December 31, 2012

Increased by:	
Unappropriated Grant - Banta Lane Imp.	\$ <u>100,000</u>
Balance - December 31, 2012	\$ <u><u>100,000</u></u>

Schedule of Reserve for Acquisition of Employee Time System

General Capital Fund

Twelve Month Period Ended December 31, 2012

Increased by:	
Cash Receipts	\$ <u>25,000</u>
Balance - December 31, 2012	\$ <u><u>25,000</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Improvement Authorizations

General Capital Fund

Twelve Month Period Ended December 31, 2012

Ordinance number	Improvement description	Ordinance Date	Amount	Balance, Dec. 31, 2011		Expended	Canceled	Balance, Dec. 31, 2012	
				Funded	Unfunded			Funded	Unfunded
1842	Construction of New Library	11/10/2003	75,000 \$	1,021			1,021	70,117	
1888	Addition to Shaler Academy	9/27/2004	5,198,000	70,117					
1899	Stormwater Pollution Prevention Plan	11/8/2004	10,207	19			19		
1918	Improvements to Veterans Field	2/28/2005	53,000	2,040			2,040		
1924	Resurfacing of Prospect Avenue	6/13/2005	152,000	435			435		
1917/1927	Various Improvements	5/23/2005	670,600	85,046		38,594		46,452	
1928	Various Road Improvements	5/23/2005	160,000	6,715			6,715		
1930	Construction of New Library	5/23/2005	571,667	189			189		
1931	Wolf Creek Flood Study	5/23/2005	75,000	1,805			1,805		
1932	NJDEP Stormwater Management	5/23/2005	25,000	14,315			14,315		
1944/2059	Improvements to Ridgefield Library	8/8/2005	450,000	104,542		24,636		79,906	43,709
1952	Various Road Improvements	10/24/2005	200,000		43,709			154,327	
2005/2012	Various Public Improvements	11/13/2006	1,949,000	27,387			27,387		
2062	Art Lane Improvements	9/8/2008	243,350	287			287		
2065/2069	Construction of a Salt Barn	11/10/2008	190,000						53,014
2108	Synthetic Turf Athletic Field, Willis Field	7/27/2009	550,000		53,014				19,671
2116	Acquisition of Pumper Ladder	11/23/2009	810,000		21,108	1,437		18,326	
2117/2154	Various Public Improvements	11/22/2010	245,000	26,197		26,197			
2153	Various Improvements	11/22/2010	200,000	16,678		179		16,499	
2185	Refunding Bond Ordinance	10/24/2011	3,200,000						
2187	Sidewalk Improvements/Improvements to the 9-11 Memorial Path	11/14/2011	45,000	30,177				18,326	
2188	Acquisition of a Compacting Garbage Truck	12/12/2011	225,000	225,000		206,345		18,655	
2191	Upgrades to Tennis Courts at Veteran's Memorial Park	2/13/2012	60,000		60,000			60,000	
2207	Various Public Improvements	6/25/2012	699,000		699,000	30,923		190,227	477,850
2210	Design of ADA Compliance Requirements at Intersections Along Bergen County Roads	10/22/2012	55,000		55,000			55,000	
				\$ 766,297	117,831	340,162	54,213	709,509	594,244
				Capital Improvement Funds					
				Grants					
				Deferred Charges Unfunded					
				\$ 814,000					

BOROUGH OF RIDGEFIELD

Schedule of Bonds and Notes Authorized but not Issued

General Capital Fund

Twelve Month Period Ended December 31, 2012

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Balance, Dec. 31, 2011</u>	<u>Authorized</u>	<u>Balance, Dec. 31, 2012</u>
1952	Various Road Improvements	\$ 65,000		65,000
2116	Acquisition of a Pump Ladder Truck	105,000		105,000
2207	Various Capital Improvements		477,850	477,850
		<u>\$ 170,000</u>	<u>477,850</u>	<u>647,850</u>

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BOROUGH OF RIDGEFIELD

Schedule of Cash - Collector-Treasurer

Swimming Pool Utility Fund

Twelve Month Period Ended December 31, 2012

	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2011	\$ <u>12,520</u>	<u>1,136</u>
Increased by receipts:		
Membership Fees	181,620	
Miscellaneous	68,153	
Petty Cash	100	
Interfund	3,065	
	<u>252,938</u>	<u> </u>
	265,458	1,136
Decreased by disbursements:		
2012 Appropriations	261,325	
Appropriation Reserve	3,710	
Petty Cash	100	
	<u>265,135</u>	<u> </u>
Balance - December 31, 2012	\$ <u><u>323</u></u>	<u><u>1,136</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Analysis of Cash

Swimming Pool Utility Capital Fund

Twelve Month Period Ended December 31, 2012

Due to Swim Pool Operating	\$ 13,630
Reserve for Capital Outlay	21,355
Fund Balance	1,809

Improvement authorizations:

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

BOROUGH OF RIDGEFIELD

Schedule of 2011 Reserves - Operating Fund

Swimming Pool Utility Fund

Twelve Month Period Ended December 31, 2012

	Balance, Dec. 31, <u>2011</u>	Balance after <u>transfers</u>	Paid or <u>charged</u>	Balance <u>lapsed</u>
Salaries and Wages	\$ 813	813		813
Other expenses	<u>2,185</u>	<u>6,952</u>	<u>3,710</u>	<u>3,242</u>
Total Operating	2,998	7,765	3,710	4,055
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	<u>2,197</u>	<u>2,197</u>		<u>2,197</u>
Total Deferred Charges and Statutory Expenditures	<u>2,197</u>	<u>2,197</u>		<u>2,197</u>
	<u>\$ 5,195</u>	<u>9,962</u>	<u>3,710</u>	<u>6,252</u>
Appropriation Reserves		5,195		
Encumbrances		<u>4,767</u>		
		<u>\$ 9,962</u>		

BOROUGH OF RIDGEFIELD

Schedule of Interfund Receivables/(Payable)

Swimming Pool Utility - Operating Fund

Twelve Month Period Ended December 31, 2012

	Balance Dec. 31, <u>2011</u>	<u>Increased</u>	<u>Decreased</u>	Balance Dec. 31, <u>2012</u>
Swim Pool Utility Capital Fund	\$ 13,630			13,630
Current Fund	<u>3,065</u>	<u>7,475</u>	<u>3,065</u>	<u>7,475</u>
	<u>\$ 16,695</u>	<u>7,475</u>	<u>3,065</u>	<u>21,105</u>
Cash Receipts	\$		3,065	
Operating Deficit		<u>7,475</u>		
		<u>\$ 7,475</u>	<u>3,065</u>	

BOROUGH OF RIDGEFIELD

Schedule of Interfund Receivables/(Payable)

Swimming Pool Utility - Capital Fund

Twelve Month Period Ended December 31, 2012

	Balance Dec. 31, <u>2011</u>	Balance Dec. 31, <u>2012</u>
Swim Pool Utility Operating Fund \$	<u>(13,630)</u>	<u>(13,630)</u>
\$	<u><u>(13,630)</u></u>	<u><u>(13,630)</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Fixed Capital

Swimming Pool Utility Capital Fund

Twelve Month Period Ended December 31, 2012

Balance - December 31, 2011	\$ <u>1,820,236</u>
Balance - December 31, 2012	\$ <u><u>1,820,236</u></u>
<u>Analysis of Balance</u>	
Swim Pool Improvements	\$ <u><u>1,820,236</u></u>

**Schedule of Fixed Capital Authorized
and Uncompleted**

Swimming Pool Utility Capital Fund

Twelve Month Period Ended December 31, 2012

Balance - December 31, 2011	\$ <u>1,342</u>
Balance - December 31, 2012	\$ <u><u>1,342</u></u>
<u>Analysis of Balance</u>	
Ord. 1835	\$ <u>1,342</u>
	\$ <u><u>1,342</u></u>

BOROUGH OF RIDGEFIELD
Schedule of Reserve for Amortization
Swimming Pool Utility Capital Fund
Twelve Month Period Ended December 31, 2012

Balance - December 31, 2011	\$ <u>1,783,236</u>
Balance - December 31, 2012	\$ <u><u>1,783,236</u></u>

Schedule of Reserve for Capital Outlay
Swimming Pool Utility Capital Fund
Twelve Month Period Ended December 31, 2012

Balance - December 31, 2011	\$ <u>21,355</u>
Balance - December 31, 2012	\$ <u><u>21,355</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Deferred Reserve for Amortization

Swimming Pool Utility Capital Fund

Twelve Month Period Ended December 31, 2012

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2011</u>	<u>Balance Dec. 31, 2012</u>
1835	ADA Improvements	Sept. 8, 2003	\$ 1,342	\$ 1,342
			\$ 1,342	\$ 1,342
			\$ 1,342	\$ 1,342

BOROUGH OF RIDGEFIELD

Schedule of Bonds and Notes Authorized but not Issued

Swimming Pool Utility Capital Fund

Twelve Month Period Ended December 31, 2012

<u>Ordinance number</u>	<u>Improvement description</u>	Balance Dec. 31, <u>2011</u>	Balance Dec. 31, <u>2012</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

Twelve Month Period Ended December 31, 2012

	<u>Total</u>	<u>P.A.T.F. Account #1/ Petty Cash</u>	<u>Relocation Account</u>
Balance - December 31, 2011	\$ 12,296	6,813	5,483
Increased by:			
Due to Current Fund	<u>67</u>	<u>37</u>	<u>30</u>
	12,363	6,850	5,513
Decreased by:			
Due to Current Fund	<u>67</u>	<u>37</u>	<u>30</u>
Transfer to Current Fund	<u>67</u>	<u>37</u>	<u>30</u>
Balance - December 31, 2012	\$ <u><u>12,296</u></u>	<u><u>6,813</u></u>	<u><u>5,483</u></u>

BOROUGH OF RIDGEFIELD
Schedule of Due from/(to) Current Fund
Public Assistance Fund
Twelve Month Period Ended December 31, 2012

Balance - December 31, 2011	\$ (6)
Increased by:	
Interest Earned	<u>67</u>
	(73)
Decreased by:	
Cash Disbursements	<u>\$ 67</u>
Balance - December 31, 2012	<u><u>\$ (6)</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Reserve for Public Assistance

Public Assistance Fund

Twelve Month Period Ended December 31, 2012

	<u>Total</u>	<u>P.A.T.F. Account #1/ Petty Cash</u>	<u>Relocation Account</u>
Balance - December 31, 2011	\$ <u>12,290</u>	<u>6,585</u>	<u>5,705</u>
Balance - December 31, 2012	\$ <u><u>12,290</u></u>	<u><u>6,585</u></u>	<u><u>5,705</u></u>

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BOROUGH OF RIDGEFIELD

LETTERS ON COMPLIANCE AND ON INTERNAL CONTROL

GENERAL COMMENTS AND RECOMMENDATIONS

DECEMBER 31, 2012

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

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

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

We have audited the financial statements-regulatory basis of the Borough of Ridgefield in the County of Bergen as of and for the year ended December 31, 2012, and have issued our report thereon dated April 3, 2013. Our report disclosed that, as described in Note 1 to the financial statements-regulatory basis, the Borough of Ridgefield prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with 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.

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.

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.

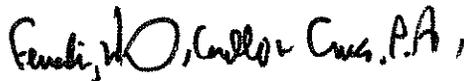
Honorable Mayor and
Members of the Borough Council
Page 3.

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. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CR00413



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

April 3, 2013



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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.

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

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

Garbage Truck	Veteran's Place Improvements
Recycling Truck with Dump Body	ADA Bathroom and Field House at Meadowlands Field
Elm Avenue Roadway Improvements	Banta Place Improvements

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

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

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

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 6, 2012 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, taxes are payable in quarterly installments on February 1, May 1, August 1 and November 1 of each year and installments become delinquent if not paid on or before these dates,

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

BOROUGH OF RIDGEFIELD

GENERAL COMMENTS, (continued)

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

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

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

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

Delinquent Taxes and Tax Title Liens

A tax sale was held on June 7, 2012 and was complete.

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

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

<u>Number of Liens</u>	
Year Ended December 31, 2012	2
Six Month Period Ended December 31, 2011	2
Year Ended June 30, 2011	3

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.

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BOROUGH OF RIDGEFIELD

COMMENTS AND RECOMMENDATIONS

COMMENTS

Finance

- 1.* There are old items reported as grants receivable in the General Capital Fund that are no longer available for utilization by the Borough.
- 2.* Goods and/or services are being ordered prior to being encumbrance as prescribed by Technical Directive #1.
- 3.* Prior year balances for burial permits and dog license fees recorded as "Due to State of New Jersey" were not liquidated in the current year.

Departments

1. There are 84 tickets Assigned over 180 days on the Court's December monthly management report.

Payroll

- 1.* Completed W-4 forms for selected individuals were unable to be located for review.
2. There is a negative reconciled balance in the Net Payroll bank account due to reimbursement from the Library not being received prior to year end.
3. Health benefit contributions required to be deducted from some employee's gross salaries are not being calculated correctly.

BOROUGH OF RIDGEFIELD

COMMENTS AND RECOMMENDATIONS
(continued)

RECOMMENDATIONS

Finance

- 1.* That all receivables be investigated for collectability and cancelled by resolution if necessary.
- 2.* That all goods/services be encumbered prior to being ordered.
- 3.* That prior year balances be investigated for accuracy and liquidated or cancelled by resolution if necessary.

Departments

1. That tickets over 180 days be recalled by the Court Administrator.

Payroll

- 1.* That all completed W-4 forms be maintained and make available for review.
2. That funds transferred into the Net Payroll Account agree to the gross payroll per the payroll records for all pay periods.
3. That the calculations used to determine employee contributions for health benefits be reviewed for accuracy.

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.

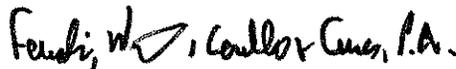
ACKNOWLEDGMENT

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

April 3, 2013