

BOROUGH OF RIDGEFIELD

**Financial Statements With
Supplementary Information**

December 31, 2013

(With Independent Auditors' Reports Thereon)

BOROUGH OF RIDGEFIELD

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Ridgefield in the County of Bergen, as of and for the years ended December 31, 2013 and 2012, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2013, 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
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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Ridgefield as of December 31, 2013 and 2012, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2013 and 2012, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2013 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.



Other Matters

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 3, 2014 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.


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Registered Municipal Accountant
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BOROUGH OF RIDGEFIELD

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2013 and 2012

<u>Assets</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Current Fund:			
Cash	A-4	\$ 4,613,051	4,690,781
Change Fund	A-5	450	450
Due from State of New Jersey:			
Senior citizens' and veterans' deductions	A-11	62,622	46,132
Grants Receivable	A-24	114,015	221,034
		4,790,138	4,958,397
Receivables and other assets with full reserves:			
Delinquent property taxes receivable	A-6	452,721	787,157
Tax Title Liens	A-23	65,852	54,172
Property Acquired for Taxes			
Assessed Valuations	A-10	81,180	81,180
Revenue accounts receivable	A-7	27,480	21,520
Prepaid Local School District Taxes	A-12	74,254	3
Due from Library	A-9		3,586
Interfunds Receivable:			
Animal License Trust Fund	A-21	2,668	
Other Trust Fund	A-21	10,032	
Payroll Account	A-21	1,132	
Payroll Agency Account	A-21	6,616	2,084
Public Assistance	A-21	6	6
		721,941	949,708
Deferred Charges:			
Special Emergency	A-8	54,000	72,000
		54,000	72,000
		\$ 5,566,079	5,980,105

BOROUGH OF RIDGEFIELD

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2013 and 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation reserves	A-3, A-15 \$	430,147	833,820
Encumbrances payable	A-16	485,369	477,015
Accounts Payable	A-19	23,796	18,412
Tax overpayments	A-17	14,597	22,287
Prepaid Taxes	A-18	84,955	130,993
Due to State of New Jersey	A-20	2,510	3,890
Due to County of Bergen	A-14	2,637	585
Interfunds Payable:			
Other Trust Fund	A-21		34
Swim Pool Utility Operating Fund	A-21		7,475
Appropriated reserves	A-25	130,489	203,007
Unappropriated reserves	A-26	26,502	32,659
Reserve for:			
Tax Appeals	A-22	148,011	269,336
Re-Assessment	A-22	4,500	4,500
Miscellaneous	A-22		6
		<u>1,353,513</u>	<u>2,004,019</u>
Reserve for receivables and other assets	A	721,941	949,708
Fund balance	A-1	<u>3,490,625</u>	<u>3,026,378</u>
		<u>4,212,566</u>	<u>3,976,086</u>
		<u>\$ 5,566,079</u>	<u>5,980,105</u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

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

Current Fund

Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Revenue and other income realized:		
Fund balance utilized	\$ 880,000	900,000
Miscellaneous revenue anticipated	9,461,489	9,331,119
Receipts from delinquent taxes	792,621	336,370
Receipts from current taxes	31,698,405	30,231,466
Nonbudget revenues	248,646	203,773
Other credits to income:		
Unexpended balance of appropriation reserves	615,600	308,991
Tax overpayments cancelled		1,824
Interfunds Returned		22,032
	<u>43,696,761</u>	<u>41,335,575</u>
Total revenue		
Expenditures:		
Budget and emergency appropriations:		
Operations:		
Salaries and wages	6,904,750	6,721,811
Other expenses	9,608,369	9,543,629
Deferred charges and statutory expenditures	1,514,165	1,467,254
Capital improvements	145,000	125,000
Municipal debt service	1,483,372	1,456,590
Judgements	196,730	
County taxes	4,121,636	3,701,053
Due county for added taxes	2,637	585
Local district school taxes	18,301,601	17,760,013
Prepaid school taxes	74,254	
Interfunds advanced		5,676
Refunds		3,650
	<u>42,352,514</u>	<u>40,785,261</u>
Total expenditures		
Excess in Revenue	1,344,247	550,314
Fund balance - July 1,	3,026,378	3,376,064
Decreased by utilization as anticipated revenue	<u>880,000</u>	<u>900,000</u>
Fund balance	<u>\$ 3,490,625</u>	<u>\$ 3,026,378</u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2013

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Surplus anticipated	\$ 880,000	880,000	
Miscellaneous revenues:			
Licenses:			
Alcoholic beverages	32,000	32,688	688
Other	40,000	45,018	5,018
Fees and permits:			
Other	170,000	212,303	42,303
Fines and costs municipal court	350,000	367,893	17,893
Interest and costs on taxes	65,000	98,425	33,425
Interest on investments and deposits	900	892	(8)
Hackensack Meadowlands Adjustment to			
Tax Sharing	1,250,000	1,253,189	3,189
Energy Receipts Tax	5,242,420	5,242,420	
Supplemental Energy Receipts Tax	255,930	255,930	
Uniform Construction Code Fees	320,000	267,538	(52,462)
Recycling Tonnage Grant	18,557	18,557	
Drunk Driving Enforcement Fund	4,660	4,660	
Clean Communities Grant	16,259	16,259	
Alcohol Education and Rehabilitation Fund	1,403	1,403	
Municipal Alliance on Alcoholism and Drug Abuse	9,876	9,876	
Emergency Management Assistance Program	5,000	5,000	
Emergency Management Assistance Program	5,000	5,000	
Body Armor Replacement	3,039	3,039	
Uniform Fire Safety Act	29,000	35,510	6,510
Rental of Borough Property - Shaler Lease	250,000	250,000	
Rental of Borough Property - Shaler Lease -			
Debt Service Payments	369,200	369,200	
Sewer Charges	133,000	164,639	31,639
Sewer Charges - Additional - Tier II User Charges	290,000	312,511	22,511
Municipal Court Inspection Fees	3,800	2,570	(1,230)
Reserve for Payment of Debt - 2006 Bonds	110,000	110,000	
Capital Fund Balance	100,000	100,000	
Hudson Transmission Partners Agreement - Interim Fees	122,400	164,206	41,806
Cable TV Franchise Fee	112,763	112,763	
Total miscellaneous revenues	<u>9,310,207</u>	<u>9,461,489</u>	<u>151,282</u>
Receipts from delinquent taxes	<u>750,000</u>	<u>792,621</u>	<u>42,621</u>
Amount to be raised by taxes for support of municipal budget	<u>9,744,039</u>	<u>10,067,531</u>	<u>323,492</u>
Budget total	<u>\$ 20,684,246</u>	<u>21,201,641</u>	<u>517,395</u>
Nonbudget revenue		<u>248,646</u>	
		<u>\$ 21,450,287</u>	

BOROUGH OF RIDGEFIELD

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2013

Analysis of Realized Revenue

Allocation of current tax collections;		
Revenue from collections	\$	<u>31,698,405</u>
Allocated to:		
Local district school tax		18,301,601
County taxes		<u>4,121,636</u>
		<u>22,423,237</u>
Balance for support of municipal		
budget appropriations		9,275,168
Reserve for uncollected taxes		<u>795,000</u>
	\$	<u>10,070,168</u>
Receipts from:		
Delinquent tax collections		<u>792,621</u>
	\$	<u>792,621</u>

Analysis of Miscellaneous Revenue Not Anticipated

FEMA	\$	65,458
BCUA		234
Poll Rental		400
Police Outside Detail		80,786
Police Administrative Fee		32,248
BOE Willis Field		3,000
Ambulance Donations		2,080
Hotel Tax		38,982
Flu Shots		3,619
Fees		420
Sale of Assets		1,855
Senior Citizen Deductions Refunded		8,950
Housing Inspections		336
Insurance Refund		4,001
Police Fees		1,366
Other		<u>4,911</u>
	\$	<u>248,646</u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2013

<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	\$ 64,000	64,000	63,648	352	
Other expenses	34,000	37,000	36,923	77	
Rent Leveling:					
Salaries and wages	6,000	6,000	6,000		
Other expenses	3,000	3,000	1,956	1,044	
Mayor and Council:					
Salaries and wages	40,375	40,750	40,750		
Other expenses	15,000	15,000	6,004	8,996	
Municipal Clerk:					
Salaries and wages	111,000	107,000	106,214	786	
Other expenses	63,300	63,300	50,723	12,577	
Financial Administration:					
Salaries and wages	157,000	144,000	143,019	981	
Annual Audit	30,000	30,000	27,500	2,500	
Miscellaneous Other expenses	45,000	35,000	26,703	8,297	
Collection of taxes:					
Salaries and wages	87,300	87,300	86,569	731	
Other expenses	24,000	21,000	17,494	3,506	
Assessment of Taxes:					
Salaries and wages	17,300	17,300	17,179	121	
Other expenses	4,150	4,150	3,737	413	
Professional Services	9,000	9,000	8,020	980	

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2013

<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	115,000	145,000	139,260	5,740	
Engineering:					
Other expenses	150,000	160,000	158,642	1,358	
Municipal Land Use Law (NJSA 40:55D-1):					
Planning Board:					
Salaries and wages	6,000	6,000	6,000		
Other expenses	15,000	15,000	9,734	5,266	
Insurance:					
Unemployment Insurance	50,000	50,000	50,000		
Liability	456,000	456,000	451,622	4,378	
Workers Compensation	430,000	430,000	428,477	1,523	
Group Insurance for Employees	2,527,200	2,433,700	2,357,226	76,474	
PUBLIC SAFETY:					
Fire:					
Clothing Allowance	220,000	212,700	195,146	17,554	
Fire hydrant service	118,000	118,000	117,374	626	
Miscellaneous	108,000	108,000	104,732	3,268	
Fire Prevention Bureau:					
Salaries and wages	71,000	71,000	69,052	1,948	
Other expenses	23,000	23,000	22,686	314	
Police:					
Salaries and wages	3,952,500	4,024,500	4,019,128	5,372	
Other expenses	115,530	120,530	118,817	1,713	
Purchase of Police Vehicles	80,000	80,000	79,986	14	

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2013

<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	208,000	208,000	205,000	3,000	
First Aid Organization:					
Clothing Allowance	90,000	90,000	85,071	4,929	
Miscellaneous	25,000	25,000	12,810	12,190	
Community Service Officer					
Salaries and wages	100,000	100,000	95,642	4,358	
Other expenses	7,000	7,000	3,679	3,321	
Emergency Management Services:					
Salaries and wages	24,000	19,000	15,690	3,310	
Other expenses	6,000	6,000	852	5,148	
Municipal Prosecutor:					
Salaries and wages	12,500	12,500	12,500		
Streets and Roads:					
Road Repairs and Maintenance:					
Salaries and wages	1,345,000	1,315,000	1,302,548	12,452	
Other expenses	145,500	165,500	159,104	6,396	
Maintenance of Borough Vehicles:					
Streets and Roads	55,500	50,500	39,190	11,310	
Fire	35,000	35,000	34,734	266	
Police	37,000	37,000	35,518	1,482	
Ambulance	5,000	5,000	4,778	222	
Garage	25,000	30,000	23,436	6,564	
Building	1,000	1,000	70	930	
Health	500	500		500	

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2013

<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	270,000	270,000	267,272	2,728	
Other expenses	65,000	75,000	72,233	2,767	
Sanitary Landfill - Contractual	320,000	300,000	270,078	29,922	
Recycling Program:					
Salaries and wages	7,000	7,000	6,645	355	
Public Building and Grounds:					
Other Expenses - Maintenance & Repair	158,000	148,000	139,884	8,116	
Health and Welfare:					
Board of Health:					
Salaries and wages	160,000	155,000	154,022	978	
Other expenses	80,000	80,000	75,621	4,379	
Bergen County Animal Shelter	10,500	10,500	9,333	1,167	
Environmental Commission (NJSA 40:56A-1):					
Other expenses - miscellaneous	3,000	3,000	3,000		
Other expenses - arborist	2,000	2,000	1,898	102	
Administration of Public Assistance:					
Miscellaneous Other expenses	1,000	1,000		1,000	
Recreation and Education:					
Parks and Recreation:					
Salaries and wages	160,000	150,000	149,515	485	
Other expenses	134,501	144,501	142,638	1,863	
Youth Commission					
Salaries and wages	13,000	14,400	14,393	7	
Other expenses	1,200	200		200	

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2013

<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	24,000	24,000	23,679	321	
Uniform Construction Code-Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Uniform construction code official:					
Salaries and wages	162,000	147,000	137,597	9,403	
Other expenses	27,000	27,000	19,239	7,761	
Property Maintenance					
Salaries and wages	7,000	7,000	6,267	733	
Other expenses	2,000	2,300	2,257	43	
Municipal Court:					
Salaries and wages	150,000	140,000	134,267	5,733	
Other expenses	37,000	32,000	23,668	8,332	
Public Defender:					
Other expenses	2,500	2,500	1,700	800	
UNCLASSIFIED:					
Utilities:					
Street lighting	180,000	170,000	167,865	2,135	
Electric & Gas	290,000	290,000	286,038	3,962	
Telephone	95,000	110,000	108,831	1,169	
Water	18,000	18,000	17,970	30	
Gasoline	250,000	216,925	209,451	7,474	
Accumulated Absences	2,500	2,500	2,500		
Other Expenses	1,000	1,000	847	153	
Snow Removal Trust	2,500	2,500	2,500		

BOROUGH OF RIDGEFIELD
Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2013

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Total Operations within "CAPS"	13,951,356	13,843,556	13,497,751	345,805	
Contingent	<u>1,000</u>	<u>1,000</u>		<u>1,000</u>	
Total Operations Including Contingent-within "CAPS"	13,952,356	13,844,556	13,497,751	346,805	
Detail:					
Salaries & Wages	6,922,975	6,904,750	6,853,917	50,833	
Other Expenses (Including Contingent)	<u>7,029,381</u>	<u>6,939,806</u>	<u>6,643,834</u>	<u>295,972</u>	
	<u>13,952,356</u>	<u>13,844,556</u>	<u>13,497,751</u>	<u>346,805</u>	
Deferred Charges and Statutory Expenditures-Municipal within "CAPS"					
DEFERRED CHARGES					
Anticipated Deficit in Swim Pool Utility	47,500	47,500	33,333		14,167
STATUTORY EXPENDITURES:					
Contribution to:					
Social Security System (O.A.S.I.)	360,000	338,800	329,067	9,733	
Pension of Widow Volunteer Firemen	15,000	15,300	15,124	176	
Volunteer Fireman's Pension	15,000	16,000	15,900	100	
Volunteer Fireman's Over Age Burial Fund	4,000	10,000	10,000		
Defined Contribution Retirement Program	2,500	3,700	3,591	109	
Public Employees Retirement system	330,452	330,452	330,452		
Police and Firemans Retirement System of N.J.	<u>748,580</u>	<u>748,580</u>	<u>748,580</u>		

BOROUGH OF RIDGEFIELD
Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2013

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	1,523,032	1,510,332	1,486,047	10,118	14,167
Total General Appropriations for Municipal Purposes within "CAPS"	15,475,388	15,354,888	14,983,798	356,923	14,167
Operations-Excluded from "CAPS"					
Bergen County Utilities Authority:					
Sewage Processing and Disposal	1,975,000	1,975,000	1,962,441	12,559	
Maintenance of Free Public Library:					
Contribution to Library	602,500	607,500	607,500		
Insurance:					
Employees Group Health	4,800	4,800		4,800	
Recycling Tax	15,000	15,000	9,833	5,167	
Public and Private Programs Offset by Revenues:					
Clean Communities	16,259	16,259	14,609	1,650	
Alcohol Education and Rehabilitation	1,403	1,403	419	984	
Emergency Management Assistance	5,000	5,000	5,000		
Body Armor Grant	3,039	3,039		3,039	
Emergency Management Assistance	5,000	5,000	5,000		
Drunk Driving Enforcement Fund	4,660	4,660	4,660		
Municipal Alliance	9,876	9,876	9,867		9
Municipal Alliance - Matching Funds	2,469	2,469	2,453		16
Recycling Tonnage Grant	18,557	18,557	18,557		
Total Operations-Excluded from "CAPS"	2,663,563	2,668,563	2,640,339	28,224	

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2013

<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					
Other Expenses	<u>2,663,563</u>	<u>2,668,563</u>	<u>2,640,339</u>	<u>28,224</u>	
	<u>2,663,563</u>	<u>2,668,563</u>	<u>2,640,339</u>	<u>28,224</u>	
Capital Improvements - Excluded from CAPS					
Capital Improvement Fund	<u>145,000</u>	<u>145,000</u>	<u>100,000</u>	<u>45,000</u>	
Total Capital Improvements - Excluded from CAPS	<u>145,000</u>	<u>145,000</u>	<u>100,000</u>	<u>45,000</u>	
Municipal Debt Service-Excluded from "CAPS"					
Payment of Bond Principal	<u>840,000</u>	<u>840,000</u>	<u>840,000</u>		
Payment of Bond Anticipation Notes	<u>38,295</u>	<u>38,295</u>	<u>38,295</u>		
Interest on Bonds	<u>550,000</u>	<u>550,000</u>	<u>534,453</u>		<u>15,547</u>
Interest on Notes	<u>11,000</u>	<u>11,000</u>	<u>10,901</u>		<u>99</u>
Infrastructure Trust Loan	<u>63,000</u>	<u>63,000</u>	<u>59,723</u>		<u>3,277</u>
Total Municipal Debt Service-Excluded from "CAPS"	<u>1,502,295</u>	<u>1,502,295</u>	<u>1,483,372</u>		<u>18,923</u>
Deferred Charges- Municipal Excluded from "CAPS"					
Special Emergency Authorizations - 5 years (N.J.S. 40A:4-5)	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>		
Total Deferred Charges-Municipal-Excluded from "CAPS"	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>		
Judgements (N.J.S.A. 40A:4-45.3cc)	<u>85,000</u>	<u>200,500</u>	<u>196,730</u>		<u>3,770</u>

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2013

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>4,413,858</u>	<u>4,534,358</u>	<u>4,438,441</u>	<u>73,224</u>	<u>22,693</u>
Subtotal General Appropriations	19,889,246	19,889,246	19,422,239	430,147	36,860
Reserve for Uncollected Taxes	<u>795,000</u>	<u>795,000</u>	<u>795,000</u>	<u> </u>	<u> </u>
Total General Appropriations	<u>\$ 20,684,246</u>	<u>20,684,246</u>	<u>20,217,239</u>	<u>430,147</u>	<u>36,860</u>
Adopted Budget	20,662,987				
Added by N.J.S.A. 40A:4-87	<u>21,259</u>				
	<u>\$ 20,684,246</u>				
<u>Analysis of Paid or Charged</u>					
Reserve for Uncollected Taxes			795,000		
Interfund			188,333		
Reserve for Encumbrances			485,369		
Cash			<u>18,748,537</u>		
			<u>\$ 20,217,239</u>		

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD
Comparative Balance Sheet-Regulatory Basis
Trust Funds
December 31, 2013 and 2012

<u>Assets</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Animal License Fund:			
Cash	B-1	\$ <u>13,977</u>	<u>11,466</u>
		<u>13,977</u>	<u>11,466</u>
Unemployment Compensation Trust Fund:			
Cash	B-1	50,810	35,956
Accounts Receivable	B-6	<u>1,314</u>	<u>1,463</u>
		<u>52,124</u>	<u>37,419</u>
Other Trust Funds:			
Cash	B-1	1,719,408	1,721,038
Interfund Receivables:			
Due from Current Fund	B-4	<u> </u>	<u>34</u>
		<u>1,719,408</u>	<u>1,721,072</u>
		<u>\$ 1,785,509</u>	<u>1,769,957</u>

BOROUGH OF RIDGEFIELD
Comparative Balance Sheet-Regulatory Basis
Trust Funds
December 31, 2013 and 2012

<u>Liabilities and Reserves</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Animal License Fund:			
Reserve for Dog License Fund expenditures	B-2	11,008	11,217
Due to State of New Jersey	B-3	301	249
Due to Current Fund	B-4	<u>2,668</u>	<u> </u>
		<u>13,977</u>	<u>11,466</u>
Unemployment Compensation Trust Fund:			
Unemployment claims Payable	B-7	869	4,351
Reserve for Expenditures	B-8	<u>51,255</u>	<u>33,068</u>
		<u>52,124</u>	<u>37,419</u>
Other Trust Funds:			
Interfunds Payable:			
Due to Current Fund - Other Trust	B-4	10,032	
Reserve for:			
Other Trust Deposits	B-5	<u>1,709,376</u>	<u>1,721,072</u>
		<u>1,719,408</u>	<u>1,721,072</u>
		<u>\$ 1,785,509</u>	<u>1,769,957</u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD
Comparative Balance Sheet-Regulatory Basis
General Capital Fund
December 31, 2013 and 2012

<u>Assets</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Cash:			
Checking	C-2,C-3	\$ 1,378,159	2,178,821
Grants Receivable	C-7	492,909	415,993
Deferred charges to future taxation:			
Funded	C-4	12,520,178	13,409,222
Unfunded	C-5	1,566,055	1,442,850
		<u>\$ 15,957,301</u>	<u>17,446,886</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds	C-8	12,106,000	12,946,000
NJ Environmental Infrastructure Trust Loan	C-9	414,178	463,222
Bond Anticipation Notes	C-10	756,705	795,000
Capital Improvement Fund	C-11	626,428	614,928
Reserve for:			
Payment of Debt	C-13	1,003,492	1,046,079
Capital Projects	C-14	6,650	6,650
CDBG Grants Receivable	C-15		100,000
Acquisition of Employee Time System	C-16	25,000	25,000
Improvement authorizations:			
Funded	C-17	534,214	709,509
Unfunded	C-17	458,380	594,244
Fund Balance	C-1	26,254	146,254
		<u>\$ 15,957,301</u>	<u>17,446,886</u>

There were bonds and notes authorized but not issued at December 31, 2013 and 2012 of \$809,350 and \$647,850 respectively. See exhibit C-18.

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

Schedule of Fund Balance

General Capital Fund

Years Ended December 31,

	<u>2013</u>	<u>2012</u>
Balance - December 31,	\$ 146,254	135,307
Increased by :		
Funded Improvement Authorizations canceled		10,706
Close out of Refunding Escrow		6,571
Premium on Sale of Notes		817
	<hr/>	<hr/>
		18,094
	<hr/>	
	146,254	153,401
Decreased by:		
Budgeted Revenue	100,000	
Cancellation of Grants Receivable	20,000	7,147
	<hr/>	<hr/>
	120,000	7,147
	<hr/>	<hr/>
Balance - December 31,	\$ <u>26,254</u>	<u>146,254</u>

See Accompanying Notes to Financial Statements

BOROUGH OF RIDGEFIELD

Comparative Balance Sheet - Regulatory Basis

Swimming Pool Utility Fund

December 31, 2013 and 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Assets</u>			
Operating Fund:			
Cash	D-5	\$ 17,856	323
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
		<u>31,586</u>	<u>21,528</u>
 Total Operating Fund		 <u>31,586</u>	 <u>21,528</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>1,854,300</u>	 <u>1,844,242</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves	D-4,D-7	\$ 9,958	2,175
Encumbrances Payable	D-4,D-7	2,275	
Fund Balance	D-1	19,353	19,353
Total Operating Fund		<u>31,586</u>	<u>21,528</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>1,854,300</u>	 <u>1,844,242</u>

There were bonds and notes authorized but not issued on December 31, 2013 and 2012 in the amount of \$37,000 (per Exhibit D-16).

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

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

Swimming Pool Utility Fund

December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Revenue and other income realized:		
Membership fees	\$ 196,860	181,620
Miscellaneous revenues	47,513	68,153
Other credits to income:		
Unexpended balance of appropriation reserves	794	6,252
Total income	<u>245,167</u>	<u>256,025</u>
Expenditures:		
Operations:		
Salaries and wages	152,000	158,434
Other expenses	114,500	96,200
Statutory Expenditures & Deferred Charges	<u>12,000</u>	<u>8,866</u>
Total expenditures	<u>278,500</u>	<u>263,500</u>
Excess (Deficit)	(33,333)	(7,475)
Adjustments to income before fund balance-		
Realized from General Fund Budget for		
Anticipated Deficit	<u>33,333</u>	<u>7,475</u>
Fund balance, January 1	<u>19,353</u>	<u>19,353</u>
Fund balance, December 31	<u>\$ 19,353</u>	<u>19,353</u>

See accompanying notes to financial statements.

Exhibit D-2

BOROUGH OF RIDGEFIELD

Statement of Changes in Capital Fund Balance - Regulatory Basis

Swimming Pool Utility Capital Fund

Year Ended December 31, 2013

Balance - December 31, 2012	\$ <u>1,809</u>
Balance - December 31, 2013	\$ <u><u>1,809</u></u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

Statement of Revenues-Regulatory Basis

Swimming Pool Utility Fund

Year ended December 31, 2013

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Membership fees	\$ 181,000	196,860	15,860
Miscellaneous revenues	<u>50,000</u>	<u>47,513</u>	<u>(2,487)</u>
	<u>231,000</u>	<u>244,373</u>	<u>13,373</u>
Deficit (General Budget)	<u>47,500</u>	<u>33,333</u>	<u>(14,167)</u>
Total Swim Pool Utility Revenue	\$ <u><u>278,500</u></u>	<u><u>277,706</u></u>	<u><u>(794)</u></u>

Analysis of Miscellaneous Revenues

Snack Bar Contract	\$ 8,550
Chair Rental	500
Guest Fees	28,818
Miscellaneous	<u>9,645</u>
	\$ <u><u>47,513</u></u>
Cash	244,383
Due from Current Fund	<u>33,333</u>
	\$ <u><u>277,716</u></u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Swimming Pool Utility Fund

Year Ended December 31, 2013

	Appropriations		Expended	
	Budget	Budget after modification	Paid or charged	Reserved
Operating:				
Salaries and wages	\$ 160,000	152,000	149,809	2,191
Other expenses	105,000	114,500	107,273	7,227
Total Operating	265,000	266,500	257,082	9,418
Statutory Expenditures:				
Contribution To:				
Social Security System (O.A.S.I.)	13,500	12,000	11,460	540
Total Statutory Expenditures	13,500	12,000	11,460	540
	\$ 278,500	278,500	268,542	9,958
		Encumbrances	2,275	
		Cash Disbursed	266,267	
			\$ 268,542	

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

Comparative Balance Sheet - Regulatory Basis

Public Assistance Fund

December 31, 2013 and 2012

	<u>Ref.</u>	Dec. 31 <u>2013</u>	Dec. 31, <u>2012</u>
<u>Assets</u>			
Cash	E-1	\$ <u>12,296</u>	<u>12,296</u>
		\$ <u>12,296</u>	<u>12,296</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>12,296</u>	<u>12,296</u>

See accompanying notes to the financial statements.

BOROUGH OF RIDGEFIELD

Statement of Net Payroll and Withholdings Payable

December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<u>Assets</u>		
Cash		
Net Payroll	\$ 1,132	
Payroll Agency	6,616	2,084
Deficit in Payroll Account		<u>4,805</u>
	<u>\$ 7,748</u>	<u>6,889</u>
 <u>Liabilities:</u>		
Cash Deficit	\$	4,805
Due to Current Fund	<u>7,748</u>	<u>2,084</u>
	<u>\$ 7,748</u>	<u>6,889</u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

Statement of General Fixed Assets-Regulatory Basis

General Fixed Assets Account Group

December 31, 2013 and 2012

	Dec. 31, <u>2013</u>	Dec. 31, <u>2012</u>
Land	\$ 19,927,700	19,927,700
Land Improvements	761,702	761,702
Buildings and Improvements	11,024,990	11,015,990
Automobiles and Vehicles	6,591,953	6,513,341
Machinery and Equipment	<u>1,437,390</u>	<u>1,192,379</u>
	<u>\$ 39,743,735</u>	<u>39,411,112</u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(CONTINUED)

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

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

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

The Borough has the following funds and account group:

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

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

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

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

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

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

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

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(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
YEARS ENDED DECEMBER 31, 2013 AND 2012
(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
YEARS ENDED DECEMBER 31, 2013 AND 2012
(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 2013, the Mayor and Council approved several budget transfers and \$21,259 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
YEARS ENDED DECEMBER 31, 2013 AND 2012
(CONTINUED)

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

Basis of Accounting, (continued)

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

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

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

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

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

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

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

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(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
YEARS ENDED DECEMBER 31, 2013 AND 2012
(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, 2013, \$0- of the Borough's bank balance of \$7,978,028 was exposed to custodial credit risk.

Investments

Investment Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(CONTINUED)

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2013 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable:					
Obligation Debt	\$12,946,000	\$	\$840,000	\$12,106,000	\$1,060,000
Other Liabilities:					
General Capital:					
NJ Infrastructure Trust					
Loans Payable	463,222		49,044	414,178	56,389
Compensated Absences	<u>705,265</u>	<u>127,961</u>	<u>46,360</u>	<u>786,866</u>	<u> </u>
	<u>\$14,114,487</u>	<u>\$127,961</u>	<u>\$935,404</u>	<u>\$13,307,044</u>	<u>\$1,116,389</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:

	Year Ended December 31, <u>2013</u>	Year Ended December 31, <u>2012</u>	Six Months Ended December 31, <u>2011</u>
<u>Issued</u>			
General - Bonds, Notes and Loans	\$13,276,884	\$14,204,223	\$15,109,048
<u>Authorized But Not Issued</u>			
General - Bonds and Notes	809,350	647,850	590,000
Swim Pool Utility - Bonds and Notes	<u>37,000</u>	<u>37,000</u>	<u>37,000</u>
	<u>846,350</u>	<u>684,850</u>	<u>627,000</u>
Total Bonds, Notes and Loans Issued and Authorized But Not Issued	14,123,234	14,889,073	15,736,048
Less: Deductions	<u>1,003,492</u>	<u>1,061,080</u>	<u>481,071</u>
Net Debt	<u>\$13,119,742</u>	<u>\$13,827,993</u>	<u>\$15,254,977</u>

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(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 .729%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School District Debt	\$9,128,000	\$9,128,000	\$0
Swimming Pool Utility	37,000		37,000
General Debt	<u>14,086,233</u>	<u>1,003,492</u>	<u>13,082,741</u>
	<u>\$23,251,233</u>	<u>\$10,131,492</u>	<u>\$13,119,741</u>

Net Debt \$13,119,742 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended of \$1,800,822,340 equals .729%.

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

3 ½% of equalized valuation basis (municipal)	\$63,028,782
Net Debt	<u>13,119,741</u>
Remaining borrowing power	<u>\$49,909,041</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	\$277,706
Deductions:	
Operating and Maintenance Cost	<u>278,500</u>
Deficit in Revenue - Not Self Liquidating	<u>(\$794)</u>

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(CONTINUED)**

NOTE 3. MUNICIPAL DEBT, (continued)

The Borough's long term debt consisted of the following at December 31, 2013:

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	\$3,640,000
\$6,656,000 General Serial Bonds - with an interest rate of 4.125% to 4.625% issued October 15, 2008, due through April 15, 2025	6,256,000
\$2,780,000 Refunding Bonds - with an interest rate of 2.00% to 4.00% issued December 29, 2011, due through August 1, 2017	<u>2,210,000</u>
Total General Serial Bonds	<u>\$12,106,000</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>\$414,178</u>

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(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>
2014	\$1,060,000	\$501,853	\$1,561,853	\$56,389	\$12,188	\$68,577
2015	1,080,000	464,240	1,544,240	55,451	10,688	66,139
2016	1,100,000	425,553	1,525,553	54,489	9,150	63,639
2017	1,130,000	380,428	1,510,428	61,655	7,613	69,268
2018	565,000	333,915	898,915	60,505	5,775	66,280
2019-2023	4,805,000	1,084,994	5,889,994	125,689	6,038	131,727
2024-2026	<u>2,366,000</u>	<u>141,966</u>	<u>2,507,966</u>	<u> </u>	<u> </u>	<u> </u>
	<u>\$12,106,000</u>	<u>\$3,332,949</u>	<u>\$15,438,949</u>	<u>\$414,178</u>	<u>\$51,452</u>	<u>\$465,630</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, 2013, the Borough had authorized but not issued debt as follows:

General Capital Fund	\$809,350
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
 YEARS ENDED DECEMBER 31, 2013 AND 2012
 (CONTINUED)**

NOTE 4. BOND ANTICIPATION NOTES, (continued)

On December 31, 2013, the Borough had \$756,705 outstanding in general capital bond anticipation notes maturing on October 28, 2014 at an interest rate of 0.840%.

On December 31, 2013, the Borough had \$756,705 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	\$795,000		\$795,000	
Capital One Public Funding, LLC		<u>\$756,705</u>		<u>\$756,705</u>
	<u>\$795,000</u>	<u>\$756,705</u>	<u>\$795,000</u>	<u>\$756,705</u>

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, 2013, the following deferred charges are shown on the balance sheet of the Current Fund:

	Balance December 31, <u>2013</u>	<u>2014 Budget Appropriation</u>	<u>Balance to Succeeding Years</u>
<u>Current Fund</u>			
Special Emergency	<u>\$54,000</u>	<u>\$18,000</u>	<u>\$36,000</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 Firemen's Retirement System (PFRS) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Public Employees' Retirement System and the Police and Firemen's Retirement System (PFRS) are considered a cost sharing multiple-employer plans. According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the systems terminate.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(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
YEARS ENDED DECEMBER 31, 2013 AND 2012
(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
YEARS ENDED DECEMBER 31, 2013 AND 2012
(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
YEARS ENDED DECEMBER 31, 2013 AND 2012
(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>PFRS</u>	<u>PERS</u>
Year Ended December 31, 2013	\$748,580	\$330,452
Year Ended December 31, 2012	704,885	340,494
Six Months Ended December 31, 2011	-0-	-0-

Defined Contribution Retirement Program

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

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

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

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

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

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(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, 2013	\$3,591
Year Ended December 31, 2012	1,714
Six Months Ended December 31, 2011	416

NOTE 7. OTHER POST EMPLOYMENT BENEFITS

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

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(CONTINUED)**

NOTE 7. OTHER POST EMPLOYMENT BENEFITS, (continued)

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

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/pdf/financial/gasb-43-july2012.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, 2013 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 years ended December 31, 2013 and December 31, 2012 were \$797,540 and \$646,677, which equaled the required contribution for each year.

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(CONTINUED)**

NOTE 8. FUND BALANCES

Fund balances as of December 31, 2013 that have been anticipated as revenue in the 2014 budget is as follows:

Current Fund	\$1,000,000
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 \$786,866 and \$705,265 at December 31, 2013 and 2012, 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, 2013:

	Balance December 31, <u>2012</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2013</u>
Land	\$19,927,700	\$	\$	\$19,927,700
Land Improvements	761,702			761,702
Buildings and Improvements	11,015,990	9,000		11,024,990
Automobiles and Vehicles	6,513,341	238,837	160,225	6,591,953
Machinery and Equipment	<u>1,192,379</u>	<u>250,611</u>	<u>5,600</u>	<u>1,437,390</u>
	<u>\$39,411,112</u>	<u>\$498,448</u>	<u>\$165,825</u>	<u>\$39,743,735</u>

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(CONTINUED)

NOTE 11. DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at December 31, 2013 consist of the following:

\$6,616	Due to the Current Fund from the Payroll Agency Account for excess funds in the account.
1,032	Due to the Current Fund from the Net Payroll Account for excess funds in the account.
6	Due to the Current Fund from the Public Assistance Trust Fund for interest earnings not turned over.
10,032	Due to the Current Fund from the Other Trust Fund for tax title lien premiums forfeited.
2,668	Due to the Current Fund from the Animal License Trust Fund for statutory excess.
<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>\$33,984</u>	

NOTE 12. LEASES

Capital Leases Payable

The Borough had not entered into any Capital Leases as of December 31, 2013.

NOTE 13. RISK MANAGEMENT

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

**BOROUGH OF RIDGEFIELD
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2013 AND 2012
 (CONTINUED)**

NOTE 13. RISK MANAGEMENT, (continued)

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

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

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

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

NOTE 14. TAXES COLLECTED IN ADVANCES

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

	<u>Balance Dec 31, 2013</u>	<u>Balance Dec. 31, 2012</u>
Prepaid Taxes	<u>\$84,955</u>	<u>\$130,993</u>
Cash Liability for Taxes Collected in Advance	<u>\$84,955</u>	<u>\$130,993</u>

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(CONTINUED)

NOTE 15. LITIGATION

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

NOTE 16. COMMITMENTS AND CONTINGENCIES

There are numerous tax appeal litigations pending at December 31, 2013. The Borough's tax appeal attorney is rigorously defending the Borough's interest in those appeals. Any successful appeals would be raised through future taxation.

NOTE 17. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events through July 3, 2014, the date which the financial statements were available to be issued and no other items were noted for disclosure.

SUPPLEMENTARY DATA AND SCHEDULES

BOROUGH OF RIDGEFIELD

Supplementary Data

Official in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of bond</u>	<u>Name of corporate surety</u>
Anthony Suarez	Mayor		
Russell Castelli	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)

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	December 31, <u>2013</u>	December 31, <u>2012</u>	December 31, <u>2011</u>
<u>Tax Rate</u>	2.073	2.002	1.647
<u>Apportionment of Tax Rate</u>			
Local School	1.180	1.146	0.931
County	0.266	0.239	0.208
Municipal	0.627	0.617	0.508
<u>Assessed Valuation</u>			
FY 2013	\$1,552,095,638		
FY 2012		\$1,550,641,508	
TY 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>
CY 2013	\$32,195,658	\$31,698,405	98.46%
CY 2012	31,048,740	30,231,446	96.36%
TY 2011	15,109,822	14,723,016	97.44%

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 2013	\$65,852	\$452,721	\$518,573	1.61%
FY 2012	54,172	787,157	841,329	2.71%
TY 2011	42,893	357,357	400,250	2.65%

PROPERTY ACQUIRED BY TAX TITLE LIENS LIQUIDATION

No properties have been acquired in 2013 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 2013	\$81,180
FY 2012	81,180
TY 2011	81,180

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund:		
FY 2013	\$3,490,625	\$1,000,000
FY 2012	3,026,378	880,000
TY 2011	3,376,064	900,000
FY 2011	1,593,131	875,000
FY 2010	1,391,332	875,000
Swim Pool Utility Operating Fund:		
FY 2013	\$19,353	\$
FY 2012	19,353	
TY 2011	19,353	
FY 2011	14,353	
FY 2010	14,353	

BOROUGH OF RIDGEFIELD
Schedule of Expenditures of Federal Awards
Year ended December 31, 2013

Federal grantor	Program	CFDA number	Grant period	Award Amount	Balance at Dec. 31, 2012	Cash Received	Expenditures	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2013	(MEMO) Cumulative Expenditures
Department of Environmental Protection	Emergency Management Assistance	97.042	2013	5,000 \$		5,000	5,000			5,000 *
	Emergency Management Assistance	97.042	2012	5,000	4,685				4,685	315 *
	Emergency Management Assistance	97.042	TY2011	5,000	5,000	5,000	5,000			5,000 *
	Emergency Management Assistance	97.042	2011	5,000	90				90	4,910 *
					<u>9,775</u>	<u>5,000</u>	<u>10,000</u>		<u>4,775</u>	*
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 B		17,934 *
	Capital Fund:									
	Slocum Avenue Improvements	14.219	Ord. 2153	160,000						
	ADA Borough Hall Improvements	14.219	Ord. 2153	40,000				(179) A	(179)	149,322 *
	ADA Cooperative Eng. Design Grant	14.219	Ord. 2210	55,000			5,004		(5,004)	5,004 *
	Banta Place Road Improvements	14.219	Ord. 2219	100,000		78,392	93,224		(14,832)	93,224 *
	Banta Place Road Improvements	14.219	Ord. 2219	100,000		100,000	100,000			100,000 *
	Banta Place Road Improvements	14.219	Ord. 2219	91,000				17,755	(20,015)	*
					<u>(17,934)</u>	<u>178,392</u>	<u>198,228</u>	<u>17,755</u>	<u>(20,015)</u>	*
Department of Agriculture (passed through State Department of Environmental Protection)	Green Communities Grant	10.664	2011	3,000	(3,000)	3,000				3,000 *
					<u>(3,000)</u>	<u>3,000</u>				*
Department of Homeland Security	FEMA - Hurricane Sandy	97.036	2013	125,819		65,458	125,819		(60,361)	125,819 *
						<u>65,458</u>	<u>125,819</u>		<u>(60,361)</u>	*
Total Federal Financial Assistance					<u>\$ (11,159)</u>	<u>251,850</u>	<u>334,047</u>	<u>17,755</u>	<u>(75,601)</u>	*

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

Year ended December 31, 2013

State grantor	Program	Grant number	Grant period	Award Amount	Balance Dec. 31, 2012	Cash Received	Budgetary Expenditures	Adjustment	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2013	(MEMO) Cumulative Expenditures
Department of Environmental Protection	Recycling Tonnage Grant	4900-752-178840-60	2013	16,486 \$		16,486			16,486	18,557
	Recycling Tonnage Grant	4900-752-178840-60	2012	18,557	18,557		18,557			13,320
	Recycling Tonnage Grant	4900-752-178840-60	2011	13,437	117				117	6,000
	Recycling Tonnage Grant	4900-752-178840-60	2010	12,480	6,480				6,480	14,765
	Recycling Tonnage Grant	4900-752-178840-60	2009	13,437	3,199				3,199	
					28,353	16,486	18,557		26,282	
Department of Environmental Protection	Clean Communities Program	4900-765-178900	2013	18,324		18,324	14,609		3,715	14,609
	Clean Communities Program	4900-765-178900	2012	14,116	2,070		2,010		60	14,056
	Clean Communities Program	4900-765-178900	2011	14,075	89				89	13,986
	Clean Communities Program	4900-765-178900	2010	14,970	1,828				1,828	13,142
					3,987	18,324	16,619		5,692	
Department of Law and Public Safety	Body Armor Grant	1020-718-0666-1020-001-YCJS	2013	3,811		3,811			3,811	
	Body Armor Grant	1020-718-0666-1020-001-YCJS	2012	3,039	3,039				3,039	
	Body Armor Grant	1020-718-0666-1020-001-YCJS	2011	2,801	1,270				1,270	1,531
	Body Armor Grant	1020-718-0666-1020-001-YCJS	2010	2,629	1,193				1,193	1,436
					5,502	3,811			9,313	
Department of Law and Public Safety	Drunk Driving Enforcement Fund	6400-100-078-6400	2013	4,087		4,087			4,087	
	Drunk Driving Enforcement Fund	6400-100-078-6400	2012	4,660	4,660	4,087	4,660		4,087	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	2,969				2,969	2,092
					2,969				2,969	
Administrative Offices of the Courts	Alcohol Education and Rehabilitation	4250-700-05000-063	2013	53		53			53	
		4250-700-05000-063	2012	1,403	1,403		419		984	419
		4250-700-05000-063	PY	377	4				4	373
					1,407	53	419		1,041	
County of Bergen	Municipal Alliance Grant Fund	100-082-2000-044	2013	12,345		7,624	12,320	42	(4,654)	12,320
	Municipal Alliance Grant Fund	100-082-2000-044	2012	13,856	(8,298)	8,740			442	13,414
	Municipal Alliance Grant Fund	100-082-2000-044	2010	20,712	152				152	20,560
					(8,146)	16,364	12,320	42	(4,060)	

(continued next page)

BOROUGH OF RIDGEFIELD

Schedule of Expenditures of State Awards and Other Financial Assistance

Year ended December 31, 2013

State grantor	Program	Grant number	Grant period	Award Amount	Balance Dec. 31, 2012	Cash Received	Budgetary Expenditures	Adjustment	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2013	(MEMO) Cumulative Expenditures					
General Capital Fund: New Jersey Smart Growth	Redemption Plan Overpeck Creek	100-022-8070-39-999000	Ord. 1919	60,000	(20,000) (20,000)			20,000 B 20,000		60,000					
New Jersey Department of Transportation	Elm Ave Improvements Elm Ave Improvements, Section 2	6320-480-601385-61 6320-480-601385-61	Ord. 2207 Ord. 2235	146,500 150,000	(6,030) (6,030)	92,377 92,377	140,470 154,059		(54,123) (13,589) (67,712)	146,500 13,589 13,589					
County of Bergen Open Space Trust Fund	Tennis Court at Veteran's Memorial Park Improvements to Steward Veale Pool Complex Grandstand Bleacher Replacement Project at Veteran's Field	N/A N/A N/A	Ord. 2191 Ord. 2207 Ord. 2232	28,315 49,500 55,000	(7,944) (7,944)	28,315 28,315	28,315 41,556 69,871		(49,500) (49,500)	28,315 49,500 49,500					
New Jersey Meadowlands Commission	NJDEP Stormwater Management COAH	N/A N/A	Ord. 1932 PY	25,000 11,336	(497) (1,425) (1,922)			497 497		10,685					
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					
<i>Total State Financial Assistance</i>										\$ 4,178	179,817	276,505	20,539	(71,971)	

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)

BOROUGH OF RIDGEFIELD

Schedule of Cash - Collector/Treasurer

Current Fund

Year Ended December 31, 2013

	Regular <u>Fund</u>
Balance - December 31, 2012	\$ 4,690,781
Increased by receipts:	
Revenue accounts receivable	9,397,675
Miscellaneous revenues not anticipated	248,646
Taxes receivable	32,291,533
Senior citizens and veterans deductions	52,010
Prepaid Taxes	84,955
Interfunds	1,530,292
Tax Overpayments	34,430
Due to State of NJ	14,852
Due from Library	3,586
Various Reserves	36,661
Grants Receivable	38,154
Unappropriated reserves	26,502
	<u>43,759,296</u>
	<u>48,450,077</u>
Decreased by disbursements:	
2013 budget appropriations	18,748,537
2012 appropriation reserves	672,874
Tax overpayment refunds	42,120
Local district school tax	18,375,852
County taxes	4,122,221
Interfunds	1,694,045
Various Reserves	157,986
Accounts Payable	7,429
Due to State of NJ	15,962
	<u>43,837,026</u>
Balance, December 31, 2013	<u><u>4,613,051</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Cash - Change Fund

Current Fund

Year Ended December 31, 2013

Balance - December 31, 2012	\$ <u>450</u>
Balance, December 31, 2013	\$ <u><u>450</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2013

Year	Balance, Dec. 31, 2012	2013 Levy	Added 2013 Levy	Collected 2012	Collected in 2013	Senior & Veteran's Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2013
2012	\$ 787,157		5,464		792,621				
	<u>787,157</u>		5,464		792,621				
2013		32,174,944	20,714	130,993	31,498,912	68,500	11,680	32,852	452,721
	<u>\$ 787,157</u>	<u>32,174,944</u>	<u>26,178</u>	<u>130,993</u>	<u>32,291,533</u>	<u>68,500</u>	<u>11,680</u>	<u>32,852</u>	<u>452,721</u>

Analysis of 2013 Tax Levy

Tax yield:	
General property tax	\$ 32,174,944
Added tax (R.S.54:4-63.1 et seq.)	<u>20,714</u>
	\$ 32,195,658
Tax Levy:	
Local District School Tax	\$ 18,301,601
County Tax	\$ 4,076,570
County Open Space Preservation	45,066
County Added and Omitted Taxes	<u>2,637</u>
	<u>4,124,273</u>
Local Tax for Municipal Purposes	\$ 9,744,039
Add: Additional Taxes Levied	<u>25,745</u>
Local Tax for Municipal Purposes	<u>9,769,784</u>
	\$ <u>32,195,658</u>

BOROUGH OF RIDGEFIELD

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2013

	Balance, Dec. 31, <u>2012</u>	Accrued in 2013	<u>Collected</u>	Balance, Dec. 31, <u>2013</u>
Clerk:				
Licenses:				
Alcoholic beverages	\$	32,668	32,668	
Other		45,018	45,018	
Fees and permits		212,303	212,303	
Municipal Court fines and costs	21,520	373,853	367,893	27,480
Interest and cost on taxes		98,425	98,425	
Interest on investments		892	892	
Hackensack Meadowlands Adjustment to				
Tax Sharing		1,253,189	1,253,189	
Energy Receipts Tax		5,242,420	5,242,420	
Supplemental Energy Receipts Tax		255,930	255,930	
Uniform Construction Code Fees		267,538	267,538	
Uniform Fire Safety Act		35,510	35,510	
Rental of Borough Property - Shaler Lease		250,000	250,000	
Rental of Borough Property - Shaler Lease -				
Debt Service Payments		369,200	369,200	
Sewer Charges		164,639	164,639	
Sewer Charges - Additional - Tier II User Charges		312,511	312,511	
Reserve for Payment of Debt - 2006 Bonds		2,570	2,570	
Capital Fund Balance		110,000	110,000	
Municipal Court Inspection Fees		100,000	100,000	
Hudson Transmission Partners Agreement -				
Interim Fees		164,206	164,206	
Cable TV Franchise Fee		112,763	112,763	
	<u>\$ 21,520</u>	<u>9,403,635</u>	<u>9,397,675</u>	<u>27,480</u>

BOROUGH OF RIDGEFIELD

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

Current Fund

Year Ended December 31, 2013

<u>Purpose</u>	<u>Date</u>	<u>Amount Authorized</u>	<u>Not Less Than 1/5 of Amount Authorized</u>	<u>Balance, Dec. 31, 2012</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2013</u>
Re-Assessment of Real Property	July 2011	90,000	18,000	72,000	18,000	54,000
				\$ 72,000	18,000	54,000

BOROUGH OF RIDGEFIELD

Schedule of Due from Library

Current Fund

Year Ended December 31, 2013

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

BOROUGH OF RIDGEFIELD
Schedule of Property Acquired for Taxes
Current Fund
Year Ended December 31, 2013

Balance - December 31, 2012	\$ <u>81,180</u>
Balance - December 31, 2013	\$ <u><u>81,180</u></u>

BOROUGH OF RIDGEFIELD

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

Current Fund

Year Ended December 31, 2013

Balance - December 31, 2012		\$	46,132
Increased by:			
Senior citizens' and veterans' deductions per tax billings	\$	68,750	
Senior Citizens' and Veterans' Allowed		<u>250</u>	
			<u>69,000</u>
			115,132
Decreased by:			
Deductions Disallowed	\$	500	
Cash received		<u>52,010</u>	
			<u>52,510</u>
Balance - December 31, 2013		\$	<u><u>62,622</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Local District School Taxes Payable

Current Fund

Year Ended December 31, 2013

Balance - December 31, 2012	\$	(3)
Increased by:		
2013 Levy		<u>18,301,601</u>
		18,301,598
Decreased by:		
Cash Disbursed		<u>18,375,852</u>
Balance - December 31, 2013	\$	<u><u>(74,254)</u></u>

Exhibit A-13

BOROUGH OF RIDGEFIELD
Schedule of County Taxes Payable
Current Fund
Year Ended December 31, 2013

Increased by:	
County Tax Levy	\$ 4,076,570
County Open Space Tax Levy	<u>45,066</u>
	\$ <u>4,121,636</u>
Decreased by:	
Cash Disbursed	\$ <u><u>4,121,636</u></u>

Exhibit A-14

**Schedule of Due County for Added
and Omitted Taxes**
Current Fund
Year Ended December 31, 2013

Balance - December 31, 2012	\$ 585
Increased by:	
2013 Added Levy	<u>2,637</u>
	3,222
Decreased by:	
Cash Disbursed	<u>585</u>
Balance - December 31, 2013	\$ <u><u>2,637</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2013

	Balance, Dec. 31, <u>2012</u>	Balance after <u>Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Salaries and Wages Within "CAPS":				
General Administration	\$ 116	116		116
Mayor and Council	125	125		125
Municipal Clerk's Office	1,785	1,785		1,785
Financial Administration	5,290	5,290		5,290
Collection of Taxes	1,139	1,139		1,139
Assessment of Taxes	375	375		375
Fire Prevention Bureau	228	228		228
Police	2,566	2,566		2,566
Community Service Officers	2,939	2,939		2,939
Emergency Management Services	1,980	1,980		1,980
Municipal Prosecutor	500	500		500
Streets and Roads	12,021	12,021		12,021
Garbage and Trash Removal	2,852	2,852		2,852
Recycling Program	1,720	1,720		1,720
Board of Health	20,320	20,320	2,746	17,574
Parks and Recreation	6,383	283		283
Youth Commission	73	73		73
Municipal Court	16,119	16,119		16,119
Construction Code Official	5,009	5,009		5,009
Property Maintenance	701	701		701
Total Salaries and Wages Within "CAPS"	82,241	76,141	2,746	73,395
Other Expenses Within "CAPS":				
General Administration	589	934	764	170
Rent Leveling	3,783	3,865	82	3,783
Mayor and Council	7,019	7,249	850	6,399
Municipal Clerk's Office	10,335	20,185	7,473	12,712
Financial Administration	23,178	31,428	11,978	19,450
Auditing and Accounting Services	2,500	30,000	27,500	2,500
Collection of Taxes	3,912	3,912	411	3,501
Assessment of Taxes:				
Other Expenses	28	28		28
Professional Services	86	86		86
Legal Services:				
Retainer	400			
Other Expenses	10,644	46,578	45,288	1,290
Engineering	1,657	32,560	32,469	91

BOROUGH OF RIDGEFIELD

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2013

	Balance, Dec. 31, <u>2012</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Planning Board:				
Other Expenses	4,658	4,658	123	4,535
Insurance:				
Liability	4,589	4,589		4,589
Workers Compensation	172	172		172
Employee Group Health	319,203	319,203	157,655	161,548
Fire:				
Clothing Allowance	42,350	92,350	47,816	44,534
Fire Hydrant Service	627	10,409	9,781	628
Miscellaneous	2,081	18,867	18,114	753
Fire Prevention Bureau	657	2,777	2,120	657
Police:				
Other Expenses	6,222	21,909	16,361	5,548
Purchase of Police Vehicles	627	627		627
First Aid Organization:				
Clothing Allowance	8,484	38,484	33,980	4,504
Miscellaneous	4,656	5,552	1,376	4,176
Community Service Officers	2,172	3,633	1,461	2,172
Emergency Management Services	1,244	3,878	2,266	1,612
Road Repairs and Maintenance	14,929	34,256	22,751	11,505
Maintenance of Borough Vehicles:				
Streets and Roads	7,542	4,208	2,491	1,717
Fire	14,800	16,242	7,150	9,092
Police	6,418	15,156	10,018	5,138
Ambulance	318	455	137	318
Garbage	1,974	13,657	13,594	63
Building	930	1,000	70	930
Health	144	144		144
Sanitation:				
Garbage and Trash Removal	2,504	20,587	19,477	1,110
Sanitary Landfill Disposal Costs - Contractual	85,190	135,190	45,344	89,846
Public Buildings and Grounds	2,878	20,417	19,380	1,037
Health and Welfare:				
Board of Health	465	25,502	25,172	330
Bergen County Animal Shelter	500	500		500
Environmental Commission:				
Arborist	64	5,019	4,955	64
Administration of Public Assistance:				
Other Expenses - Miscellaneous	1,000	1,000		1,000

BOROUGH OF RIDGEFIELD

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2013

	Balance, Dec. 31, <u>2012</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Parks and Recreation	3,494	6,920	6,869	51
Youth Commission	60	60		60
Celebration of Public Events	4,757	8,534	7,589	945
Municipal Court	450	4,484	3,537	947
Public Defender	1,000	1,400	400	1,000
Construction Code Official	1,045	2,045	1,000	1,045
Property Maintenance	78	78		78
Street Lighting	23,376	39,376	15,425	23,951
Electricity	30,827	55,826	20,602	35,224
Telephone	16,635	24,426	723	23,703
Water	7,968	8,468	3,353	5,115
Gasoline	5,218	17,718	16,553	1,165
Contingent	5,000	5,000		5,000
Total Other expenses Within "CAPS"	<u>701,437</u>	<u>1,171,601</u>	<u>664,458</u>	<u>507,143</u>
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security (O.A.S.I.)	7,723	7,723		7,723
Pension of Widow Volunteer Firemen	1,127	1,127		1,127
Volunteer Fireman's Pension	3,500	3,500	1,400	2,100
Volunteer Fireman's Over Age Burial Fund	5,000	5,000		5,000
Defined Contribution Retirement Program	5,286	5,286	101	5,185
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>22,636</u>	<u>22,636</u>	<u>1,501</u>	<u>21,135</u>
Total Reserves Within "CAPS"	<u>806,314</u>	<u>1,270,378</u>	<u>668,705</u>	<u>601,673</u>
Operations - Excluded from "CAPS"				
Public and Private Programs Offset by Revenues:				
Clean Communities Program	2,070	9,370	9,370	
Alcohol Education and Rehabilitation	4	4	4	
Emergency Management Assistance	4,685	4,685	4,685	
Body Armor Grant	1,270	3,940	3,940	
Bullet Proof Vest, Federal		1,460	1,460	
NJ Department of Motor Vehicle	2,969	2,969	2,969	
Municipal Alliance	400	1,921	1,921	
Municipal Alliance - Matching Funds	42	42	42	
Recycling Tonnage Grant	117	117	117	
Total Public and Private Programs Offset by Revenues	<u>11,557</u>	<u>24,508</u>	<u>24,508</u>	

BOROUGH OF RIDGEFIELD

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2013

	Balance, Dec. 31, <u>2012</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	10,975	10,975		10,975
Recycling Tax	4,974	4,974	2,022	2,952
Total Other Expenses Excluded from "CAPS"	<u>15,949</u>	<u>15,949</u>	<u>2,022</u>	<u>13,927</u>
Total Reserves Excluded from "CAPS"	<u>27,506</u>	<u>40,457</u>	<u>26,530</u>	<u>13,927</u>
Total Reserves	<u>\$ 833,820</u>	<u>1,310,835</u>	<u>695,235</u>	<u>615,600</u>
		Appropriation reserves 833,820		
		Encumbrances <u>477,015</u>		
		<u>\$ 1,310,835</u>		
		Cash Disbursements 672,874		
		Transferred to Appropriated Reserves 9,548		
		Transferred to Accounts Payable <u>12,813</u>		
			<u>\$ 695,235</u>	

Exhibit A-16

BOROUGH OF RIDGEFIELD
Schedule of Reserve for Encumbrances
Current Fund
Year Ended December 31, 2013

Balance - December 31, 2012	\$	477,015
Increased by:		
2013 encumbrances		<u>485,369</u>
		962,384
Decreased by:		
Transferred to appropriation reserves		<u>477,015</u>
Balance - December 31, 2013	\$	<u><u>485,369</u></u>

Exhibit A-17

Schedule of Tax Overpayments
Current Fund
Year Ended December 31, 2013

Balance - December 31, 2012	\$	22,287
Increased by:		
Cash Receipts		<u>34,430</u>
		56,717
Decreased by:		
Cash Disbursements		<u>42,120</u>
Balance - December 31, 2013	\$	<u><u>14,597</u></u>

Exhibit A-18

BOROUGH OF RIDGEFIELD

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2013

Balance - December 31, 2012	\$	130,993
Increased by:		
2014 prepaid taxes collected		<u>84,955</u>
		215,948
Decreased by:		
Taxes realized as revenue		<u>130,993</u>
Balance - December 31, 2013	\$	<u><u>84,955</u></u>

Exhibit A-19

Schedule of Accounts Payable

Current Fund

Year Ended December 31, 2013

Balance - December 31, 2012	\$	18,412
Increased by:		
Transferred from Appropriation Reserves		<u>12,813</u>
		31,225
Decreased by:		
Cash Disbursements		<u>7,429</u>
Balance - December 31, 2013	\$	<u><u>23,796</u></u>

BOROUGH OF RIDGEFIELD

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

Current Fund

Year Ended December 31, 2013

	<u>Marriage License Fee</u>	<u>Burial Permit Fee</u>	<u>Construction Training Fee</u>	<u>Total</u>
Balance - December 31, 2012	\$ 250	270	3,370	\$ 3,890
Increased by:				
Collections	<u>1,875</u>	<u>15</u>	<u>12,962</u>	<u>14,852</u>
	2,125	285	16,332	18,742
Decreased by:				
Payments	<u>1,600</u>	<u>15</u>	<u>14,347</u>	<u>15,962</u>
Balance - December 31, 2013	<u>\$ 525</u>	<u>270</u>	<u>1,985</u>	<u>\$ 2,780</u>

BOROUGH OF RIDGEFIELD

Schedule of Interfunds Due from/(to) Other Funds

Current Fund

Year Ended December 31, 2013

	Balance Dec. 31, <u>2012</u>	<u>Increased</u>	<u>Decreased</u>	Balance Dec. 31, <u>2013</u>
Trust Funds:				
Animal License Fund	\$	2,668		2,668
Payroll Account		1,132		1,132
Payroll Agency	2,084	4,532		6,616
Other Trust Fund	(34)	15,100	5,034	10,032
Unemployment Trust Fund		50,000	50,000	
General Capital Fund		1,840,606	1,840,606	
Swim Pool Utility Operating Fund	(7,475)	40,808	33,333	
Public Assistance Trust Fund	6	67	67	6
	<u>\$ (5,419)</u>	<u>1,954,913</u>	<u>1,929,040</u>	<u>20,454</u>
Cash Receipts	\$		1,530,292	
Cash Disbursement		1,694,045		
Statutory Excess		2,668		
Tax Lien Premiums		12,300		
Reimbursement for expenditures paid			415	
Capital Improvement Fund			100,000	
Budgeted Revenue		210,000	210,000	
Budget Appropriations		35,833	88,333	
Interest Earned		67		
		<u>\$ 1,954,913</u>	<u>1,929,040</u>	

BOROUGH OF RIDGEFIELD

Schedule of Various Reserves

Current Fund

Year Ended December 31, 2013

	Balance, Dec. 31, <u>2012</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2013</u>
Reserve for:				
Tax Appeals	\$ 269,336	36,661	157,986	148,011
Re-Assessment	4,500			4,500
Miscellaneous	<u>6</u>		<u>6</u>	
	<u>\$ 273,842</u>	<u>36,661</u>	<u>157,992</u>	<u>152,511</u>
		Cash Receipts \$ 36,661		
		Cash Disbursements	157,986	
		Miscellaneous Revenue	<u>6</u>	
		<u>\$ 36,661</u>	<u>157,992</u>	

Exhibit A-23

BOROUGH OF RIDGEFIELD

Schedule of Tax Title Liens

Current Fund

Year Ended December 31, 2013

Balance - December 31, 2012	\$	54,172
Increased by:		
Transferred from taxes receivable		<u>11,680</u>
Balance - December 31, 2013	\$	<u><u>65,852</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Grants Receivable

State and Federal Grant Fund

Year Ended December 31, 2013

<u>Purpose</u>	Balance, Dec. 31, 2012	2013 Budget Revenue <u>Realized</u>	<u>Received</u>	<u>Cancelled</u>	Balance, Dec. 31, 2013
NJ Meadowlands Grant - COAH	\$ 11,336				11,336
Municipal Alliance	8,698	9,876	13,895		4,679
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		18,557	18,557		
Clean Communities		16,259	16,259		
Body Armor		3,039	3,039		
Green Communities	3,000		3,000		
Drunk Driving Enforcement Fund		4,660	4,660		
Alcohol Education Rehabilitation		1,403	1,403		
Emergency Management		5,000	5,000		
Emergency Management		5,000	5,000		
	<u>\$ 221,034</u>	<u>63,794</u>	<u>70,813</u>	<u>(100,000)</u>	<u>114,015</u>
			Cash receipts \$ 38,154		
			Unappropriated Reserves <u>32,659</u>		
			<u>\$ 70,813</u>		

BOROUGH OF RIDGEFIELD

Schedule of Appropriated Grant Reserves

State and Federal Grant Fund

Year Ended December 31, 2013

<u>Purpose</u>	Balance, Dec. 31, <u>2012</u>	Transferred from Appropriation <u>Reserves</u>	<u>Cancelled</u>	Balance, Dec. 31, <u>2013</u>
Clean Communities Program	\$ 1,916	61		1,977
NJ Meadowlands Grant - COAH	9,911			9,911
Municipal Alliance	152	442		594
Body Armor Grant	1,193	1,270		2,463
Emergency Management Grant	90	4,685		4,775
Community Development Block Grant - ADA Borough Hall	82,066		(82,066)	
NJ Recycling Tonnage Grant	9,679	117		9,796
Alcohol Education Rehabilitation		4		4
Municipal Court DMV		2,969		2,969
US Dept. of Justice - Secure Our Schools	<u>98,000</u>			<u>98,000</u>
	<u>\$ 203,007</u>	<u>9,548</u>	<u>(82,066)</u>	<u>130,489</u>

BOROUGH OF RIDGEFIELD

Schedule of Unappropriated Grant Reserves

State and Federal Grant Fund

Year Ended December 31, 2013

<u>Purpose</u>	Balance, Dec. 31, 2012	<u>Received</u>	Appropriated in 2013 <u>Budget</u>	Balance, Dec. 31, 2013
Body Armor Grant	\$ 3,039	3,811	3,039	3,811
Emergency Management Assistance	5,000		5,000	
Drunk Driving Enforcement Fund	4,660	4,087	4,660	4,087
Recycling Tonnage Grant	18,557	16,486	18,557	16,486
Clean Communities Program		2,065		2,065
Alcohol Education and Rehab. Fund	1,403	53	1,403	53
	<u>\$ 32,659</u>	<u>26,502</u>	<u>32,659</u>	<u>26,502</u>

BOROUGH OF RIDGEFIELD

Schedule of Cash - Treasurer

Trust Funds

Year Ended December 31, 2013

	Animal License Fund	Unemployment Compensation Fund	Other Trust Funds
Balance - December 31, 2012	\$ 11,466	35,956	1,721,038
Increased by:			
Employee payroll deductions		11,790	
Interfunds		50,000	2,800
Budget Appropriation			
Dog License Fees	7,126		
State Fees	1,026		
Miscellaneous Reserves			789,521
	<u>8,152</u>	<u>61,790</u>	<u>792,321</u>
	<u>19,618</u>	<u>97,746</u>	<u>2,513,359</u>
Decreased by:			
State Fees	974		
Interfunds			34
Animal license expenditures	4,667		
Unemployment Claims payable		46,936	
Miscellaneous Reserves			793,917
	<u>5,641</u>	<u>46,936</u>	<u>793,951</u>
Balance - December 31, 2013	\$ <u><u>13,977</u></u>	<u><u>50,810</u></u>	<u><u>1,719,408</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Reserve for Expenditures

Animal License Fund

Year Ended December 31, 2013

Balance - December 31, 2012		\$	11,217
Increased by:			
Dog license fees	\$	5,758	
Cat license fees		128	
Postage/late fees		<u>1,240</u>	
			<u>7,126</u>
			18,343
Decreased by:			
Statutory Excess due to Current Fund		2,668	
Disbursements		<u>4,667</u>	
			<u>7,335</u>
Balance - December 31, 2013		\$	<u><u>11,008</u></u>

Dog License Fees Collected

TY11	4,725
2012	<u>6,283</u>
	\$ <u><u>11,008</u></u>

BOROUGH OF RIDGEFIELD

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

Animal License Trust Fund

Year Ended December 31, 2013

Balance - December 31, 2012	\$	249
Increased by:		
2013 fees collected		<u>1,026</u>
		1,275
Decreased by:		
Paid to State Treasurer		<u>974</u>
Balance - December 31, 2013	\$	<u><u>301</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Interfunds

Trust Funds

Year Ended December 31, 2013

	Balance Due from/(to) Dec. 31, <u>2012</u>	<u>Increased</u>	<u>Decreased</u>	Balance, from/(to) Dec. 31, <u>2013</u>
Animal License Fund:				
Current Fund	\$		2,668	(2,668)
Unemployment Trust Fund:				
Current Fund		50,000	50,000	
Other Trust Fund:				
Current Fund	<u>34</u>	<u>5,034</u>	<u>15,100</u>	<u>(10,032)</u>
	<u>\$ 34</u>	<u>55,034</u>	<u>67,768</u>	<u>(12,700)</u>
			Cash Receipts \$ 52,800	
		34	Cash Disbursements	
			Unallocated balance in Tax Title Lien Premiums 12,300	
			Statutory Excess 2,668	
		<u>55,000</u>	Budget Appropriations	
		<u>\$ 55,034</u>	<u>67,768</u>	

BOROUGH OF RIDGEFIELD

Schedule of Miscellaneous Reserves

Other Trust Funds

Year Ended December 31, 2013

	Balance, Dec. 31, <u>2012</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2013</u>
Reserve for:				
P.O.A.A.	\$ 6,294	2,806	50	9,050
Fire Prevention	21,527	5,300	24,024	2,803
Tax Sale Premiums	75,400	71,700	59,600	87,500
Recycling Program	99,575	45,090	90,202	54,463
Community Gardens	1,647	630		2,277
Shade Tree Commission	8,335	3,750		12,085
Recreation Fees	30,255	40,688	40,125	30,818
Public Defender	9,281	2,173	2,500	8,954
Library Donation	2,250			2,250
Anti Bullying Committee		1,763	553	1,210
Police Outside Duty	124,269	384,755	450,842	58,182
Accumulated Unused Sick Leave	153,541	2,500		156,041
Snow Removal	54,248	2,500		56,748
Youth Commission	34,465	36,667	25,502	45,630
Marriage Ceremony Fees	450	3,300	3,300	450
Road Opening Deposits		2,430	1,750	680
Miscellaneous Deposits	7,395	3,420	1,000	9,815
Escrow	131,946	161,121	106,769	186,298
COAH	899,506	23,802		923,308
Landlord Security and Maintenance	60,688	126		60,814
	<u>\$ 1,721,072</u>	<u>794,521</u>	<u>806,217</u>	<u>1,709,376</u>
		Cash Receipts 789,521		
		Cash Disbursements 793,917		
		Interfunds 5,000	12,300	
		<u>\$ 794,521</u>	<u>806,217</u>	

BOROUGH OF RIDGEFIELD
Schedule of Accounts Receivable
Unemployment Compensation Trust Fund
Year Ended December 31, 2013

Balance - December 31, 2012	\$	1,463
Increased by:		
Unemployment Insurance Payroll Deductions		<u>11,641</u>
		13,104
Decreased by:		
Cash Receipts		<u>11,790</u>
Balance - December 31, 2013	\$	<u><u>1,314</u></u>

Analysis of Balance:		
4th quarter 2013		<u>1,314</u>
	\$	<u><u>1,314</u></u>

BOROUGH OF RIDGEFIELD
Schedule of Due to State of New Jersey
Unemployment Compensation Trust Fund
Year Ended December 31, 2013

Balance - December 31, 2012	\$	4,351
Increased by:		
Quarterly Billings		<u>43,454</u>
		47,805
Decreased by:		
Disbursements		<u>46,936</u>
Balance - December 31, 2013	\$	<u><u>869</u></u>

BOROUGH OF RIDGEFIELD

**Schedule of Reserve for Unemployment
Compensation Insurance**

Unemployment Insurance Compensation Trust

Year Ended December 31, 2013

Balance - December 31, 2012		\$	33,068
Increased by:			
Unemployment Insurance Payroll Deductions	\$	11,641	
Interfunds		<u>50,000</u>	
			<u>61,641</u>
			94,709
Decreased by:			
Unemployment Insurance Claims Payable			<u>43,454</u>
Balance - December 31, 2013		\$	<u><u>51,255</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Cash - Treasurer

General Capital Fund

Year Ended December 31, 2013

Balance - December 31, 2012		\$	2,178,821
Increased by receipts:			
Interfunds	\$	1,630,606	
Grants Receivable		299,084	
Premium on Bond Anticipation Notes		38,295	
Reserve for Payment of Debt		<u>67,413</u>	
			<u>2,035,398</u>
			4,214,219
Decreased by disbursements:			
Bond Anticipation Notes Payable		38,295	
Interfunds		1,740,606	
Improvement Authorizations		<u>1,057,159</u>	
			<u>2,836,060</u>
Balance - December 31, 2013		\$	<u><u>1,378,159</u></u>

BOROUGH OF RIDGEFIELD
Schedule of General Capital Fund Cash
General Capital Fund
Year Ended December 31, 2013

Capital Improvement Fund	\$	626,428
Grant Receivable		(492,909)
Reserve for Payment of Debt		1,003,492
Reserve for Capital Projects		6,650
Reserve for Acquisition of Employee Time System		25,000
Fund Balance		26,254

Improvement description

1888	Addition to Shaler Academy	70,117
1917/1927	Various Improvements	46,452
1944/2059	Improvements to Ridgefield Library	60,772
1952	Various Road Improvements	(21,291)
2005/2012	Various Public Improvements	59,365
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	1,982
2188	Acquisition of a Compacting Garbage Truck	18,655
2191	Upgrades to Tennis Courts at Veteran's Memorial Park	2,600
2207	Various Public Improvements	(297,275)
2210	Design of ADA Compliance Requirements at Intersections Along Bergen County Roads	49,996
2219	Banta Place Improvements	97,776
2222	Sanitary Sewer Improvements at Hoty and Edgewater Avenues	(161,500)
2232	Grandstand Bleachers Replacement at Veterans Memorial Park	110,000
2235	Elm Avenue Improvements	161,411
		\$ 1,378,159

BOROUGH OF RIDGEFIELD

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

General Capital Fund

Year Ended December 31, 2013

Balance - December 31, 2012		\$	13,409,222
Decreased by:			
Budget appropriations:			
Bond Principal	\$	840,000	
NJ Environmental Infrastructure Trust Loan		<u>49,044</u>	
			<u>889,044</u>
Balance - December 31, 2013		\$	<u><u>12,520,178</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2013

Ordinance number	Improvement description	Balance, Dec. 31, 2012	2013 Authorizations	Decreased by:	Balance, Dec. 31, 2013	Analysis of Balance - December 31, 2013		
						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		24,000	476,000	476,000		
2116	Acquisition of Pumper Ladder	400,000		14,295	385,705	280,705	105,000	
2207	Various Public Improvements	477,850			477,850	297,275	180,575	
2232	Grandstand Bleachers Replacement at Veterans Memorial Park		161,500		161,500	89	161,411	
		<u>\$ 1,442,850</u>	<u>161,500</u>	<u>38,295</u>	<u>1,566,055</u>	<u>756,705</u>	<u>423,655</u>	<u>385,695</u>
			Paydown on Notes \$	<u>38,295</u>				
			\$	<u>38,295</u>				
			Improvement Authorizations - Unfunded \$					458,380
			Less: Unexpended note proceeds:					
			Ord. 2108					53,014
			Ord. 2116					19,671
								<u>\$ 385,695</u>

BOROUGH OF RIDGEFIELD

Schedule of Interfunds

General Capital Fund

Year Ended December 31, 2013

	<u>Increased</u>	<u>Decreased</u>
Current Fund	\$ 1,840,606	1,840,606
	<hr/>	<hr/>
	\$ <u>1,840,606</u>	<u>1,840,606</u>
Cash Receipts \$		1,630,606
Cash Disbursements	1,740,606	
Capital Improvement Fund	100,000	
Budgeted Revenue		<hr/> 210,000
	<hr/>	<hr/>
	\$ <u>1,840,606</u>	<u>1,840,606</u>

BOROUGH OF RIDGEFIELD

Schedule of Grants Receivable

General Capital Fund

Year Ended December 31, 2013

	<u>Grant Amount</u>	<u>Year</u>	<u>Ordinance</u>	<u>Balance Dec. 31, 2012</u>	<u>2013 Grants Authorized</u>	<u>Received</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2013</u>
<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>								
Elm Ave Improvements	146,500	2012	2207	146,500		92,377		54,123
Elm Ave Improvements, Section 2	150,000	2013	2235		150,000			150,000
<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
Grandstand Bleacher Replacement Project at Veteran's Field	55,000	2013	2232		55,000			55,000
<u>Community Development Block Grant</u>								
Various Improvements	200,000	2009	2153	16,678				16,678
Banta Place Road Improvements	100,000	2012	2219	100,000		78,392		21,608
Banta Place Road Improvements	100,000	2008	2219		100,000	100,000		
Banta Place Road Improvements	91,000	2012	2219		91,000			91,000
				<u>\$ 415,993</u>	<u>396,000</u>	<u>299,084</u>	<u>20,000</u>	<u>492,909</u>

BOROUGH OF RIDGEFIELD

Schedule of Serial Bonds

General Capital Fund

Year Ended December 31, 2013

<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, 2012</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2013</u>
			<u>Date</u>	<u>Amount</u>				
General Obligation Bonds of 2006	October 15, 2006	4,950,000	October 15, 2014	225,000	4.000% \$	3,855,000	215,000	3,640,000
			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, 2014	300,000	4.125%	6,356,000	100,000	6,256,000
			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

Year Ended December 31, 2013

Purpose	Date of issue	Original issue	Maturities of bonds outstanding		Interest rate	Balance, Dec. 31, 2012	Decreased	Balance, Dec. 31, 2013
			Date	Amount				
Refunding Bonds of 2011	December 31, 2011	2,780,000	April 1, 2014	535,000	3.000%	2,735,000	525,000	2,210,000
			April 1, 2015	545,000	3.000%			
			April 1, 2016	555,000	4.000%			
			April 1, 2017	575,000	4.000%			
						\$ 12,946,000	840,000	12,106,000

BOROUGH OF RIDGEFIELD

Schedule of New Jersey Infrastructure Trust Loan

General Capital Fund

Year Ended December 31, 2013

Purpose	Date of issue	Original issue	Maturities of bonds outstanding		Interest rate	Balance, Dec. 31, 2012	Decreased	Balance, Dec. 31, 2013	
			Date	Amount					
NJ Environmental Infrastructure Trust Loan	November 9, 2000	990,000	February 1, 2014	3,812	5%-5.25%	463,222	49,044	414,178	
			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					
							\$ 463,222	49,044	414,178

BOROUGH OF RIDGEFIELD

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2013

Ord. Number	Purpose	Date of original issue	Original issue	Date of Maturity	Interest rate	Balance, Dec. 31, 2012	Increased	Decreased	Balance, Dec. 31, 2013
2108	Synthetic Turf Willis Field	December 10, 2010	Oct. 29, 2013	Oct. 28, 2014	0.840%	\$ 500,000	476,000	500,000	476,000
2116	Acquisition of Pump Ladder	December 10, 2010	Oct. 29, 2013	Oct. 28, 2014	0.840%	295,000	280,705	295,000	280,705
						<u>\$ 795,000</u>	<u>756,705</u>	<u>795,000</u>	<u>756,705</u>
							Renewed \$ 756,705	756,705	
							Paid via Budget Appropriation 38,295	<u>795,000</u>	
							\$ <u>756,705</u>		

Exhibit C-11

BOROUGH OF RIDGEFIELD
Schedule of Capital Improvement Fund
General Capital Fund
Year Ended December 31, 2013

Balance - December 31, 2012	\$ 614,928
Increased by:	
Budget Appropriation	<u>100,000</u>
	714,928
Decreased by:	
Appropriated to Finance	
Improvement Authorizations	<u>88,500</u>
Balance - December 31, 2013	<u>\$ 626,428</u>

Exhibit C-12

Schedule of Overexpenditure of Improvement Authorization
General Capital Fund
Year Ended December 31, 2013

Balance - December 31, 2012	\$ <u>179</u>
Decreased by:	
Reallocation to Ord 2153	<u>179</u>

BOROUGH OF RIDGEFIELD
Schedule of Reserve for Payment of Debt
General Capital Fund
Year Ended December 31, 2013

Balance - December 31, 2012	\$ 1,046,079
Increased by:	
Cash Receipts:	
Ord. 2108, Willis Field Reimbursement	<u>67,413</u>
	1,113,492
Decreased by:	
Current Fund Budgeted Revenue	<u>110,000</u>
Balance - December 31, 2013	\$ <u><u>1,003,492</u></u>
	Ord. 2108 134,826
	2006 Bonds <u>868,666</u>
	<u><u>1,003,492</u></u>

Schedule of Reserve for Capital Projects
General Capital Fund
Year Ended December 31, 2013

Balance - December 31, 2012	\$ <u>6,650</u>
Balance - December 31, 2013	\$ <u><u>6,650</u></u>

BOROUGH OF RIDGEFIELD
Schedule of Reserve for CDBG Grant Receivable
General Capital Fund
Year Ended December 31, 2013

Balance - December 31, 2012	\$ <u>100,000</u>
Decreased by:	
Appropriated to Finance	
Improvement Authorizations	\$ <u>100,000</u>

Schedule of Reserve for Acquisition of Employee Time System
General Capital Fund
Year Ended December 31, 2013

Balance - December 31, 2012	\$ <u>25,000</u>
Balance - December 31, 2013	\$ <u>25,000</u>

BOROUGH OF RIDGEFIELD

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2013

Ordinance number	Improvement description	Ordinance Date	Amount	Balance, Dec. 31, 2012		Expended	Balance, Dec. 31, 2013	
				Funded	Unfunded		Funded	Unfunded
1888	Addition to Shaler Academy	9/27/2004	5,198,000	\$ 70,117			70,117	
1917/1927	Various Improvements	5/23/2005	670,600	46,452			46,452	
1944/2059	Improvements to Ridgefield Library	8/8/2005	450,000	79,906		19,134	60,772	
1952	Various Road Improvements	10/24/2005	200,000		43,709			43,709
2005/2012	Various Public Improvements	11/13/2006	1,949,000	154,327		94,962	59,365	
2108	Synthetic Turf Athletic Field, Willis Field	7/27/2009	550,000	53,014			53,014	
2116	Acquisition of Pumper Ladder	11/23/2009	810,000	19,671			19,671	
2153	Various Improvements	11/22/2010	200,000	16,499			16,499	
2187	Sidewalk Improvements/Improvements to the 9-11 Memorial Path	11/14/2011	45,000	18,326		16,344	1,982	
2188	Acquisition of a Compacting Garbage Truck	12/12/2011	225,000	18,655			18,655	
2191	Upgrades to Tennis Courts at Veteran's Memorial Park	2/13/2012	60,000	60,000		57,400	2,600	
2207	Various Public Improvements	6/25/2012	699,000	190,227	477,850	487,502		180,575
2210	Design of ADA Compliance Requirements at Intersections Along Bergen County Roads	10/22/2012	55,000	55,000		5,004	49,996	
2219	Banta Place Improvements	3/11/2013	291,000			193,224	97,776	
2222	Sanitary Sewer Improvements at Hoty and Edgewater Avenues	3/25/2013	170,000			170,000		
2232	Grandstand Bleachers Replacement at Veterans Memorial Park	9/9/2013	110,000				110,000	
2235	Elm Avenue Improvements	9/23/2013	175,000			13,589		161,411
				\$ 709,509	594,244	1,057,159	534,214	458,380

Capital Improvement Fund \$ 88,500
 Grants 496,000
 Deferred Charges Unfunded 161,500
\$ 746,000

BOROUGH OF RIDGEFIELD

Schedule of Bonds and Notes Authorized but not Issued

General Capital Fund

Year Ended December 31, 2013

<u>Ordinance number</u>	<u>Improvement description</u>	Balance, Dec. 31, <u>2012</u>	<u>Authorized</u>	Balance, Dec. 31, <u>2013</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
2222	Sanitary Sewer Impr. at Hoyt and Edgewater Avenues		161,500	161,500
		<u>\$ 647,850</u>	<u>161,500</u>	<u>809,350</u>

BOROUGH OF RIDGEFIELD

Schedule of Cash - Collector-Treasurer

Swimming Pool Utility Fund

Year Ended December 31, 2013

	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2012	\$ <u>323</u>	<u>1,136</u>
Increased by receipts:		
Membership Fees	196,860	
Miscellaneous	47,513	
Petty Cash	100	
Interfund	<u>40,808</u>	
	<u>285,281</u>	
	285,604	1,136
Decreased by disbursements:		
2013 Appropriations	266,267	
Appropriation Reserve	1,381	
Petty Cash	<u>100</u>	
	<u>267,748</u>	
Balance - December 31, 2013	\$ <u><u>17,856</u></u>	<u><u>1,136</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Analysis of Cash

Swimming Pool Utility Capital Fund

Year Ended December 31, 2013

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

Improvement authorizations:

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

BOROUGH OF RIDGEFIELD

Schedule of 2012 Reserves - Operating Fund

Swimming Pool Utility Fund

Year Ended December 31, 2013

	Balance, Dec. 31, <u>2012</u>	Balance after <u>transfers</u>	Paid or <u>charged</u>	Balance <u>lapsed</u>
Salaries and Wages	\$ 600	600		600
Other expenses	<u>1,452</u>	<u>1,452</u>	<u>1,381</u>	<u>71</u>
Total Operating	2,052	2,052	1,381	671
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	<u>123</u>	<u>123</u>		<u>123</u>
Total Deferred Charges and Statutory Expenditures	<u>123</u>	<u>123</u>		<u>123</u>
	<u>\$ 2,175</u>	<u>2,175</u>	<u>1,381</u>	<u>794</u>

BOROUGH OF RIDGEFIELD
Schedule of Interfund Receivables/(Payable)
Swimming Pool Utility - Operating Fund
Year Ended December 31, 2013

	Balance Dec. 31, <u>2012</u>	<u>Increased</u>	<u>Decreased</u>	Balance Dec. 31, <u>2013</u>
Swim Pool Utility Capital Fund	\$ 13,630			13,630
Current Fund	<u>7,475</u>	<u>33,333</u>	<u>40,808</u>	
	<u>\$ 21,105</u>	<u>33,333</u>	<u>40,808</u>	<u>13,630</u>

Exhibit D-9

BOROUGH OF RIDGEFIELD

Schedule of Interfund Receivables/(Payable)

Swimming Pool Utility - Capital Fund

Year Ended December 31, 2013

	Balance Dec. 31, <u>2012</u>	Balance Dec. 31, <u>2013</u>
Swim Pool Utility Operating Fund \$	<u>(13,630)</u>	<u>(13,630)</u>
	<u>\$ (13,630)</u>	<u>(13,630)</u>

Exhibit D-10

BOROUGH OF RIDGEFIELD

Schedule of Fixed Capital

Swimming Pool Utility Capital Fund

Year Ended December 31, 2013

Balance - December 31, 2012	\$ <u>1,820,236</u>
Balance - December 31, 2013	\$ <u><u>1,820,236</u></u>
<u>Analysis of Balance</u>	
Swim Pool Improvements	\$ <u><u>1,820,236</u></u>

Exhibit D-11

**Schedule of Fixed Capital Authorized
and Uncompleted**

Swimming Pool Utility Capital Fund

Year Ended December 31, 2013

Balance - December 31, 2012	\$ <u>1,342</u>
Balance - December 31, 2013	\$ <u><u>1,342</u></u>
<u>Analysis of Balance</u>	
Ord. 1835	\$ <u>1,342</u>
	\$ <u><u>1,342</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Improvement Authorizations

Swimming Pool Utility Capital Fund

Year Ended December 31, 2013

Ordinance number	Improvement description	Date	Ordinance Amount	Balance December, 31, 2012		Balance December 31, 2013	
				Funded	Unfunded	Funded	Unfunded
1835	ADA Improvements	Sept. 8, 2003	50,000 \$	1,342		1,342	
				<u>1,342</u>		<u>1,342</u>	

Exhibit D-13

BOROUGH OF RIDGEFIELD

Schedule of Reserve for Amortization

Swimming Pool Utility Capital Fund

Year Ended December 31, 2013

Balance - December 31, 2012	\$ <u>1,783,236</u>
Balance - December 31, 2013	\$ <u><u>1,783,236</u></u>

Exhibit D-14

Schedule of Reserve for Capital Outlay

Swimming Pool Utility Capital Fund

Year Ended December 31, 2013

Balance - December 31, 2012	\$ <u>21,355</u>
Balance - December 31, 2013	\$ <u><u>21,355</u></u>

BOROUGH OF RIDGEFIELD
Schedule of Deferred Reserve for Amortization
Swimming Pool Utility Capital Fund
Year Ended December 31, 2013

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2012</u>	<u>Balance Dec. 31, 2013</u>
1835	ADA Improvements	Sept. 8, 2003	\$ 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

Year Ended December 31, 2013

<u>Ordinance number</u>	<u>Improvement description</u>	Balance Dec. 31, <u>2012</u>	Balance Dec. 31, <u>2013</u>
1771	Various Improvements	\$ <u>37,000</u>	<u>37,000</u>
		\$ <u><u>37,000</u></u>	<u><u>37,000</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Cash-Treasurer

Public Assistance Fund

Year Ended December 31, 2013

	<u>Total</u>	<u>P.A.T.F. Account #1/ Petty Cash</u>	<u>Relocation Account</u>
Balance - December 31, 2012	\$ 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			
Transfer to Current Fund	<u>67</u>	<u>37</u>	<u>30</u>
	<u>67</u>	<u>37</u>	<u>30</u>
Balance - December 31, 2013	<u>\$ 12,296</u>	<u>6,813</u>	<u>5,483</u>

BOROUGH OF RIDGEFIELD
Schedule of Due from/(to) Current Fund
Public Assistance Fund
Year Ended December 31, 2013

Balance - December 31, 2012	\$	(6)
Increased by:		
Interest Earned		<u>67</u>
		(73)
Decreased by:		
Cash Disbursements	\$	<u>67</u>
Balance - December 31, 2013	\$	<u><u>(6)</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Reserve for Public Assistance

Public Assistance Fund

Year Ended December 31, 2013

	<u>Total</u>	<u>P.A.T.F. Account #1/ Petty Cash</u>	<u>Relocation Account</u>
Balance - December 31, 2012	\$ <u>12,290</u>	<u>6,585</u>	<u>5,705</u>
Balance - December 31, 2013	\$ <u><u>12,290</u></u>	<u><u>6,585</u></u>	<u><u>5,705</u></u>

BOROUGH OF RIDGEFIELD

LETTERS ON COMPLIANCE AND ON INTERNAL CONTROL

GENERAL COMMENTS AND RECOMMENDATIONS

DECEMBER 31, 2013

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

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Borough of Ridgefield in the County of Bergen as of and for the year ended December 31, 2013 and the related notes to the financial statements, and have issued our report thereon dated July 3, 2014, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

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

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



Honorable Mayor and
Members of the Borough Council
Page 2.

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

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

Compliance and Other Matters

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

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

Purpose of this Report

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



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



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

July 3, 2014



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 items:

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

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, 2013 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 6, 2013 and was complete.

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

The following comparison is made of the number of tax title liens receivable on December 31, of the last three years:

<u>Number of Liens</u>	
Year Ended December 31, 2013	2
Year Ended December 31, 2012	2
Six Month Period Ended December 31, 2011	2

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

**BOROUGH OF RIDGEFIELD
COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2013**

Comments:

Finance:

1. *Goods and/or services are being ordered prior to being encumbrance as prescribed by Technical Directive #1.
2. There were instances in which a Form 1099 was not issued to all individuals and/or organizations that were compensated in excess of \$600 in violation of IRS regulations.
3. Expenditures paid by wire are not included on the monthly bills list submitted for approval by Mayor and Council.
4. There were instances in which the amounts reported on the Borough's fixed asset report did not agree to the amounts paid.
5. The Borough could not provide an analysis of the accounts payable balance reported on the trial balance.
6. Petty cash funds are not being approved by Mayor and Council on an annual basis.
7. There was a reimbursement of petty cash to the police department which exceeded the amount established with the NJ Department of Community Affairs.
8. A general ledger is not being utilized for the Net Payroll and Payroll Withholdings accounts as required by Technical Directive #3.

Administration:

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

Departments:

1. There are 248 tickets Assigned over 180 days on the Court's December Monthly Management Report.

Recommendations:

Finance:

1. *That all goods/services be encumbered prior to being ordered.
2. That all vendors compensated in excess of \$600 be issued a Form 1099 as required by IRS Rev. Rul. 2003-66.
3. That all disbursements be included on the bills list submitted for approval by Mayor and Council.
4. That more care be taken to ensure the valuation of fixed assets is accurate.
5. That the balance of accounts payable be reviewed and adjusted if necessary.
6. That all petty cash funds be approved annually by Mayor and Council. Approval should include department, custodian and dollar amount in accordance with N.J.S.A. 40A:5-21.
7. That reimbursements to petty cash not exceed the amount reported with the NJ Department of Community Affairs.
8. That a general ledger be utilized for all funds.

Administration:

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

Departments:

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

BOROUGH OF RIDGEFIELD

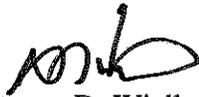
STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS

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,



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Registered Municipal Accountant
No. CR00413



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July 3, 2014