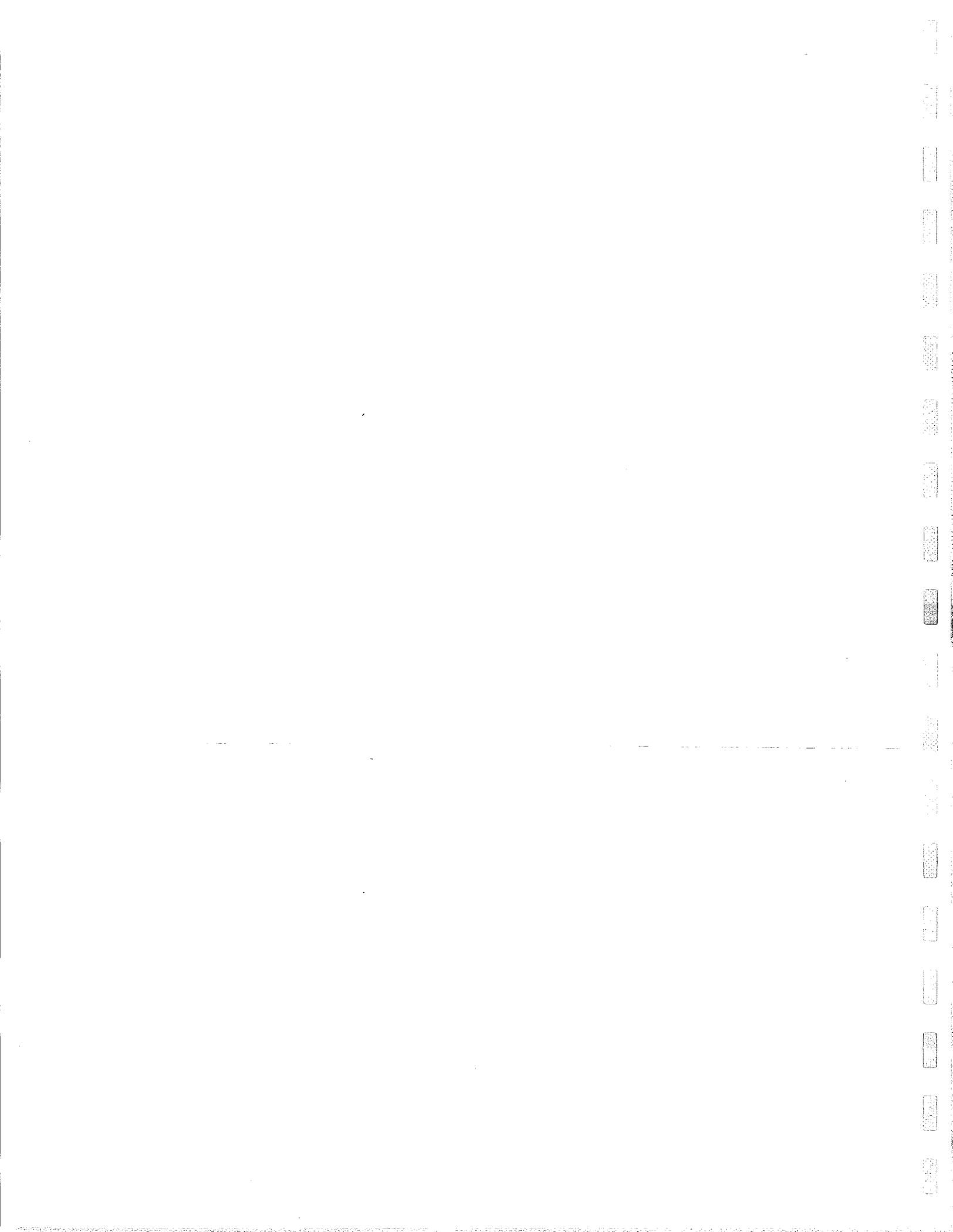


BOROUGH OF RIDGEFIELD
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007



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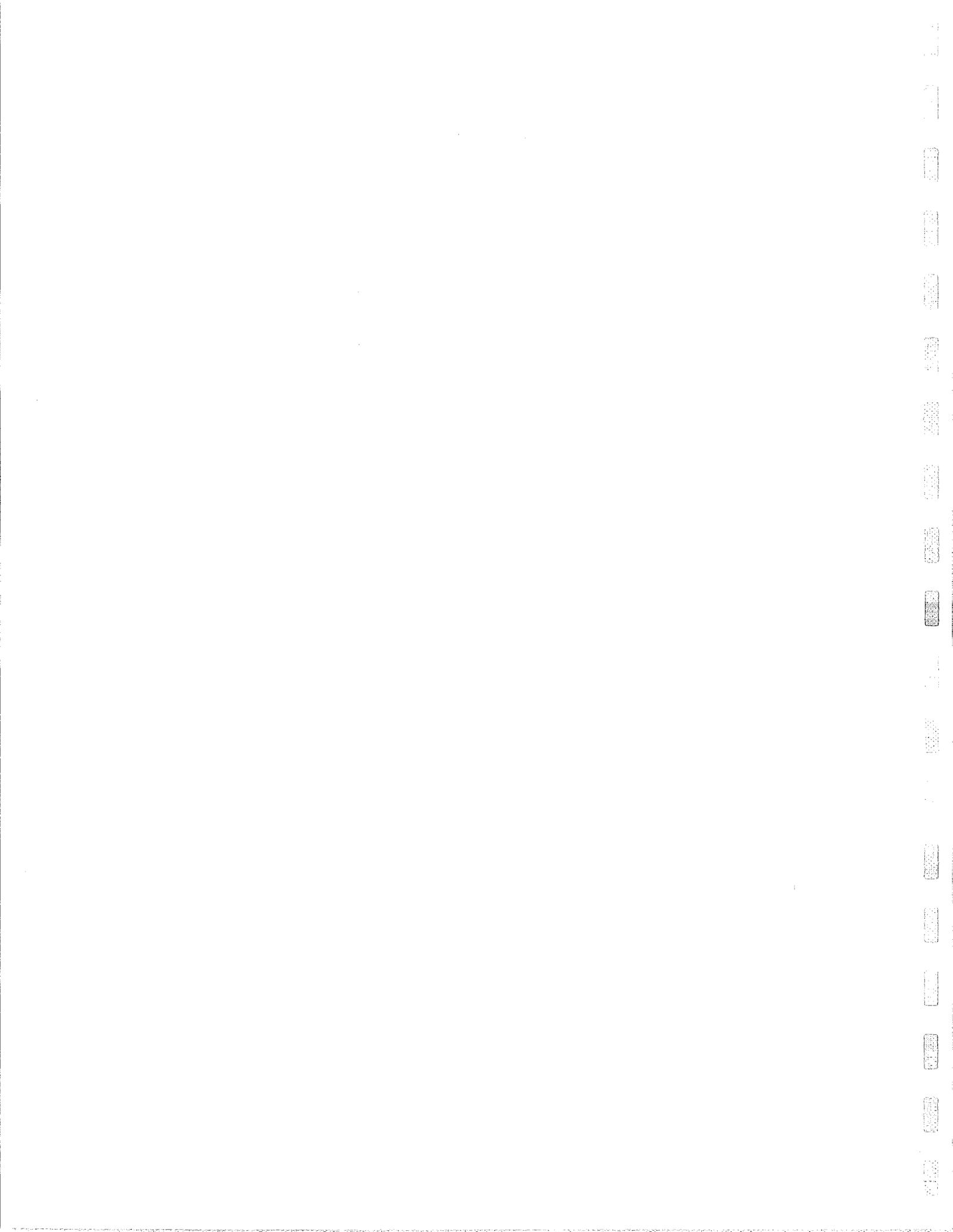
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**BOROUGH OF RIDGEFIELD
BERGEN COUNTY, NEW JERSEY**

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

FOR THE FISCAL YEAR ENDED JUNE 30, 2007



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INDEPENDENT AUDITORS' REPORT

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

We have audited the financial statements - statutory basis of the Borough of Ridgefield, as of and for the fiscal year ended June 30, 2007 as listed in the table of contents. These financial statements are the responsibility of the Borough of Ridgefield's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Borough of Ridgefield as of and for the fiscal year ended June 30, 2006, were audited by other auditors whose report dated December 12, 2006 expressed an unqualified opinion on those financial statements prepared using statutory accounting practices which differ from accounting principles generally accepted in the United States of America.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Ridgefield's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Borough has prepared these financial statements using accounting practices that demonstrate compliance with the statutory basis of accounting and budget laws prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these statutory accounting practices and the accounting principles generally accepted in the United States of America, although not reasonable determinable, are presumed to be material.

In our opinion, because of the effects of the Borough preparing its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Ridgefield, as of June 30, 2007, the changes in its financial position, or, where applicable, its cash flows for the fiscal year then ended. Further, the Borough has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

INDEPENDENT AUDITORS' REPORT (Continued)

Also, in our opinion, the financial statements - statutory basis referred to above present fairly, in all material respects, the financial position - statutory basis of the various funds and account group of the Borough of Ridgefield, as of June 30, 2007 and the results of its operations - and changes in fund balance - statutory basis of such funds for the year ended and the statement of revenues - statutory basis and the statement of expenditures - statutory basis of the various funds for the fiscal year then ended on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated February 1, 2008 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Ridgefield. The supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Ridgefield. Additionally, the accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid" and are also not a required part of the financial statements of the Borough of Ridgefield. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole on the basis of accounting described in Note 1.

LERCH, VINCI & HIGGINS, LLP

LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants



Jeffrey C. Bliss
Registered Municipal Accountant
RMA Number CR00429

Fair Lawn, New Jersey
February 1, 2008

BOROUGH OF RIDGEFIELD
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
CURRENT FUND
AS OF JUNE 30, 2007 AND 2006

ASSETS	<u>Reference</u>	<u>2007</u>	<u>2006</u>
Cash	A-4	\$ 2,360,733	\$ 1,672,306
Cash - Change Funds	A-5	400	400
Due from State of New Jersey for Senior Citizens' and Veterans' Deductions	A-6	<u>111,272</u>	<u>112,591</u>
		<u>2,472,405</u>	<u>1,785,297</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes	A-7	305,217	251,084
Tax Title Liens	A-8	55,179	47,822
Property Acquired for Taxes (at Assessed Valuation)	A-9	81,180	81,180
Revenue Accounts Receivable	A-10	51,321	34,964
Due from Animal Control Trust Fund	B-5	5,772	5,052
Due from Other Trust Fund	B-7		3,978
Due from General Capital Fund	C-6		387,825
Due from Swim Pool Utility Operating Fund	D-12	39,891	8,860
Due from Public Assistance Fund	E-5	<u>2,171</u>	<u>1,124</u>
		<u>540,731</u>	<u>821,889</u>
Deferred Charges			
Overexpenditure of Appropriations	A-11	46,831	5,129
Overexpenditure of Appropriation Reserves	A-11	47,901	
Special Emergency Authorizations	A-12	<u>92,000</u>	<u>138,000</u>
		<u>186,732</u>	<u>143,129</u>
Total Assets		<u>\$ 3,199,868</u>	<u>\$ 2,750,315</u>

BOROUGH OF RIDGEFIELD
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
CURRENT FUND
AS OF JUNE 30, 2007 AND 2006

	<u>Reference</u>	<u>2007</u>	<u>2006</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Appropriation Reserves	A-3,A-13	\$ 524,427	\$ 718,530
Encumbrances Payable	A-14	652,060	164,207
Accounts Payable	A-15	484	
Tax Overpayments	A-16	74,872	48,106
Due to State of New Jersey-Fees Payable	A-23	1,950	1,788
Special Emergency Note	A-24	92,000	138,000
Reserve for:			
Tax Appeals	A-19	125,000	
Sale of Property	A-20		478,364
Revaluation of Real Property	A-20	19,953	19,953
911 Center Donations	A-20	300	300
Sale of Assets	A-20	15,000	
Appropriated Reserve for Grants	A-21	156,156	162,173
Unappropriated Reserve for Grants	A-22	43,866	37,068
Due to General Capital Fund	C-6	176,549	
Due to Other Trust Fund (Other Trust)	B-7	70,693	
Due to Other Trust Fund (Payroll)	B-6	<u>3,835</u>	<u>6,544</u>
		1,957,145	1,775,033
Reserve for Receivables and Other Assets	A	540,731	821,889
Fund Balance	A-1	<u>701,992</u>	<u>153,393</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 3,199,868</u>	<u>\$ 2,750,315</u>

BOROUGH OF RIDGEFIELD
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
STATUTORY BASIS - CURRENT FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2007 AND 2006

	<u>Reference</u>	<u>2007</u>	<u>2006</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 39,600	\$ 900,000
Miscellaneous Revenue Anticipated	A-2	10,559,628	9,609,584
Receipts from Delinquent Taxes	A-2	253,227	334,598
Receipts from Current Taxes	A-2	22,552,985	20,735,127
Non-Budget Revenue	A-2	66,941	250,644
Other Credits to Income			
Statutory Excess from Animal Control Trust	A-1		4,711
Cancelled Tax Overpayments	A-1		262,828
Interfunds Returned	A-1		30,035
Unexpended Balances of Appropriation Reserves	A-13	294,921	205,885
		<u>33,767,302</u>	<u>32,333,412</u>
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	6,031,821	6,312,399
Other Expenses	A-3	9,046,892	8,716,371
Deferred Charges and Statutory Expenditures	A-3	404,153	405,809
Capital Improvements	A-3	50,000	50,000
Municipal Debt Service	A-3	1,560,258	1,345,951
Refund of Prior Year's Revenue	A-4	17,813	49,762
County Taxes Payable	A-17	3,254,092	3,238,424
Local District School Taxes Payable	A-18	12,826,957	11,802,059
Overexpenditures of Appropriation Reserves	A-13	47,901	
Interfunds Advance Originating	A	28,819	406,839
		<u>33,268,706</u>	<u>32,327,614</u>
Excess in Revenue		498,596	5,798
Adjustments to Income Before Fund Balance			
Expenditures Included as Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-11	89,603	5,129
Statutory Excess to Fund Balance		588,199	10,927
Fund Balance, Beginning of Year	A-1	153,393	1,042,466
		741,592	1,053,393
Decreased by			
Utilization as Anticipated Revenue	A-1	39,600	900,000
Fund Balance, End of Year	A	<u>\$ 701,992</u>	<u>\$ 153,393</u>

The Accompanying Notes are an Integral Part of These Financial Statements

BOROUGH OF RIDGEFIELD
STATEMENT OF REVENUES - STATUTORY BASIS
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Reference</u>	<u>Budget</u>	<u>Added by N.J.S.A. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
FUND BALANCE ANTICIPATED	A-1	\$ 39,600	-	\$ 39,600	-
MISCELLANEOUS REVENUES					
Licenses					
Alcoholic Beverages	A-10	10,873		14,073	\$ 3,200
Other	A-2	36,899		31,956	(4,943)
Fees and Permits	A-2	143,000		161,140	18,140
Fines and Costs					
Municipal Court	A-10	372,100		463,271	91,171
Interest and Costs on Taxes	A-10	62,500		63,235	735
Interest on Investments and Deposits	A-2	150,000		229,233	79,233
Hackensack Meadowlands Adjustment to					
Tax Sharing (NJS 13:17-60 et seq.)	A-10	1,025,149		1,079,686	54,537
Energy Receipts Tax	A-10	5,669,191		5,669,191	
Supplemental Energy Receipts Tax	A-10	255,930		255,930	
Legislative Initiative Municipal Block					
Grant	A-10	43,739		43,739	
Extraordinary Aid	A-10	200,000		200,000	
Municipal Homeland Security Assistance Aid	A-10	70,000		70,000	
Uniform Construction Code Fees	A-10	260,000		211,173	(48,827)
Uniform Fire Safety Act	A-10	40,500		31,912	(8,588)
Rental of Borough Property - Shaler Lease	A-10	250,000			(250,000)
Sewer Charges	A-10	80,000		95,531	15,531
Sewer Charges - Additional - Tier II User Charge	A-10	142,000		253,414	111,414
Sale of Borough Property	A-20	478,364		478,364	
Due from Board of Education-Interest on Notes	A-10	198,000		198,000	
Capital Fund Balance	C-1	550,000		550,000	
Due from General Capital Fund	C-6	387,825		387,825	
Cable TV Franchise Fee	A-10	35,400		27,030	(8,370)
Recycling Tonnage Grant	A-22	5,453		5,453	
Drunk Driving Enforcement Fund	A-22	5,414		5,414	
Clean Communities Program	A-22	9,887		9,887	
Municipal Alliance on Alcoholism and Drug Abuse	A-22	11,500		11,500	
Body Armor Replacement	A-22	2,447		2,447	
Municipal Recycling Assistance Program	A-22	5,224		5,224	
Emergency Management Assistance Program	A-22	5,000	-	5,000	-
Total Miscellaneous Revenues	A-1	10,506,395	-	10,559,628	53,233

BOROUGH OF RIDGEFIELD
STATEMENT OF REVENUES - STATUTORY BASIS
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Reference</u>	<u>Budget</u>	<u>Added by N.J.S.A. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
RECEIPTS FROM DELINQUENT TAXES	A-1,A-7	\$ 250,000	-	\$ 253,227	\$ 3,227
LOCAL TAX FOR MUNICIPAL PURPOSES	A-2	6,870,886	-	6,826,936	(43,950)
Total General Revenues	A-3	<u>\$ 17,666,881</u>	<u>\$ -</u>	17,679,391	<u>\$ 12,510</u>
Non-Budget Revenue	A-2,A-1			<u>66,941</u>	
				<u>\$ 17,746,332</u>	

BOROUGH OF RIDGEFIELD
STATEMENT OF REVENUES - STATUTORY BASIS
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

ANALYSIS OF REALIZED REVENUES	<u>Reference</u>	
Allocation of Current Tax Collection		
Revenue from Collections	A-1,A-7	\$ 22,677,985
Less: Transfer to Reserve for Tax Appeals	A-19	<u>125,000</u>
Revenue Realized		22,552,985
Less: Allocated to School and County Taxes	A-17,A18	<u>16,081,049</u>
Balance for Support of Municipal Budget Appropriations		6,471,936
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>355,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 6,826,936</u>
Licenses- Other		
Borough Clerk	A-10	\$ 1,495
Board of Health	A-10	<u>30,461</u>
	A-2	<u>\$ 31,956</u>
Fees and Permits - Other		
Borough Clerk	A-10	\$ 1,803
Department of Public Works	A-10	1,710
Tax Collector	A-10	795
Fire Prevention	A-10	46,144
Recreation	A-10	58,064
Police Department	A-10	20,737
Planning Board	A-10	4,065
Board of Adjustment	A-10	5,320
Board of Health	A-10	<u>22,502</u>
	A-2	<u>\$ 161,140</u>
Interest on Investments and Deposits		
Due from General Capital Fund	C-6	\$ 56,109
Due from Public Assistance Fund	E-5	2,938
Due from Other Trust Fund - Other Trust	B-7	6,731
Due from Other Trust Fund - Payroll	B-6	2,709
Due from Animal Control Fund	B-5	720
Cash Receipts	A-10	<u>160,026</u>
	A-2	<u>\$ 229,233</u>

The Accompanying Notes are an Integral Part of These Financial Statements

BOROUGH OF RIDGEFIELD
STATEMENT OF REVENUES - STATUTORY BASIS
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Reference

ANALYSIS OF NON-BUDGET REVENUES

Sale of Recyclables		\$	2,161
DMV Inspection			9,450
Accrued Interest on Bonds			2,200
Administrative Fee - Seniors and Veterans			2,236
Petty Cash Refund			372
Miscellaneous			17,884
Recreation - Pistol Range			400
State of NJ Hotel Fee			31,228
BCUA Sewer Connection			<u>1,010</u>
	A-1,A-2	\$	<u>66,941</u>
Cash Receipts	A-4	\$	64,741
Due from General Capital Fund	C-6		<u>2,200</u>
	A-2	\$	<u>66,941</u>

BOROUGH OF RIDGEFIELD
STATEMENT OF EXPENDITURES - STATUTORY BASIS
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>	<u>Over- Expenditure</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>		
OPERATIONS - WITHIN "CAPS"						
GENERAL GOVERNMENT						
General Administration (Administrative Executive)						
Other Expenses	\$ 37,000	\$ 33,000	\$ 23,839	\$ 9,161		
Rent Leveling						
Salaries and Wages	5,000	5,000	4,972	28		
Other Expenses	8,550	6,550	1,124	5,426		
Mayor & Council						
Salaries and Wages	48,250	48,250	44,496	3,754		
Other Expenses	21,000	21,000	12,968	8,032		
Municipal Clerk						
Salaries and Wages	94,500	97,100	97,288			\$ 188
Other Expenses	40,650	32,650	18,696	13,954		
Financial Administration						
Salaries and Wages	179,707	179,707	179,629	78		
Other Expenses						
Annual Audit	42,000	46,000	37,279	8,721		
Miscellaneous Other Expenses	31,050	43,550	43,142	408		
Collection of Taxes,						
Salaries and Wages	69,235	69,235	67,318	1,917		
Other Expenses	19,000	19,000	17,586	1,414		
Assessment of Taxes						
Salaries and Wages	13,837	13,837	13,709	128		
Other Expenses	2,750	3,350	2,785	565		
Professional Services	9,200	34,200	19,701	14,499		
Legal Services and Costs						
Salaries and Wages	49,500	49,500	47,437	2,063		
Other Expenses	97,000	126,200	153,287			27,087
Engineering Services						
Other Expenses	150,000	150,000	127,294	22,706		
Municipal Land Use Law (NJSA 40:55D-1)						
Planning Board						
Salaries and Wages	6,000	6,000	5,132	868		
Other Expenses	11,000	11,000	7,389	3,611		
Professional Services	500	500	135	365		

The Accompanying Notes are an Integral Part of These Financial Statements

BOROUGH OF RIDGEFIELD
STATEMENT OF EXPENDITURES - STATUTORY BASIS
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

OPERATIONS - WITHIN "CAPS" GENERAL GOVERNMENT (Continued)	Appropriated		Expended		Unexpended Balance Cancelled	Over- Expenditure
	Budget	Budget After Modification	Paid or Charged	Reserved		
Board of Adjustment						
Salaries and Wages	\$ 7,000	\$ 7,000	\$ 5,000	\$ 2,000		
Other Expenses	12,100	4,100	3,665	435		
Insurance						
Unemployment Insurance	30,000	30,000		30,000		
Liability	520,000	309,000	299,484	9,516		
Workers Compensation	337,000	333,000	333,000			
Employees Group Health	2,088,000	2,003,000	1,994,583	8,417		
PUBLIC SAFETY						
Fire						
Other Expenses						
Clothing Allowance	170,000	185,500	185,332	168		
Fire Hydrant Service	81,400	81,600	74,749	6,851		
Miscellaneous	161,950	141,950	136,373	5,577		
Fire Prevention Bureau						
Salaries and Wages	66,000	66,000	62,948	3,052		
Other Expenses	30,300	30,300	24,698	5,602		
Police						
Salaries and Wages	2,841,464	3,121,464	3,124,658			\$ 3,194
Other Expenses	153,645	123,645	104,772	18,873		
Purchase of Police Vehicle	90,000	86,200	86,693			493
Police Dispatching/911						
Salaries and Wages	65,000	67,500	67,332	168		
911 Service Agreement - Contractual	250,000	250,000	250,000			
First Aid Organization						
Other Expenses						
Clothing Allowance	65,000	75,700	75,645	55		
Miscellaneous	53,000	42,300	28,931	13,369		
Community Service Center						
Salaries and Wages	119,740	119,740	116,646	3,094		
Other Expenses	12,900	14,900	12,577	2,323		
Emergency Management Services						
Salaries and Wages	28,330	29,130	29,275			145
Other Expenses	12,210	11,410	5,435	5,975		
Municipal Prosecutor						
Salaries and Wages	30,000	27,500	25,104	2,396		

The Accompanying Notes are an Integral Part of These Financial Statements

BOROUGH OF RIDGEFIELD
STATEMENT OF EXPENDITURES - STATUTORY BASIS
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balance Cancelled	Over- Expenditure
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>		
OPERATIONS - WITHIN "CAPS"						
STREETS AND ROADS						
Road Repairs and Maintenance						
Salaries and Wages	\$ 1,097,363	\$ 1,232,363	\$ 1,220,962	\$ 11,401		
Other Expenses	152,400	167,400	132,455	34,945		
Maintenance of Borough Vehicles						
Other Expenses						
Streets and Roads	55,000	55,000	57,406			\$ 2,406
Fire	40,000	54,000	38,192	15,808		
Police	48,000	43,000	37,560	5,440		
Ambulance	12,000	8,000	4,066	3,934		
Garbage	25,000	35,200	30,343	4,857		
Building	2,000	1,000	41	959		
Health	500	300		300		
Sanitation						
Garbage and Trash Removal						
Salaries and Wages	200,425	191,425	179,439	11,986		
Other Expenses	73,550	73,550	66,479	7,071		
Sanitary Landfill Disposal Costs - Contractual	400,000	366,400	366,400			
Recycling Program						
Salaries and Wages	9,315	9,315	6,435	2,880		
Public Buildings and Grounds						
Other Expenses						
Maintenance and Repair	168,000	168,000	149,829	18,171		
Lease	24,500					
HEALTH AND WELFARE						
Board of Health						
Salaries and Wages	107,200	119,200	118,439	761		
Other Expenses	77,166	57,166	47,512	9,654		
Bergen County Animal Shelter	17,500	17,500	15,488	2,012		
Environmental Commission						
Other Expenses - Miscellaneous	2,200	2,200	1,035	1,165		
Administration of Public Assistance						
Salaries and Wages	20,270	20,270	19,659	611		
Other Expenses	1,500	1,500	330	1,170		
Miscellaneous - Contribution to Public Assistance Trust	5,500	5,500	5,500			
Relocation Officer						
Salaries and Wages	2,000	2,000	2,000			

The Accompanying Notes are an Integral Part of These Financial Statements

BOROUGH OF RIDGEFIELD
STATEMENT OF EXPENDITURES - STATUTORY BASIS
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>	<u>Over- Expenditure</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>		
OPERATIONS - WITHIN "CAPS"						
PARK AND RECREATION FUNCTIONS						
Recreation and Education						
Parks and Recreation						
Salaries and Wages	\$ 152,490	\$ 152,490	\$ 129,295	\$ 23,195		
Other Expenses	122,900	122,900	105,816	17,084		
Youth Commission						
Salaries and Wages	11,000	11,000	9,710	1,290		
Other Expenses	1,250	1,250		1,250		
Celebration of Public Events						
Other Expenses	26,000	26,000	22,616	3,384		
UNIFORM CONSTRUCTION CODE						
APPROPRIATIONS OFFSET BY DEDICATED REVENUES						
(N.J.A.C. 5:23-4-17)						
CODE ENFORCEMENT AND ADMINISTRATION						
Uniform Construction Code Enforcement Functions						
Construction Code Official						
Salaries and Wages	179,950	169,950	158,196	11,754		
Other Expenses	25,350	22,350	14,102	8,248		
Property Maintenance						
Other Expenses	7,000	4,000		4,000		
MUNICIPAL COURT FUNCTIONS						
Municipal Court						
Salaries and Wages	170,000	188,100	188,318			\$ 218
Other Expenses	32,565	29,565	30,228			663
Public Defender						
Other Expenses	8,000	8,000	7,200	800		
UNCLASSIFIED						
Street Lighting	150,000	169,100	169,100			
Electric and Gas	220,000	248,300	248,300			
Telephone	145,000	115,000	86,828	28,172		
Water	13,000	12,000	8,294	3,706		
Gasoline	135,000	139,800	145,055			5,255
Salary and Wage Adjustment	140,000	25,000	-	25,000	-	-
Total Operations Within "CAPS"	12,241,662	12,231,662	11,794,734	476,577	-	39,649
Contingent	5,000	5,000	-	5,000	-	-
Total Operations Including Contingent Within "CAPS"	12,246,662	12,236,662	11,794,734	481,577	-	39,649
Detail:						
Salaries and Wages	5,713,576	6,028,076	5,923,397	108,424	-	3,745
Other Expenses (Including Contingent)	6,533,086	6,208,586	5,871,337	373,153	-	35,904

The Accompanying Notes are an Integral Part of These Financial Statements

BOROUGH OF RIDGEFIELD
STATEMENT OF EXPENDITURES - STATUTORY BASIS
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>	<u>Over- Expenditure</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>		
OPERATIONS - WITHIN "CAPS" (Continued)						
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"						
DEFERRED CHARGES						
STATUTORY EXPENDITURES						
Contribution to:						
Social Security System (O.A.S.I.)	\$ 312,000	\$ 322,000	\$ 323,653			\$ 1,653
Pension of Widow Volunteer Firemen	19,500	19,500	9,926	\$ 9,574		
Volunteer Fireman's Pension	5,000	5,000		5,000		
Volunteer Fireman's Over Age Burial Fund	10,000	10,000	-	10,000		
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>346,500</u>	<u>356,500</u>	<u>333,579</u>	<u>24,574</u>	<u>-</u>	<u>1,653</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>12,593,162</u>	<u>12,593,162</u>	<u>12,128,313</u>	<u>506,151</u>	<u>-</u>	<u>41,302</u>
OPERATIONS - EXCLUDED FROM "CAPS"						
Bergen County Utilities Authority						
Sewerage Processing and Disposal - BCUA	1,900,000	1,900,000	1,643,781		\$ 256,219	
Maintenance of Free Public Library						
Contribution to Library	593,142	593,142	593,542			400
Public Employees Retirement System	103,720	103,720	103,720			
Police and Firemen's Retirement System	413,559	413,559	413,559			
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES						
Clean Communities Program	9,887	9,887	8,750	1,137		
Emergency Management Assistance	5,000	5,000		5,000		
Body Armor	2,447	2,447	2,116	331		
Municipal Recycling Assistance Program	5,224	5,224	5,224			
Drunk Driving Enforcement Fund	5,414	5,414	1,449	3,965		
Municipal Alliance						
Other Expenses	11,500	11,500	11,500			
Matching Funds	2,875	2,875	485	2,390		
Recycling Tonnage Grant						
Other Expenses	5,453	5,453	-	5,453		
Total Operations - Excluded from "CAPS"	<u>3,058,221</u>	<u>3,058,221</u>	<u>2,784,126</u>	<u>18,276</u>	<u>256,219</u>	<u>400</u>
Detail:						
Other Expenses	<u>3,058,221</u>	<u>3,058,221</u>	<u>2,784,126</u>	<u>18,276</u>	<u>256,219</u>	<u>400</u>

The Accompanying Notes are an Integral Part of These Financial Statements

BOROUGH OF RIDGEFIELD
STATEMENT OF EXPENDITURES - STATUTORY BASIS
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balance Cancelled	Over- Expenditure
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>		
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	\$ 50,000	\$ 50,000	\$ 50,000	-	-	-
Total Capital Improvement Excluded from "CAPS"	50,000	50,000	50,000	-	-	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Payment of Bond Principal	820,000	820,000	820,000			
Principal on Bond Anticipation Notes	82,170	82,170	82,170			
Interest on Bonds	258,409	258,409	258,409			
Interest on Notes	337,374	337,374	337,359		\$ 15	
Green Trust Loan Program						
Infrastructure Trust Loan	66,545	66,545	62,320	-	4,225	-
Total Municipal Debt Service Excluded from "CAPS"	1,564,498	1,564,498	1,560,258	-	4,240	-
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"						
Special Emergency Authorizations-5 years	46,000	46,000	46,000	-	-	-
Total Deferred Charges - Municipal Excluded from "CAPS"	46,000	46,000	46,000	-	-	-
Judgements	-	-	-	-	-	-
Total General Appropriations Excluded from "CAPS"	4,718,719	4,718,719	4,440,384	\$ 18,276	260,459	\$ 400
Total General Appropriations	17,311,881	17,311,881	16,568,697	524,427	260,459	41,702
Reserve for Uncollected Taxes	355,000	355,000	355,000	-	-	-
Total General Appropriations	\$17,666,881	\$17,666,881	\$16,923,697	\$ 524,427	\$ 260,459	\$ 41,702
	<u>Reference</u>	A-2	A-1	A-1		A-11

BOROUGH OF RIDGEFIELD
STATEMENT OF EXPENDITURES - STATUTORY BASIS
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Reference</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Budget as Adopted	A-3	\$17,666,881	
Added by N.J.S.A. 40A:4-87	A-2	-	
	A-3	<u>\$17,666,881</u>	
Cash Disbursed	A-4		\$ 15,738,467
Encumbrances Payable	A-14		652,060
Due to General Capital Fund	C-6		132,170
Deferred Charges			
Special Emergency	A-12		46,000
Reserve for Uncollected Taxes	A-2		<u>355,000</u>
	A-3		<u>\$ 16,923,697</u>

BOROUGH OF RIDGEFIELD
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
TRUST FUNDS
AS OF JUNE 30, 2007 AND 2006

	<u>Reference</u>	<u>2007</u>	<u>2006</u>
ASSETS			
ANIMAL CONTROL FUND			
Cash	B-1	\$ 16,480	\$ 12,827
OTHER TRUST FUND			
Cash	B-1	1,243,059	905,948
Due from Current Fund - (Payroll)	B-6	3,835	6,544
Due from Current Fund - (Other Trust)	B-7	<u>70,693</u>	<u>-</u>
		<u>1,317,587</u>	<u>912,492</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Cash	B-1	<u>6,708</u>	<u>21,145</u>
Total Assets		<u>\$ 1,340,775</u>	<u>\$ 946,464</u>

BOROUGH OF RIDGEFIELD
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
TRUST FUNDS
AS OF JUNE 30, 2007 AND 2006

	<u>Reference</u>	<u>2007</u>	<u>2006</u>
LIABILITIES AND RESERVES			
ANIMAL CONTROL FUND			
Prepaid Licenses	B-4	\$ 974	\$ 1,852
Due to Current Fund	B-5	5,772	5,052
Due to State of New Jersey	B-3	195	556
Reserve for Animal Control Expenditures	B-2	<u>9,539</u>	<u>5,367</u>
		<u>16,480</u>	<u>12,827</u>
OTHER TRUST FUND			
Due to Current Fund	B-7		3,978
Escrow Deposits	B-8	235,626	157,063
Payroll and Payroll Deduction Payable (Deficit)	B-10	(1,762)	115
Miscellaneous Reserves	B-9	<u>1,083,723</u>	<u>751,336</u>
		<u>1,317,587</u>	<u>908,514</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Due to State of New Jersey	B-9	6,708	
Reserve for Unemployment Compensation Insurance	B-11	<u>-</u>	<u>21,145</u>
		<u>6,708</u>	<u>21,145</u>
Total Liabilities and Reserves		<u>\$ 1,340,775</u>	<u>\$ 942,486</u>

BOROUGH OF RIDGEFIELD
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
GENERAL CAPITAL FUND
AS OF JUNE 30, 2007 AND 2006

	<u>Reference</u>	<u>2007</u>	<u>2006</u>
ASSETS			
Cash	C-2, C-3	\$ 811,535	\$ 8,872
Grants Receivable	C-4	1,494,609	1,588,697
Other Receivables	C-5	78,461	
Due From Current Fund	C-6	176,549	
Deferred Charges to Future Taxation			
Funded	C-7	11,305,786	7,221,393
Unfunded	C-8	<u>6,456,900</u>	<u>9,827,520</u>
Total Assets		<u>\$20,323,840</u>	<u>\$ 18,646,482</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-15	\$10,555,000	\$ 6,425,000
Bond Anticipation Notes	C-13	6,361,900	8,306,000
NJ Environmental Infrastructure Trust Loan	C-14	750,786	796,393
Contracts Payable	C-10	1,602,730	
Other Payables	C-11	13,995	
Due to Current Fund	C-6		387,825
Improvement Authorizations			
Funded	C-9	623,706	797,132
Unfunded	C-9	376,314	1,324,851
Capital Improvement Fund	C-12	14,345	51,795
Fund Balance	C-1	<u>25,064</u>	<u>557,486</u>
Total Liabilities, Reserves and Fund Balance		<u>\$20,323,840</u>	<u>\$ 18,646,482</u>

There were bonds and notes authorized but not issued on June 30, 2007 and 2006 of \$95,000 and \$1,521,520 respectively. (Exhibit C-16)

BOROUGH OF RIDGEFIELD
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - STATUTORY BASIS
GENERAL CAPITAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2007 AND 2006

	<u>Reference</u>	<u>2007</u>	<u>2006</u>
Fund Balance, Beginning of Year	C	\$ 557,486	\$ 45,001
Increased by:			
Cancellation of Improvement Authorization	C-1		537,598
Premium on Sale of Notes	C-2	<u>17,578</u>	<u>69,688</u>
		575,064	652,287
Decreased by:			
Cancelled Receivables	C-1		49,800
Anticipated as Current Fund Revenue	C-6	<u>550,000</u>	<u>45,001</u>
Fund Balance, End of Year	C	<u>\$ 25,064</u>	<u>\$ 557,486</u>

BOROUGH OF RIDGEFIELD
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
SWIM POOL UTILITY FUND
AS OF JUNE 30, 2007 AND 2006

	<u>Reference</u>	<u>2007</u>	<u>2006</u>
ASSETS			
OPERATING FUND			
Cash	D-5	\$ 119,814	\$ 122,392
Due From - Swim Pool Utility Capital Fund	D-11	<u>23,626</u>	<u>23,400</u>
		<u>143,440</u>	<u>145,792</u>
Deferred Charges			
Overexpenditure of Appropriations	D-7	<u>8,346</u>	<u>2,838</u>
Total Operating Fund		<u>151,786</u>	<u>148,630</u>
CAPITAL FUND			
Cash	D-5,D-6	4,790	4,564
Fixed Capital	D-8	1,759,795	1,719,006
Fixed Capital Authorized and Uncompleted	D-9	50,000	50,000
Due from State of New Jersey	D	<u>50,000</u>	<u>50,000</u>
Total Capital Fund		<u>1,864,585</u>	<u>1,823,570</u>
Total Assets		<u>\$ 2,016,371</u>	<u>\$ 1,972,200</u>

BOROUGH OF RIDGEFIELD
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
SWIM POOL UTILITY FUND
AS OF JUNE 30, 2007 AND 2006

	<u>Reference</u>	<u>2007</u>	<u>2006</u>
LIABILITIES, RESERVES AND FUND BALANCES			
OPERATING FUND			
Liabilities			
Appropriation Reserves	D-4,D-10	\$ 22,563	\$ 26,694
Encumbrances Payable	D-13	20,962	7,871
Due to Current Fund	D-12	<u>39,891</u>	<u>8,861</u>
		83,416	43,426
Fund Balance	D-1	<u>68,370</u>	<u>105,204</u>
Total Operating Fund		<u>151,786</u>	<u>148,630</u>
CAPITAL FUND			
Due to Swim Pool Utility Operating Fund	D-11	23,626	23,400
Improvement Authorizations:			
Funded	D-14	50,079	50,079
Reserve for Amortization	D-15	1,717,695	1,676,906
Deferred Reserve for Amortization	D-16	50,000	50,000
Reserve for Capital Outlay	D-17	21,455	21,455
Fund Balance	D-2	<u>1,730</u>	<u>1,730</u>
Total Capital Fund		<u>1,864,585</u>	<u>1,823,570</u>
Total Liabilities, Reserves and Fund Balances		<u>\$ 2,016,371</u>	<u>\$ 1,972,200</u>

There were bonds and notes authorized but not issued at June 30, 2007 and 2006 of \$42,100 and \$42,100, respectively, (See Exhibit D-18)

BOROUGH OF RIDGEFIELD
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING
FUND BALANCE - STATUTORY BASIS
SWIM POOL UTILITY OPERATING FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2007 AND 2006

	<u>Reference</u>	<u>2007</u>	<u>2006</u>
REVENUE AND OTHER INCOME REALIZED			
Surplus Anticipated	D-3	\$ 69,900	\$ 46,969
Membership Fees	D-3	185,251	174,284
Miscellaneous Fees	D-3	30,559	28,280
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-10	<u>20,536</u>	<u>63,310</u>
 Total Income		 <u>306,246</u>	 <u>312,843</u>
EXPENDITURES			
Budget Appropriations			
Operating	D-4	233,676	212,388
Capital Improvements	D-4	35,000	35,000
Deferred Charges and Statutory Expenditures	D-4	9,732	9,000
Deficit in Operations in Prior Years	D-1		8,419
Refund of Prior Year Expenditures	D-5,D-12	<u>280</u>	<u>-</u>
 Total Expenditures		 <u>278,688</u>	 <u>264,807</u>
 Excess in Revenue		 27,558	 48,036
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by			
Statute Deferred Charges to Budget			
of Succeeding Year			
	D-7	<u>5,508</u>	<u>2,838</u>
 Statutory Excess to Fund Balance		 33,066	 50,874
 Fund Balance, Beginning of Year	D	 <u>105,204</u>	 <u>101,299</u>
 Decreased by:		 138,270	 152,173
Utilized as Anticipated Revenue	D-1	<u>69,900</u>	<u>46,969</u>
 Fund Balance, End of Year	D	 <u>\$ 68,370</u>	 <u>\$ 105,204</u>

BOROUGH OF RIDGEFIELD
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - STATUTORY BASIS
SWIM POOL UTILITY CAPITAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2007 AND 2006

	<u>Reference</u>	<u>2007</u>	<u>2006</u>
Balance, Beginning of Year	D	\$ <u>1,730</u>	\$ <u>1,730</u>
Balance, End of Year	D	\$ <u>1,730</u>	\$ <u>1,730</u>

BOROUGH OF RIDGEFIELD
STATEMENT OF REVENUES - STATUTORY BASIS
SWIM POOL UTILITY OPERATING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Surplus (Deficit)</u>
Surplus Anticipated	D-1	\$ 69,900	\$ 69,900	
Membership	D-5	174,800	185,251	\$ 10,451
Miscellaneous	D-3	<u>28,200</u>	<u>30,559</u>	<u>2,359</u>
	D-4	<u>\$ 272,900</u>	<u>\$ 285,710</u>	<u>\$ 12,810</u>
 <u>Analysis of Realized Revenues</u>				
Chair Rental			\$ 296	
Guest Fees			21,508	
Concessions			6,200	
Interest			1,662	
Other Miscellaneous			<u>893</u>	
	D-3		<u>\$ 30,559</u>	
Cash Receipts	D-5		\$ 30,333	
Due From Swim Pool Utility Capital Fund	D-11		<u>226</u>	
	D-3		<u>\$ 30,559</u>	

BOROUGH OF RIDGEFIELD
STATEMENT OF EXPENDITURES - STATUTORY BASIS
SWIM POOL UTILITY OPERATING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Appropriated</u>		<u>Expended</u>		<u>Over- Expenditure</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>		
OPERATING						
Salaries and Wages	\$ 134,500	\$ 134,500	\$ 127,881	\$ 6,619		
Other Expenses	94,400	94,400	99,176		\$ 4,776	
CAPITAL IMPROVEMENTS						
Capital Outlay	35,000	35,000	19,056	15,944		
STATUTORY EXPENDITURES						
Social Security System	<u>9,000</u>	<u>9,000</u>	<u>9,732</u>	<u>-</u>	<u>732</u>	
	<u>\$ 272,900</u>	<u>\$ 272,900</u>	<u>\$ 255,845</u>	<u>\$ 22,563</u>	<u>\$ 5,508</u>	
	<u>Reference</u>	D-2	D-3	D-1	D,D-1	D-7
Cash Disbursed		D-5		\$ 234,883		
Encumbrances Payable		D-13		<u>20,962</u>		
		D-4		<u>\$ 255,845</u>		

BOROUGH OF RIDGEFIELD
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
PUBLIC ASSISTANCE FUND
AS OF JUNE 30, 2007 AND 2006

	<u>Reference</u>	<u>2007</u>	<u>2006</u>
ASSETS			
Cash	E-1	\$ 72,920	\$ 51,589
		<u>\$ 72,920</u>	<u>\$ 51,589</u>
LIABILITIES			
Due to Current Fund	E-5	\$ 2,171	\$ 1,124
Reserve for Public Assistance	E-2	<u>70,749</u>	<u>50,465</u>
		<u>\$ 72,920</u>	<u>\$ 51,589</u>

NOTES TO FINANCIAL STATEMENTS



**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2007 AND 2006**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Borough of Ridgefield have been prepared on a statutory basis of accounting in conformity with accounting principles and practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). 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 separate funds, which differ from the fund structure required by GAAP.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements 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 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.

A. Reporting Entity

The Borough of Ridgefield (the "Borough") was incorporated in 1892 and operates under an elected 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 requires the financial reporting entity to include both the primary government and component units. Component units are legally separate organizations for which the Borough is financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organization; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Borough is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Borough in that the Borough approves the budget, the issuance of debt or the levying of taxes. The Borough is not includable in any other reporting entity as a component unit.

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 municipal library, volunteer fire department, or volunteer ambulance squad, which are considered component units under GAAP. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

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. The Borough also uses an account group, which is designed to provide accountability for certain assets that are not recorded in those Funds.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2007 AND 2006

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The Borough has the following funds and account group:

Current Fund – This fund is used to account for the revenues and expenditures for governmental operations of a general nature, and the assets and liabilities related to such activities including Federal and State grants not accounted for in another fund.

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 individuals, private organizations, or other governments are recorded in the Trust Funds.

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

Other Trust Fund - This fund is established to account for the assets and resources, which are held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds. These funds include dedicated fees/proceeds collected, developer deposits, payroll related deposits and funds deposited with the Borough as collateral.

Unemployment Insurance Fund - This fund is used to account for employee and employer contributions for the purpose of providing unemployment benefits to eligible employees.

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

Swim Pool Utility Fund – This fund is used to account for the revenues and expenditures for operation of the Borough's swimming facilities and the assets and liabilities related to such activities. Acquisition or improvement of capital facilities for the swim pool utility is accounted for in the capital section of the 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.

General Fixed Assets Account Group - This account group is used to account for all fixed assets of the Borough other than those accounted for in the swim pool utility fund. The Borough's infrastructure is not reported in the account group.

The Borough of Ridgefield follows a modified accrual basis of accounting. 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 or permitted for municipalities by the Division ("statutory basis of accounting") 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:

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS (Continued)
FISCAL YEARS ENDED JUNE 30, 2007 AND 2006

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

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 August 1, November 1, February 1 and May 1 of the fiscal year. The amount due for the August 1 and November 1 installments are determined as the full tax levied for municipal purposes in the preceding municipal fiscal year, less the amount charged as the February 1 and May 1 installments for municipal purposes of the previous fiscal year; plus the full tax levied for the current tax year (calendar year) for county and school taxes, less the amount charged as the February 1 and May 1 installments for county and school purposes of the previous fiscal year. The amounts due for the February 1 and May 1 installments are determined as the full tax levied for municipal purposes for the current fiscal year less the amounts charged for municipal purposes as the August 1 and November 1 installments of the current fiscal year, plus one half of the total tax levied for county and school purposes in the preceding tax year (calendar year). 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 August 15, November 15, February 15 and May 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. The Borough institutes annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. 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 tax 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.

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.

Utility Charges - Swim pool utility charges are based on a flat fee by membership type (i.e., family, single, senior, etc.). Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's swim pool utility operating funds. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant and Similar Award 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 as soon as all eligibility requirements imposed by the grantor or provider have been met.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS (Continued)
FISCAL YEARS ENDED JUNE 30, 2007 AND 2006

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

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. 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:

Trust Funds
General Capital Funds
Swim Pool Utility Capital Fund
Public Assistance Fund

The governing body is required to introduce and approve the annual budget no later than August 10, of the fiscal year. The budget is required to be adopted no 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. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. 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 fiscal years 2007 and 2006 the Borough Council approved several budget transfers.

Expenditures – 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 cancelled 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, as well as expenditures related to compensated absences and claims and judgments, which are recognized when due.

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

Appropriation Reserves – Appropriation reserves are recorded and 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.

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS (Continued)
FISCAL YEARS ENDED JUNE 30, 2007 AND 2006**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. 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 are recorded as a long-term obligation in the government-wide financial statements.

Property Acquired for Taxes - Property acquired for taxes is recorded in the Current Fund at the assessed valuation when such property was acquired, and is fully reserved. GAAP requires such property to be recorded as a capital asset in the government-wide financial statements at fair 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 for interfunds and, therefore, does not recognize income in the year liquidated.

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. GAAP requires inventories to be recorded as assets in proprietary-type funds.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. GAAP requires that all investments be reported at fair value.

Tax Appeals and Other Contingent Losses - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. GAAP requires such amounts to be recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

General Fixed Assets - In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, the Borough of Ridgefield has developed a fixed assets accounting and reporting system.

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 sewerage and drainage systems are not capitalized.

Fixed Assets purchased after June 30, 1995 are stated as cost.

Fixed Assets purchased prior to June 30, 1995 are stated as follows:

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS (Continued)
FISCAL YEARS ENDED JUNE 30, 2007 AND 2006

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

General Fixed Assets (Continued)

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.

Accounting for utility fund "fixed capital" remains unchanged under the Requirements of Technical Accounting Directive No. 85-2.

Property and equipment purchased by the swim pool utility fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Fund represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

GAAP requires that capital assets be recorded in proprietary-type funds as well as the government-wide financial statements at historical or estimated historical cost if actual historical cost is not available. In addition, GAAP requires depreciation on capital assets to be recorded in proprietary-type funds as well as in the government-wide financial statements.

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 accrued revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

Reclassifications - Certain reclassifications have been made to the June 30, 2006 balances to conform to the June 30, 2007 presentation.

Comparative Data - Comparative data for the prior year has been presented in the accompanying financial statements 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 requires the financial statements of a governmental unit to be presented in the basic financial statements 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 reporting requirements under GAAP.

**BOROUGH OF RIDGEFIELD
 NOTES TO FINANCIAL STATEMENTS (Continued)
 FISCAL YEARS ENDED JUNE 30, 2007 AND 2006**

NOTE 2 DEPOSITS AND INVESTMENTS

The Borough considers petty cash, change funds, cash in banks and certificates of deposit as cash and cash equivalents.

Deposits

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Bank balances are insured up to \$100,000 in the aggregate by the FDIC for each bank. At June 30, 2007 and 2006, the book value of the Borough's deposits were \$4,636,439 and \$2,800,043 and bank balances of the Borough's deposits amounted to \$4,919,649 and \$2,662,643, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2007</u>	<u>2006</u>
Insured	<u>\$ 4,919,649</u>	<u>\$ 2,662,643</u>

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 does not have a formal policy for custodial credit risk. As of June 30, 2007 and 2006 the Borough had no deposits exposed to custodial credit risk.

Investments

The Borough is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the Borough or bonds or other obligations of the school districts which are a part of the Borough or school districts located within the Borough, Local Government investment pools, and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e).

As of June 30, 2007 and 2006, the Borough had no outstanding investments.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS (Continued)
FISCAL YEARS ENDED JUNE 30, 2007 AND 2006

NOTE 3 TAXES RECEIVABLE

Receivables at June 30, 2007 and 2006 consisted of the following:

	<u>2007</u>	<u>2006</u>
<u>Current Fund</u>		
Property Taxes	\$ 305,217	\$ 251,084
Tax Title Liens	<u>55,179</u>	<u>47,822</u>
	<u>\$ 360,396</u>	<u>\$ 298,906</u>

In 2007 and 2006, the Borough collected \$253,227 and \$334,598 from delinquent taxes, which represented 85% and 89% of the prior year delinquent taxes receivable balance.

NOTE 4 MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for general capital and swim pool projects. 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 four months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

	<u>2007</u>	<u>2006</u>
Issued		
General		
Bonds, Notes and Loans	\$ 17,667,686	\$ 15,527,393
Less Funds Temporarily Held to Pay Bonds and Notes	<u>-</u>	<u>-</u>
Net Debt Issued	<u>17,667,686</u>	<u>15,527,393</u>
Authorized But Not Issued		
General		
Bonds and Notes	95,000	1,521,520
Swim Pool		
Bonds and Notes	<u>42,100</u>	<u>42,100</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 17,804,786</u>	<u>\$ 17,091,013</u>

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS (Continued)
FISCAL YEARS ENDED JUNE 30, 2007 AND 2006

NOTE 4 MUNICIPAL DEBT (Continued)

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of 1.03% and 1.10% at June 30, 2007 and 2006, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2007</u>			
General Debt	\$ 17,762,686		\$ 17,762,686
Swim Pool Utility	42,100	\$ 42,100	
School Debt	<u>8,408,679</u>	<u>8,408,679</u>	<u>-</u>
Total	<u>\$ 26,213,465</u>	<u>\$ 8,450,779</u>	<u>\$ 17,762,686</u>
	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2006</u>			
General Debt	\$ 17,048,913		\$ 17,048,913
Swim Pool Utility	42,100	\$ 42,100	
School Debt	<u>3,240,298</u>	<u>3,240,298</u>	<u>-</u>
Total	<u>\$ 20,331,311</u>	<u>\$ 3,282,398</u>	<u>\$ 17,048,913</u>

The Borough's remaining borrowing power under N.J.S. 40A:2-6, as amended, at June 30, was as follows:

	<u>2007</u>	<u>2006</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 59,997,797	\$ 54,478,965
Net Debt	<u>17,762,686</u>	<u>17,048,913</u>
Remaining Borrowing Power	<u>\$ 42,235,111</u>	<u>\$ 37,430,052</u>

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS (Continued)
FISCAL YEARS ENDED JUNE 30, 2007 AND 2006

NOTE 4 MUNICIPAL DEBT (Continued)

The Borough's long-term debt consisted of the following at June 30:

General Obligation Bonds

The Borough levies ad valorem taxes to pay debt service on general obligation bonds. General obligation bonds outstanding at June 30 are as follows:

	<u>2007</u>	<u>2006</u>
\$6,000,000, 1992 Fiscal Year Adjustment Bonds, due in annual installments of \$600,000 through March, 2007, interest at 6.3%		\$ 600,000
\$6,200,000, 2002 Bonds, due in annual installments of \$220,000 to \$590,000 through August 2017, interest at 3.0% to 4.25%	\$ 5,605,000	5,825,000
\$4,950,000, 2006 Bonds, due in annual installments of \$160,000 to \$320,000 through October 2026, interest at 4.0%	<u>4,950,000</u>	<u>-</u>
	<u>\$ 10,555,000</u>	<u>\$ 6,425,000</u>

General Intergovernmental Loans Payable

The Borough has entered into a loan agreement with the New Jersey Environmental Infrastructure Trust for the financing relating to sewer improvements. General intergovernmental loans outstanding at June 30 are as follows:

	<u>2007</u>	<u>2006</u>
\$490,000, 2000 Loan, due in Semi-annual installments of \$20,000 to \$40,000 through August 2020, interest at 5.00% to 5.25%	\$ 400,000	\$ 420,000
\$500,000, 2000 Loan, due in Semi-annual installments of \$657 to \$25,678 through August 2020, interest at 0%	<u>350,786</u>	<u>376,393</u>
	<u>\$ 750,786</u>	<u>\$ 796,393</u>

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS (Continued)
FISCAL YEARS ENDED JUNE 30, 2007 AND 2006

NOTE 4 MUNICIPAL DEBT (Continued)

General Intergovernmental Loans Payable (Continued)

The Borough's principal and interest for long-term debt issued and outstanding as of June 30, 2007 is as follows:

<u>Fiscal</u> <u>Year</u>	<u>General</u>		<u>Loans</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2008	\$ 605,000	\$ 405,434	\$ 44,982	\$ 19,938	\$ 1,075,354
2009	625,000	384,651	44,356	18,938	1,072,945
2010	650,000	361,919	51,780	17,813	1,081,512
2011	655,000	338,169	50,998	16,563	1,060,730
2012	690,000	312,134	50,216	15,313	1,067,663
2013-2017	3,805,000	1,111,849	262,984	56,614	5,236,447
2018-2022	1,955,000	466,438	245,470	15,619	2,682,527
2023	<u>1,570,000</u>	<u>159,000</u>	<u>-</u>	<u>-</u>	<u>1,729,000</u>
Total	<u>\$ 10,555,000</u>	<u>\$ 3,539,594</u>	<u>\$ 750,786</u>	<u>\$ 160,798</u>	<u>\$ 15,006,178</u>

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the fiscal years ended 2007 and 2006 were as follows:

	Balance, June 30, 2006	Additions	Reductions	Balance, June 30, 2007	Due Within One Year
<u>2007</u>					
General Capital Fund					
Bonds Payable	\$ 6,425,000	\$ 4,950,000	\$ 820,000	\$ 10,555,000	\$ 605,000
Intergovernmental Loan Payable	<u>796,393</u>	<u>-</u>	<u>45,607</u>	<u>750,786</u>	<u>44,982</u>
General Capital Fund Long-Term Liabilities	<u>\$ 7,221,393</u>	<u>\$ 4,950,000</u>	<u>\$ 865,607</u>	<u>\$ 11,305,786</u>	<u>\$ 649,982</u>

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS (Continued)
FISCAL YEARS ENDED JUNE 30, 2007 AND 2006

NOTE 4 MUNICIPAL DEBT (Continued)

Changes in Long-Term Municipal Debt (Continued)

	Balance, June 30, <u>2005</u>	<u>Additions</u>	<u>Reductions</u>	Balance, June 30, <u>2006</u>	Due Within <u>One Year</u>
<u>2006</u>					
General Capital Fund					
Bonds Payable	\$ 7,200,000		\$ 775,000	\$ 6,425,000	\$ 820,000
Intergovernmental Loan Payable	<u>842,625</u>	<u>-</u>	<u>46,232</u>	<u>796,393</u>	<u>45,607</u>
General Capital Fund Long-Term					
Liabilities	<u>\$ 8,042,625</u>	<u>\$ -</u>	<u>\$ 821,232</u>	<u>\$ 7,221,393</u>	<u>\$ 865,607</u>

Short-Term Debt

The Borough's short-term capital debt activity for the fiscal years ended June 30, 2007 and 2006 was as follows:

	Balance, June 30, <u>2006</u>	<u>Additions</u>	<u>Reductions</u>	Balance, June 30, <u>2007</u>
<u>2007</u>				
Bond Anticipation Notes				
General Capital Fund	<u>\$ 8,306,000</u>	<u>\$ 6,361,900</u>	<u>\$ 8,306,000</u>	<u>\$ 6,361,900</u>
	Balance, June 30, <u>2005</u>	<u>Additions</u>	<u>Reductions</u>	Balance, June 30, <u>2006</u>
<u>2006</u>				
Bond Anticipation Notes				
General Capital Fund	<u>\$ 8,306,000</u>	<u>\$ 8,306,000</u>	<u>\$ 8,306,000</u>	<u>\$ 8,306,000</u>

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS (Continued)
FISCAL YEARS ENDED JUNE 30, 2007 AND 2006

NOTE 4 MUNICIPAL DEBT (Continued)

Short-Term Debt (Continued)

In addition to the debt shown in the above schedule, municipalities may issue debt to finance emergency or special emergency appropriations or to meet cash flow needs (Tax Anticipation Notes) to temporarily finance operating expenditures. This debt which is not included in the Borough's statutory debt limit calculation is reported in the Current Fund for the fiscal years ended June 30, 2007 and 2006 as follows:

	Balance, June 30, <u>2006</u>	<u>Additions</u>	<u>Reductions</u>	Balance, June 30, <u>2007</u>
<u>2007</u>				
Special Emergency Notes	\$ 138,000	\$ 92,000	\$ 138,000	\$ 92,000
	Balance, June 30, <u>2005</u>	<u>Additions</u>	<u>Reductions</u>	Balance, June 30, <u>2006</u>
<u>2006</u>				
Special Emergency Notes	\$ 184,000	\$ 138,000	\$ 184,000	\$ 138,000

NOTE 5 FIXED ASSETS

The following is a summary of changes in the general fixed assets account group for the fiscal years ended June 30, 2007 and 2006.

	Balance June 30, <u>2006</u> (Restated)	<u>Additions</u>	<u>Retirements</u>	Balance, June 30, <u>2007</u>
<u>2007</u>				
Land	\$ 19,927,700			\$ 19,927,700
Land Improvements	184,820	\$ 5,115		189,935
Buildings and Building Improvements	10,898,846	8,090		10,906,936
Automobiles and Vehicles	4,405,089	615,935	\$ (181,000)	4,840,024
Machinery and Equipment	1,130,170	35,916	(14,350)	1,151,736
	<u>\$ 36,546,625</u>	<u>\$ 665,056</u>	<u>\$ (195,350)</u>	<u>\$ 37,016,331</u>

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS (Continued)
FISCAL YEARS ENDED JUNE 30, 2007 AND 2006

NOTE 5 FIXED ASSETS (Continued)

<u>2006</u>	Balance June 30, <u>2005</u>	<u>Additions</u>	<u>Retirements</u>	Balance, June 30, <u>2006</u> (Restated)
Land	\$ 20,631,500		\$ (703,800)	\$ 19,927,700
Land Improvements	160,780	\$ 24,040		184,820
Buildings and Building Improvements	11,013,240	18,206	(132,600)	10,898,846
Automobiles and Vehicles	933,113	198,842	(1,785)	1,130,170
Machinery and Equipment	<u>4,202,243</u>	<u>202,846</u>	<u>-</u>	<u>4,405,089</u>
	<u>\$ 36,940,876</u>	<u>\$ 443,934</u>	<u>\$ (838,185)</u>	<u>\$ 36,546,625</u>

NOTE 6 DUE TO/FROM OTHER FUNDS

As of June 30, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>2007</u>		<u>2006</u>	
	Due From	Due To	Due From	Due To
	<u>Other Funds</u>	<u>Other Funds</u>	<u>Other Funds</u>	<u>Other Funds</u>
Current Fund	\$ 47,834	\$ 251,077	\$ 406,839	\$ 6,544
Trust Funds:				
Animal Control Fund		5,772		5,052
Other Trust Fund	74,528		6,544	3,978
General Capital Fund	176,549			387,825
Swim Pool Utility Fund				
Operating	23,626	39,891	23,400	8,860
Capital		23,626		23,400
Public Assistance Fund	<u>-</u>	<u>2,171</u>	<u>-</u>	<u>1,124</u>
	<u>\$ 322,537</u>	<u>\$ 322,537</u>	<u>\$ 436,783</u>	<u>\$ 436,783</u>

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS (Continued)
FISCAL YEARS ENDED JUNE 30, 2007 AND 2006

NOTE 6 DUE TO/FROM OTHER FUNDS (Continued)

The above balances are the result of expenditures being paid by one fund on behalf of another; cash receipts deposited in one fund due to another and interest earnings received in one fund which is due to another fund.

The Borough expects all interfund balances to be liquidated within one year.

NOTE 7 FUND BALANCES APPROPRIATED

Fund balances at June 30, which were appropriated and included as anticipated revenue in their own respective funds for the succeeding years were as follows:

	Balance June 30, <u>2007</u>	Utilized in Subsequent <u>Year's Budget</u>	Balance June 30, <u>2006</u>	Utilized in Subsequent <u>Year's Budget</u>
Current Fund	\$701,992	\$400,000	\$153,393	\$39,600
Swim Pool Utility Operating Fund	68,370	50,000	105,204	69,900

NOTE 8 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At June 30, the following deferred charges are reported on the balance sheets of the following funds:

	Balance, <u>June 30,</u>	Subsequent Year Budget <u>Appropriation</u>	<u>Balance</u>
<u>2007</u>			
Current Fund			
Overexpenditure of Appropriations	\$ 46,831	\$ 46,831	
Overexpenditure of Appropriation Reserves	47,901	47,901	
Special Emergency Authorizations	92,000	46,000	\$ 46,000
<u>2006</u>			
Current Fund			
Overexpenditure of Appropriations	5,129		5,129
Special Emergency Authorizations (40A:4-55)	138,000	46,000	92,000

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS (Continued)
FISCAL YEARS ENDED JUNE 30, 2007 AND 2006

NOTE 9 COMPENSATED ABSENCES

Under the existing policies and labor agreements of the Borough, employees are allowed to accumulate (with certain restrictions) unused vacation benefits and sick leave over the life of their working careers and to redeem such unused leave time in cash (with certain limitations) upon death, retirement or by extended absence immediately preceding retirement.

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$412,648 and \$336,354 at June 30, 2007 and 2006, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

As of June 30, 2007 and 2006, the Borough has reserved \$63,167 and zero to fund compensated absences in accordance with NJSA 40A:4-39.

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees which includes those Borough employees who are eligible for pension coverage.

Police and Firemen's Retirement System (PFRS) – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership.

Public Employees' Retirement System (PERS) – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

Other Pension Funds

The state established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The cost of living increase for PFRS and PERS are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required contributions for the system.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

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

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS (Continued)
FISCAL YEARS ENDED JUNE 30, 2007 AND 2006**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Basis of Accounting

The financial statements of the various pension Funds are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the Funds. Benefits or refunds are recognized when due and payable in accordance with the applicable eligibility terms of the funds.

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management fund, Common Pension Fund A, Common Pension Fund B, and Common Pension Fund D and Common Pension Fund E. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

Significant Legislation

Chapter 108, P.L. 2003, effective July 1, 2003 provided that the State Treasurer shall reduce the normal and accrued liability contributions payable by employers other than the State, excluding the contribution payable from the benefit enhancement fund, to a percentage of the amount certified annually by the retirement system, which for PERS will be as follows: for payments due in the State fiscal year ending June 30, 2005, 20 percent; for payments due in the State fiscal year ending June 30, 2006, not more than 40 percent; for payments due in the State fiscal year ending June 30, 2007, not more than 60 percent; and for payments due in the State fiscal year ending June 30, 2008, not more than 80 percent. The law provides that local employers' PFRS normal and accrued liability contributions shall be as follows: for payments due in the State fiscal year ending June 30, 2004, 20 percent; for payments due in the State fiscal year ending June 30, 2005, not more than 40 percent; for payments due in the State fiscal year ending June 30, 2007, not more than 60 percent; for payments due in the State fiscal year ending June 30, 2007, not more than 80 percent.

Chapter 42, P.L. 2002 permitted local government units to issue refunding bonds to retire unfunded accrued liability resulting from early retirement benefits under PERS or PFRS, effective July 12, 2002.

Contribution Requirement

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 5.0% for PERS and 8.50% for PFRS of the employees' annual compensation, as defined thru June 30, 2007. Under Chapter 92, P.L. 2007 and Chapters 103, P.L. 2007, the PERS employee contribution rate will increase to 5.5 percent effective July 1, 2007. 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 PFRS and PERS. In the PERS, the employer contribution includes funding for post-retirement medical premiums.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS (Continued)
FISCAL YEARS ENDED JUNE 30, 2007 AND 2006

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Contribution Requirement (Continued)

During the year ended June 30, 2006 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997.

During the years ended June 30, 2007, 2006 and 2005, the Borough was required to contribute for normal cost pension contributions or post-retirement medical benefits the following amounts:

Year Ended June 30	<u>PFRS</u>	<u>PERS</u>
2007	\$413,559	\$103,720
2006	256,429	62,111
2005	125,593	21,933

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required the Public Employees Retirement System (PERS) to fund post-retirement medical benefits for those employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2006, there were 71,719 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994 with an additional contribution beginning in Fiscal Year 1996 to maintain a medical reserve that increases by one half of one percent of the active State payroll each year.

The State made post-retirement medical (PRM) contributions of \$211.5 million for PERS in Fiscal Year 2006.

P.L. 1977, c. 136, provides for the State's General Fund to pay health benefits on a pay-as-you-go basis for all enrolled retired PFRS employees, regardless of retirement date, under two provisions. The first is for employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is for retired employees who are eligible for a disability retirement regardless of years of service. PERS retirees are excluded from the provisions set forth in P.L. 1977, c. 136 since their health benefits coverage is funded through each of their respective pension fund systems. The State contributed \$76.9 million for 5,965 eligible retired members for Fiscal Year 2006.

P.L. 1997, c.330 provides State paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and to dependents of qualified retirees. The State is responsible for 80 percent of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization participating in the program, whichever provides the lower charge. The State contributed \$19.6 million in the current year to provide benefits under Chapter 330 to qualified retirees.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS (Continued)
FISCAL YEARS ENDED JUNE 30, 2007 AND 2006

NOTE 12 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 commercial insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur.

The Borough of Ridgefield is a member of the Public Alliance Insurance Coverage Fund (PAICF). The joint insurance fund is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The Fund 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 funds 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 funds, to report claims on a timely basis, to 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 pools. Members have a contractual obligation to fund any deficit of the insurance funds attributable to a membership year during which the municipality was a member.

The funds provide 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. Complete financial statements of the funds can be obtained by contacting the respective fund's Treasurer.

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.

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's unemployment compensation trust fund for the current and previous two years:

<u>Year Ended</u> <u>June 30,</u>	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2007		\$ 17,323	\$ 38,964	
2006	\$ 30,000	11,423	38,198	\$ 21,145
2005				

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS (Continued)
FISCAL YEARS ENDED JUNE 30, 2007 AND 2006

NOTE 13 CONTINGENT LIABILITIES

The Borough is a party defendant in some lawsuits, none of a kind unusual for a municipality of its size and scope of operation. In the opinion of the Borough's Attorney, the potential claims against the Borough not covered by insurance policies would not materially affect the financial condition of the Borough.

Pending Litigation – Ridgefield Policemen's Benevolent Association Local No. 330 vs. Borough of Ridgefield, proceeding in the United States District Court, for the District of New Jersey, under case number 06-0523(DRD).

This matter concerns certain police officers' claims under the Federal Labor Standards Act ("FLSA") to unpaid overtime to which they claim they are entitled. The Borough contends that plaintiffs were not entitled to payment pursuant to the FLSA and that the overtime that they were paid was in accordance with the Collective Bargaining Agreement that the PBA negotiated with the Borough.

This case turns, in part, on some esoteric calculations; damages available under the FLSA include back pay, liquidated damages (amount equal to back pay) as well as attorneys' fees and costs of suit. *See* 29 U.S.C. 216(b). However, liquidated damages may not be awarded at the Court's discretion, "if the employer shows to the satisfaction of the Court that the act or omission giving rise to such action was in good faith and that he had reasonable grounds for believing that his act or omission was not a violation of the Fair Labor Standards Act." 29 U.S.C. 260. Back pay may include claims for insufficient overtime pay as well as for pay for so-called "gap hours". These calculations are subject to revision and critique based on deposition testimony, past practices and potential case law.

In the opinion of the Borough's attorney, the Borough's exposure could possibly be material. Depositions started on February 21, 2008 and expert reports shall be prepared.

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at June 30, 2007 and 2006. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be immaterial. As of June 30, 2007 and 2006, the Borough reserved \$125,000 and zero, respectively, in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

Federal and State Awards - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of June 30, 2007 and 2006, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

NOTE 14 FEDERAL ARBITRAGE REGULATIONS

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2007 and 2006, the Borough had not determined its' estimated arbitrage earnings due to the IRS, if any.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS (Continued)
FISCAL YEARS ENDED JUNE 30, 2007 AND 2006

NOTE 15 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

As of June 30, the Borough had the following commitments with respect to unfinished capital projects:

<u>2007</u> <u>Capital Project</u>	<u>Commitment</u>	<u>Estimated Date of Completion</u>
Addition to Shaler Academy	\$185,027	2007/07
Various Road Improvements	119,911	2007/08
Various Improvements	131,224	2007/08
Acquisition of Fire Rescue Vehicle	635,474	2007/08
Acquisition of Ambulances	354,890	2007/08

2006

There were none reported.

NOTE 16 SUBSEQUENT EVENTS

Bond Anticipation Notes

On August 3, 2007 the Borough issued Bond Anticipation Notes in the amount of \$4,700,350 to temporarily finance expenditures related to various capital projects. The Borough has awarded the sale of said notes to North Fork Bank at an interest rate of 4%. These notes dated August 3, 2007 will mature on October 19, 2007.

On October 19, 2007 the Borough issued Bond Anticipation Notes in the amount of \$4,615,350 to temporarily finance expenditures related to various capital projects. The Borough has awarded the sale of said notes to Janney Montgomery at an interest rate of 4%. These notes dated October 19, 2007 will mature on August 1, 2008.

Debt Authorized

On October 9, 2007 the Borough adopted a Bond Ordinance authorizing the issuance of \$380,000 in Bonds or Bond Anticipation Notes to fund improvements to the municipal library. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

NOTE 17 RECENT ACCOUNTING PRONOUNCEMENTS

In July 2004, the Governmental Accounting Standards Board (GASB) adopted statement number 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions". This statement will become effective for governmental entities on a phased in basis beginning with fiscal years beginning after December 15, 2006. The effective date of this statement for the Borough is the year beginning January 1, 2008. This statement will require Governmental entities to report the future cost of other post employment benefits (OPEB) on a present value basis instead of the present "pay as you go" method. The impact on the Borough's financial position or results of operations, if any, of this GASB Statement can not be readily determined at this time.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS (Continued)
FISCAL YEARS ENDED JUNE 30, 2007 AND 2006

NOTE 18 RESTATEMENT

The balances of the General Fixed Assets Account Group at June 30, 2006 were restated to reflect the removal of land and building improvements for property which is no longer owned by the Borough.

	Balance, June 30, 2006 <u>Prior to Restatement</u>	<u>Restatement</u>	Balance, June 30, 2006 <u>Restated</u>
Land	\$20,631,500	\$(703,800)	\$19,927,700
Buildings and Building Improvements	11,031,446	(132,600)	10,898,846
Total Assets	37,383,025	(836,400)	36,546,625
Investment in General Fixed Assets	37,383,025	(836,400)	36,546,625

CURRENT FUND



BOROUGH OF RIDGEFIELD
STATEMENT OF CURRENT CASH - TREASURER

Balance, June 30, 2006		\$ 1,672,306
Increased by Receipts:		
Taxes Receivable	\$ 22,817,212	
Non-Budget Revenue	64,741	
Revenue Accounts Receivable	9,029,307	
Due from State of New Jersey	115,319	
Tax Overpayments	34,692	
Unappropriated Reserves for Grants	51,722	
Miscellaneous Deposits and Reserves	15,000	
Due to State of New Jersey - Fees Payable	8,036	
Other Trust Fund Receipts Deposited in Current Fund	18,265	
General Capital Fund Receipts Deposited in Current Fund	102,688	
Receipts from General Capital Fund	937,825	
Receipts from Public Assistance Trust Fund	<u>1,891</u>	
		<u>33,196,698</u>
		34,869,004
Decreased by Disbursements:		
2006/07 Budget Appropriations	15,738,467	
2005/06 Appropriation Reserves	410,147	
Encumbrances Payable	161,949	
County Taxes Payable	3,254,092	
Local School District Taxes Payable	12,826,957	
Tax Overpayments	7,926	
Appropriated Reserves for Grants	6,016	
Due to State of New Jersey - Fees Payable	7,874	
Special Emergency Note	46,000	
Swim Pool Utility Operating Fund Refund Paid by Current Fund	30	
Refund of Prior Year Revenues	17,813	
Payments to Swim Pool Utility Operating Fund	<u>31,000</u>	
		<u>32,508,271</u>
Balance, June 30, 2007		<u>\$ 2,360,733</u>

**BOROUGH OF RIDGEFIELD
STATEMENT OF CHANGE FUND**

	<u>Change Fund</u>
Balance, June 30, 2006	\$ <u>400</u>
Balance, June 30, 2007	\$ <u><u>400</u></u>

**STATEMENT OF DUE FROM STATE OF NEW JERSEY
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS**

Balance, June 30, 2006		\$ 112,591
Increased by:		
Senior Citizens' Deductions Per Tax Billings	\$ 34,250	
Senior Citizens' and Veterans' Deductions Allowed by Tax Collector	5,250	
Veterans' Deductions Per Tax Billings	<u>74,750</u>	
		<u>114,250</u>
		226,841
Decreased by:		
Cash Received from State	115,319	
Senior Citizens' Deductions and Veterans' Deductions Disallowed by Collector	<u>250</u>	
		<u>115,569</u>
Balance, June 30, 2007		\$ <u><u>111,272</u></u>

**BOROUGH OF RIDGEFIELD
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year	Balance, June 30, 2006	2006/07 Fiscal Year Levy	Senior Citizens' and Veterans'		Added in 2006/07	2005/06 Collected In 2006/07	Senior Citizens' and Veterans' Deductions Allowed	Tax Overpayments Applied	Cancelled Title Liens	Transferred to Tax Title Liens	Balance, June 30, 2007
			Disallowed	Allowed							
FY 2005/06	\$ 251,084	-	-	-	2,143	\$ 253,227	-	-	-	-	-
	251,084	-	-	2,143	-	253,227	-	-	-	-	-
FY 2006/07	\$ -	\$ 23,012,149	\$ 250	\$ -	-	22,563,985	\$ 114,250	\$ -	\$ 7,357	\$ 305,217	
	\$ 251,084	\$ 23,012,149	\$ 250	\$ -	2,143	\$ 22,817,212	\$ 114,250	\$ -	\$ 7,357	\$ 305,217	

Analysis of 2007 Fiscal Year Tax Levy

TAX YIELD	
General Purpose Tax	\$ 22,957,438
Added and Omitted Taxes (N.J.S.A. 54:4-63.12 et seq)	<u>54,711</u>
	\$23,012,149
TAX LEVY	
Local District School Tax	\$ 12,826,957
County Tax	3,246,089
Due County for Added and Omitted Taxes (54:4-63.1)	<u>8,003</u>
	\$ 16,081,049
Local Tax for Municipal Purposes Excess in Tax Levied	6,870,886
	<u>60,214</u>
	6,931,100
	<u>\$23,012,149</u>

**BOROUGH OF RIDGEFIELD
STATEMENT OF TAX TITLE LIENS**

Balance, June 30, 2006	\$ 47,822
Increased by:	
Transfer from Taxes Receivable	<u>7,357</u>
Balance, June 30, 2007	<u>\$ 55,179</u>

STATEMENT OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)

Balance, June 30, 2006	<u>\$ 81,180</u>
Balance, June 30, 2007	<u>\$ 81,180</u>

BOROUGH OF RIDGEFIELD
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, June 30, <u>2006</u>	Accrued in <u>2006/07</u>	<u>Collected</u>	Balance, June 30, <u>2007</u>
Borough Clerk				
Licenses				
Alcoholic Beverages		\$ 14,073	\$ 14,073	
Licenses		1,495	1,495	
Fees and Permits		1,803	1,803	
Construction Code Official				
Fees and Permits	\$ 537	210,636	211,173	
Board of Health				
Licenses		30,461	30,461	
Fees and Permits		22,502	22,502	
Department of Public Works				
Fees and Permits		1,710	1,710	
Fire Prevention				
Fees and Permits		46,144	46,144	
Police Department				
Fees and Permits		20,737	20,737	
Tax Collector				
Fees and Permits		795	795	
Recreation				
Fees and Permits		58,064	58,064	
Planning Board				
Fees and Permits		4,065	4,065	
Zoning Board of Adjustment				
Fees and Permits		5,320	5,320	
Municipal Court				
Fines and Costs	34,410	480,182	463,271	\$ 51,321
Interest and Costs on Taxes		63,235	63,235	
Interest on Deposits and				
Investments	17	160,009	160,026	
Hackensack Meadowlands Adjustment				
to Tax Sharing		1,079,686	1,079,686	
Energy Receipts Tax		5,669,191	5,669,191	
Supplemental Energy Receipts Tax		255,930	255,930	
Legislative Initiative Municipal Block Grant		43,739	43,739	
Extraordinary Aid		200,000	200,000	
Homeland Security Assistance		70,000	70,000	
Uniform Fire Safety		31,912	31,912	
Sewer Charges		95,531	95,531	
Sewer Charges - Additional- Tier II User Charge		253,414	253,414	
Due From Board of Education - Interest on Notes		198,000	198,000	
Cable TV Franchise Fees	-	27,030	27,030	-
	<u>\$ 34,964</u>	<u>\$ 9,045,664</u>	<u>\$ 9,029,307</u>	<u>\$ 51,321</u>

**BOROUGH OF RIDGEFIELD
STATEMENT OF DEFERRED CHARGES**

	Balance, June 30, <u>2006</u>	Added in <u>2006/07</u>	Balance, June 30, <u>2007</u>
Overexpenditure of Appropriations	\$ 5,129	\$ 41,702	\$ 46,831
Overexpenditure of Appropriation Reserves	<u>-</u>	<u>47,901</u>	<u>47,901</u>
	<u>\$ 5,129</u>	<u>\$ 89,603</u>	<u>\$ 94,732</u>

**STATEMENT OF DEFERRED CHARGES
SPECIAL EMERGENCY - 5 YEARS**

Date Authorized	<u>Purpose</u>	Net Amount <u>Authorized</u>	1/5 of Net Amount <u>Authorized</u>	Balance, <u>June 30, 2006</u>	Reduced <u>in 2006/07</u>	Balance, <u>June 30, 2007</u>
8/11/2003	Revaluation of Real Property	\$ 230,000	\$ 46,000	<u>\$ 138,000</u>	<u>\$ 46,000</u>	<u>\$ 92,000</u>

BOROUGH OF RIDGEFIELD
STATEMENT OF APPROPRIATION RESERVES

	Balance, June 30, <u>2006</u>	Balance After <u>Modification</u>	<u>Expended</u>	Transfer To Trust Fund <u>Reserve</u>	Balance <u>Lapsed</u>	Balance <u>Overexpended</u>
General Administration						
Professional Services	\$ 8,093	\$ 8,093	\$ 5,974		\$ 2,119	
Rent Leveling						
Other Expenses	74	362	361		1	
Mayor and Council						
Salaries and Wages	973	973		\$ 973		
Other Expenses	5,097	5,097	208		4,889	
Municipal Clerk						
Salaries and Wages	6,464	6,464		6,464		
Other Expenses	9,898	9,898	6,322		3,576	
Financial Administration						
Salaries and Wages	458	458		458		
Other Expenses						
Miscellaneous Other Expenses	54	2,261	2,260		1	
Collection of Taxes						
Salaries and Wages	1,734	1,734		1,734		
Other Expenses	1,166	1,166	520		646	
Assessment of Taxes						
Salaries and Wages	531	531		531		
Other Expenses	622	622			622	
Professional Services		5,000	5,000			
Legal Services and Costs						
Salaries and Wages			123			\$ 123
Other Expenses	48,618	48,618	17,775		30,843	
Engineering Services and Costs						
Other Expenses	3	60,890	60,890			
Planning Board						
Salaries and Wages	1	1		1		
Miscellaneous Other Expenses	321	3,355	3,194		161	
Professional Services	500	500			500	
Board of Adjustment						
Other Expenses	7,178	7,178	558		6,620	
Public Safety						
Fire						
Other Expenses						
Clothing Allowance	58,456	58,456			58,456	
Fire Hydrant Service	16,139	16,139	6,780		9,359	
Miscellaneous	402	4,706	4,491		215	
Fire Prevention Bureau/Life Hazard Fees						
Salaries and Wages	1	1		1		
Other Expenses	4,899	4,899			4,899	

**BOROUGH OF RIDGEFIELD
STATEMENT OF APPROPRIATION RESERVES**

	Balance, June 30, 2006	Balance After Modification	Expended	Transfer To Trust Fund Reserve	Balance Lapsed	Balance Overexpended
Police						
Salaries and Wages	\$ 79,255	\$ 1,255	\$ 1,138	\$ 117		
Other Expenses	9,271	13,736	13,171		\$ 565	
Purchase of Police Cars	442	442			442	
First Aid Organization						
Other Expenses						
Clothing Allowance	14,686	14,686			14,686	
Miscellaneous	14,948	14,948	2,811		12,137	
Community Service Officers (EMT)						
Salaries and Wages	5,283	5,283		5,283		
Other Expenses	205	540			540	
Emergency Management Services						
Salaries and Wages	1	1		1		
Other Expenses	1,068	1,143			1,143	
Municipal Prosecutor						
Salaries and Wages	4,175	4,175		4,175		
Streets and Roads						
Road Repairs and Maintenance						
Salaries and Wages	6	6		6		
Other Expenses	28,948	28,948	25,718		3,230	
Maintenance of Borough Vehicles						
Other Expenses						
Streets and Roads	1,552	2,311			2,311	
Fire	800	2,891	2,131		760	
Police	1	3,759	3,759			
Ambulance	1,445	1,445	100		1,345	
Garage	8,740	8,740	3,038		5,702	
Building	1,790	1,790			1,790	
Health	484	484			484	
Sanitation						
Garbage and Trash Removal						
Salaries and Wages	708	708		708		
Other Expenses	26,786	26,786	1,430		25,356	
Sanitary Landfill - Contractual	40,510	66,139	66,139			
Public Buildings and Grounds						
Other Expenses						
Maintenance and Repair		2,513	585		1,928	
Lease	1,119	1,119			1,119	
Health and Welfare						
Board of Health						
Salaries and Wages	1	1		1	0	
Other Expenses	28,856	9,945			9,945	
Bergen County Animal Shelter	5,964	5,964	3,872		2,092	
Environmental Commission						
Salaries and Wages	1,369	1,369		1,369		
Other Expenses		398	398			

BOROUGH OF RIDGEFIELD
STATEMENT OF APPROPRIATION RESERVES

	Balance, June 30, <u>2006</u>	Balance After <u>Modification</u>	<u>Expended</u>	Transfer To Trust Fund <u>Reserve</u>	Balance <u>Lapsed</u>	Balance <u>Overexpended</u>
Administration of Public Assistance						
Salaries and Wages	\$ 1,357	\$ 1,357		\$ 1,357		
Psychotherapist						
Salaries and Wages	97	97		97		
Relocation Officer						
Salaries and Wages	1,010	1,010		1,010		
Recreation and Education						
Parks and Playgrounds						
Salaries and Wages	227	227		227		
Other Expenses	2,815	2,815	\$ 1,852		\$ 963	
Youth Commission						
Salaries and Wages	1,755	1,755		1,755		
Other Expenses	1,250	1,250			1,250	
Celebration of Public Events						
Other Expenses	83	1,400	1,400			
Construction Code Official						
Salaries and Wages	25,321	25,321		25,321		
Other Expenses	85	742	742			
Property Maintenance - Other Expense	7,000	7,000			7,000	
Municipal Court						
Salaries and Wages	11,548	11,548		11,548		
Other Expenses		2,199	2,164		35	
Public Defender						
Other Expenses	7,000	7,000	800		6,200	
Unclassified						
Street Lighting	5,256	5,256	11,973			\$ 6,717
Electric and Gas	9,734	9,734	17,046			7,312
Telephone	49,357	27,373	15,192		12,181	
Water	1	1,238	2,438			1,200
Gasoline	8,130	8,130	13,595			5,465
Salary and Wage Adjustment						
Contingent	5,000	5,000			5,000	

BOROUGH OF RIDGEFIELD
STATEMENT OF APPROPRIATION RESERVES

	Balance, June 30, <u>2006</u>	Balance After <u>Modification</u>	<u>Expended</u>	Transfer To Trust Fund <u>Reserve</u>	Balance <u>Lapsed</u>	Balance <u>Overexpended</u>
Deferred Charges and Statutory Expenditures - Municipal						
Within "CAPS"						
Statutory Expenditures						
Contribution to:						
Volunteer Fireman's Pension	\$ 5,000	\$ 5,000			\$ 5,000	
Operations - Excluded from "CAPS"						
Bergen County Utilities Authority						
Sewage Processing and Disposal - Contractual	6,973	6,973	\$ 745		6,228	
Maintenance of Free Public Library						
Contribution to Library	250	250			250	
Insurance						
Liability Insurance			27,084			\$ 27,084
Worker's Compensation Insurance						
Employees' Health Insurance	<u>119,186</u>	<u>119,186</u>	<u>76,854</u>	<u>-</u>	<u>42,332</u>	<u>-</u>
Total General Appropriations	<u>\$ 718,530</u>	<u>\$ 720,788</u>	<u>\$ 410,631</u>	<u>\$ 63,137</u>	<u>\$ 294,921</u>	<u>\$ 47,901</u>
Balance, June 30, 2006		\$ 718,530				
Cancelled Payables Restored to Appropriation Reserves		<u>2,258</u>				
		<u>\$ 720,788</u>				
Cash Disbursements			\$ 410,147			
Transferred to Accounts Payable			484			
Due to Other Trust Fund - Accumulated Sick Leave Reserve			<u>-</u>	<u>\$ 63,137</u>		
			<u>\$ 410,631</u>	<u>\$ 63,137</u>		

**BOROUGH OF RIDGEFIELD
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, June 30, 2006		\$ 164,207
Increased by:		
Charges to Budget Appropriations		<u>652,060</u>
		816,267
Decreased by:		
Payments	\$ 161,949	
Cancelled Encumbrances Restored to Appropriation Reserves	<u>2,258</u>	
		<u>164,207</u>
Balance, June 30, 2007		<u><u>\$ 652,060</u></u>

STATEMENT OF ACCOUNTS PAYABLE

Increased by:		
Transferred from Appropriation Reserves		<u>\$ 484</u>
Balance, June 30, 2007		<u><u>\$ 484</u></u>

STATEMENT OF TAX OVERPAYMENTS

Balance, June 30, 2006		\$ 48,106
Increased by:		
Cash Receipts		<u>34,692</u>
		82,798
Decreased by:		
Refunded		<u>7,926</u>
Balance, June 30, 2007		<u><u>\$ 74,872</u></u>

**BOROUGH OF RIDGEFIELD
STATEMENT OF COUNTY TAXES PAYABLE**

Increased by:			
2007 Fiscal Year Levy			
General County Tax		\$ 3,067,031	
County Open Space Preservation		179,058	
2007 Added and Omitted Taxes		<u>8,003</u>	
			\$ 3,254,092
Decreased by:			
Payments			<u>\$ 3,254,092</u>

STATEMENT OF LOCAL DISTRICT SCHOOL TAXES

Increased by:			
2007 - Fiscal Year Levy			\$ 12,826,957
Decreased by:			
Payments			<u>\$ 12,826,957</u>

STATEMENT OF RESERVE FOR TAX APPEALS

Increased by:			
Transferred from Current Year Tax Collections			<u>\$ 125,000</u>
Balance, June 30, 2007			<u>\$ 125,000</u>

BOROUGH OF RIDGEFIELD
STATEMENT OF MISCELLANEOUS DEPOSITS AND RESERVES

	Balance, June 30, <u>2006</u>	Cash <u>Receipts</u>	Anticipated in SFY 07 <u>Budget</u>	Balance, June 30, <u>2007</u>
Sale of Property	\$ 478,364		\$ 478,364	
Revaluation of Real Property	19,953			\$ 19,953
911 Center Donations	300			300
Sale of Municipal Assets	<u>-</u>	<u>\$ 15,000</u>	<u>-</u>	<u>15,000</u>
	<u>\$ 498,617</u>	<u>\$ 15,000</u>	<u>\$ 478,364</u>	<u>\$ 35,253</u>

**BOROUGH OF RIDGEFIELD
STATEMENT OF APPROPRIATED RESERVES FOR GRANTS**

	Balance, June 30, <u>2006</u>	Transfer from Appropriation <u>Reserves</u>	Paid or <u>Charged</u>	Balance, June 30, <u>2007</u>
Drunk Driving Enforcement Fund	\$ 15,336			\$ 15,336
Emergency Management Assistance	10,205			10,205
Body Armor Replacement Fund	1,864			1,864
Hazardous Material Emergency	797			797
Special Legislative Grant	58,697			58,697
Alcohol Education and Rehabilitation Fund	6,150			6,150
NJ Transportation Trust	35,927			35,927
Municipal Alliance on Alcoholism				-
County Share	5,882		\$ 500	5,382
Local Share	566		212	354
Municipal Recycling Assistance	8,219		5,304	2,915
Recycling Tonnage Grant	2,797			2,797
COPS Universal Hiring Program				-
Federal Share	2,183			2,183
Local Share	4,770			4,770
Click It or Ticket	8,779	-	-	8,779
	<u>\$ 162,172</u>	<u>\$ -</u>	<u>\$ 6,016</u>	<u>\$ 156,156</u>
			<u>\$ 6,016</u>	
Cash Disbursements			<u>\$ 6,016</u>	

EXHIBIT A-22

STATEMENT OF UNAPPROPRIATED RESERVES FOR GRANTS

	Balance, June 30, <u>2006</u>	Cash <u>Receipts</u>	Anticipated in SFY 07 <u>Budget</u>	Balance, June 30, <u>2007</u>
Drunk Driving Enforcement Fund	\$ 5,414	\$ 3,204	\$ 5,414	\$ 3,204
Recycling Tonnage Grant	5,453	4,181	5,453	4,181
Clean Communities Grant	9,887	10,924	9,887	10,924
Emergency Management Assistance	5,000	5,000	5,000	5,000
Municipal Alliance on Alcoholism	3,644	10,800	11,500	2,944
Municipal Recycling Assistance	5,224	4,674	5,224	4,674
Body Armor Replacement Fund	2,447	2,732	2,447	2,732
Stormwater Management	-	10,207	-	10,207
	<u>\$ 37,069</u>	<u>\$ 51,722</u>	<u>\$ 44,925</u>	<u>\$ 43,866</u>

BOROUGH OF RIDGEFIELD
STATEMENT OF DUE TO STATE OF NEW JERSEY - FEES PAYABLE

	Balance, June 30, <u>2006</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2007</u>
Marriage License Fees	\$ 375	\$ 1,425	\$ 1,250	\$ 550
Building Surcharge Fees	<u>1,413</u>	<u>6,611</u>	<u>6,624</u>	<u>1,400</u>
	<u>\$ 1,788</u>	<u>\$ 8,036</u>	<u>\$ 7,874</u>	<u>\$ 1,950</u>

**BOROUGH OF RIDGEFIELD
STATEMENT OF SPECIAL EMERGENCY NOTE PAYABLE**

Date of Issue	Date of Maturity	Interest Rate	Balance June 30, 2006	Increased	Decreased	Balance June 30, 2007
Revaluation of Real Property	6/15/2006	3.72%	\$ 138,000		\$ 138,000	
	6/15/2007	3.95%	\$ -	\$ 92,000	-	\$ 92,000
			<u>\$ 138,000</u>	<u>\$ 92,000</u>	<u>\$ 138,000</u>	<u>\$ 92,000</u>
		Renewal		\$ 92,000	\$ 92,000	
		Cash Disbursed		-	<u>46,000</u>	
				<u>\$ 92,000</u>	<u>\$ 138,000</u>	

TRUST FUND



**BOROUGH OF RIDGEFIELD
STATEMENT OF TRUST CASH AND INVESTMENTS**

	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>	<u>Unemployment Trust Fund</u>
Balance, June 30, 2006	\$ 12,827	\$ 905,948	\$ 21,145
Increased by Receipts:			
Borough's Share of Dog Licenses	\$ 2,320		
Prepaid Dog Licenses	974		
Employee Contributions		\$ 17,323	
State Dog License Fees	780		
Escrow Deposits		\$ 162,896	
Interest on Deposits	720	9,440	496
Miscellaneous Reserves		437,465	
Payroll and Payroll Deductions Payable	-	9,632,689	-
	<u>4,794</u>	<u>10,242,490</u>	<u>17,819</u>
Decreased by Disbursements:			
Payment to State of New Jersey -	17,621	11,148,438	38,964
State Dog License Fees	1,141		
Unemployment Claims			32,256
Escrow Deposits		113,280	
Miscellaneous Reserves		157,533	
Payroll and Payroll Deductions Payable	-	9,634,566	-
	<u>1,141</u>	<u>9,905,379</u>	<u>32,256</u>
Balance, June 30, 2007	\$ <u>16,480</u>	\$ <u>1,243,059</u>	\$ <u>6,708</u>

**BOROUGH OF RIDGEFIELD
STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES
ANIMAL CONTROL FUND**

Balance, June 30, 2006		\$ 5,367
Increased by:		
Dog License Fees Collected	\$ 2,320	
Prepaid Licenses Applied	<u>1,852</u>	
		<u>4,172</u>
		9,539
Decreased by:		
Expenditures		<u>-</u>
Balance, June 30, 2007		<u>\$ 9,539</u>

EXHIBIT B-3

**STATEMENT OF DUE TO STATE OF NEW JERSEY-DOG LICENSE FEES
ANIMAL CONTROL FUND**

Balance, June 30, 2006		\$ 556
Increased by:		
State Fees Collected		<u>780</u>
		1,336
Decreased by:		
Payments to State		<u>1,141</u>
Balance, June 30, 2007		<u>\$ 195</u>

EXHIBIT B-4

**STATEMENT OF PREPAID LICENSES
ANIMAL CONTROL FUND**

Balance, June 30, 2006		\$ 1,852
Increased by:		
Prepaid Fees Collected		<u>974</u>
		2,826
Decreased by:		
Prepaid Licenses Applied		<u>1,852</u>
Balance, June 30, 2007		<u>\$ 974</u>

**BOROUGH OF RIDGEFIELD
STATEMENT OF DUE TO CURRENT FUND
ANIMAL CONTROL FUND**

Balance, June 30, 2006	\$	5,052
Increased by:		
Interest on Deposits		720
Balance, June 30, 2007	\$	5,772

**STATEMENT OF DUE FROM CURRENT FUND - PAYROLL
OTHER TRUST FUND**

Balance, June 30, 2006	\$	6,544
Decreased by:		
Interest on Deposits and Investments		2,709
Balance, June 30, 2007	\$	3,835

**STATEMENT OF DUE TO/FROM CURRENT FUND-OTHER TRUST
OTHER TRUST FUND**

Balance, June 30, 2006 (Due to)	\$	3,978
Increased by:		
Interest on Deposits and Investments		6,731
		10,709
Accumulated Sick Leave Due from Current	\$	63,137
Other Trust Fund Receipts Deposited in Current Fund		18,265
		81,402
Balance, June 30, 2007 (Due From)	\$	70,693

**BOROUGH OF RIDGEFIELD
STATEMENT OF ESCROW DEPOSITS
OTHER TRUST FUND**

Balance, June 30, 2006		\$ 157,063
Increased by:		
Cash Receipts	\$ 162,896	
Prior Year Adjustment - Security and Maintenance Deposits	<u>28,947</u>	
		191,843
Decreased by:		
Cash Disbursements		<u>113,280</u>
Balance, June 30, 2007		<u>\$ 235,626</u>

**STATEMENT OF MISCELLANEOUS RESERVES
OTHER TRUST FUND**

	Balance, June 30, <u>2006</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Prior Year <u>Adjustments</u>	Balance June 30, <u>2007</u>
POAA	\$ 1,303	\$ 1,293			\$ 2,596
Fire Prevention		10,300			10,300
Landlord Security and Maintenance Deposits	67,057	381	\$ 15	\$ (28,947)	38,476
Tax Sale Premiums	43,800	20,100	29,700		34,200
Recycling Program	32,338	38,715			71,053
Affordable Housing	88,816	18,345			107,161
DARE	146				146
Bail - Excess Funds	9,340				9,340
Borough Newsletter	150				150
Recreation Fees	33,306	43,244	29,930		46,620
Police Vehicle Maintenance	9,138	34,795			43,933
Public Defender Fees	2,994	7,965			10,959
Library Donation	2,250				2,250
Ridgefield Day	3,881	9,718	13,599		
COAH	456,817	263,693	79,535		640,975
Board of Health		2,980	771		2,209
Accumulated Unused Sick Leave		63,137			63,137
Miscellaneous	<u>-</u>	<u>4,201</u>	<u>3,983</u>	<u>-</u>	<u>218</u>
	<u>\$ 751,336</u>	<u>\$ 518,867</u>	<u>\$ 157,533</u>	<u>\$ (28,947)</u>	<u>\$ 1,083,723</u>
Due from Current Fund		\$ 81,402			
Cash Receipts		437,465			
Escrow Deposits Payable		<u>-</u>		<u>\$ (28,947)</u>	
		<u>\$ 518,867</u>		<u>\$ (28,947)</u>	

**BOROUGH OF RIDGEFIELD
STATEMENT OF PAYROLL DEDUCTIONS PAYABLE
OTHER TRUST FUND**

Balance, June 30, 2006		\$ 115
Increased by:		
Cash Receipts:		<u>9,632,689</u>
		9,632,804
Decreased by:		
Cash Disbursements:		<u>9,634,566</u>
Balance, June 30, 2007 (Deficit)		<u>\$ (1,762)</u>

EXHIBIT B-11

**STATE OF RESERVE FOR UNEMPLOYMENT INSURANCE BENEFITS
UNEMPLOYMENT INSURANCE TRUST FUND**

Balance, June 30, 2006		\$ 21,145
Increased by:		
Employee Contributions	\$ 17,323	
Interest on Investments	<u>496</u>	
		<u>17,819</u>
		38,964
Decreased by:		
Claims Due to State of New Jersey		<u>38,964</u>
Balance, June 30, 2007		<u>\$ -</u>

EXHIBIT B-12

**STATEMENT OF DUE TO STATE OF NEW JERSEY
UNEMPLOYMENT INSURANCE TRUST FUND**

Increased by:		
Unemployment Claims		\$ 38,964
Decreased by:		
Payments to State		<u>32,256</u>
Balance, June 30, 2007		<u>\$ 6,708</u>

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GENERAL CAPITAL FUND



BOROUGH OF RIDGEFIELD
STATEMENT OF GENERAL CAPITAL CASH - TREASURER

Balance, June 30, 2006		\$ 8,872
Increased by:		
Bond Anticipation Note Proceeds	\$ 3,088,070	
General Serial Bond Proceeds	4,950,000	
Grant Proceeds	191,400	
Premium on Bonds - Due to Board of Education	13,995	
Accrued Interest on Bonds	2,200	
Premium on Bond Anticipation Notes	17,578	
Interest on Investments and Deposits	56,109	
	<u>8,319,352</u>	8,319,352
		8,328,224
Decreased by:		
Improvement Authorizations	1,468,233	
Prior Year Adjustment-Overpayment to Vendor	78,461	
Payments to Current Fund	937,825	
Payments for Current Fund	82,170	
Bond Anticipation Note Proceeds	4,950,000	
	<u>7,516,689</u>	7,516,689
Balance, June 30, 2007		<u>\$ 811,535</u>

**BOROUGH OF RIDGEFIELD
ANALYSIS OF GENERAL CAPITAL CASH**

		Balance, June 30, <u>2007</u>
Grants Receivable		\$ (1,494,609)
Due from Current Fund		(176,549)
Other Receivables		(78,461)
Contracts Payable		1,602,730
Other Payables		13,995
Capital Improvement Fund		14,345
Fund Balance		25,064
 Improvement Authorizations:		
Ordinance	<u>Improvement Description</u>	
<u>Number</u>		
1715	Improvements to Willis Park	10,000
1786	Various Road Improvements	2,198
1791	Improvements to Willis Park	121
1815	Geographic Information System	24,001
1816	Lighting at Meadowlands Park	92,817
1819/1858	Various Improvements	11,630
1829	Various Improvements	4,141
1834	Oak Street Improvements	75
1842	Construction of New Library	1,021
1843	Changes to Borelli Park	4,526
1845	Develop of Transit Oriented Development	293
1859	Various Improvements	24,354
1888	Addition to Shaler Academy	218,841
1889	Improvements to Various Roads	1,226
1899	Stormwater Pollution Prevention Plan	19
1918	Improvements to Veterans Field	7,214
1919	Redevelopment Plan for Overpeck Creek	43,418
1924	Resurfacing of Prospect Avenue	9,135
1917/1927	Various Improvements	99,734
1928	Various Road Improvements	117,318
1930	Construction of New Library	831
1931	Wolf Creek Flood Study	27,500
1932	NJDEP Stormwater Management	22,915
1944	Improvements to Ridgefield Library	42,920
1945	Improvements to Municipal Complex	20,000
1952	Various Road Improvements	(62,911)
1953	Safe Streets to Schools Program	20,961
2005	Various Capital Improvements	<u>160,722</u>
		<u>\$ 811,535</u>

BOROUGH OF RIDGEFIELD
STATEMENT OF GRANTS RECEIVABLE

	Ordinance Number	Balance June 30, 2006	Increased by: Grant Award	Decreased by: Cash Receipts	Balance June 30, 2007
CDBG - Road Improvements	1928	\$ 100,000			\$ 100,000
CDBG - Road Improvements	1952	100,000			100,000
Cty Public Works - Wolf Creek Culvert	1654	431,151			431,151
NJ Transportation Trust	1924	135,000		\$ 128,900	6,100
Bergen County Open Space	1829	62,500		62,500	-
Bergen County Open Space	1918	26,500			26,500
Cty Public Works - Wolf Creek Culvert	1732	88,300			88,300
NJ Meadowlands Commission	1815	25,000			25,000
NJ Meadowlands Commission	1931	75,000		47,500	27,500
NJ Meadowlands Commission	1932	25,000		10,188	14,812
Local Domestic Preparedness Grant	1922	45,000		45,000	-
NJDEP Liveable Communities	1842	75,000			75,000
NJDEP Liveable Communities	1843	83,200			83,200
NJDEP Liveable Communities	1944	50,000			50,000
NJDEP Liveable Communities	1945	20,000			20,000
NJ Smart Growth	1845	12,500			12,500
NJ Smart Growth	1919	60,000			60,000
Storm Water Grant	1899	2,552			2,552
NJ Education Facilities	1930	46,994			46,994
D.O.T. Safe Streets to Schools	1953	125,000			125,000
NJ Meadowlands Commission	2005	-	\$ 200,000	-	200,000
		<u>\$ 1,588,697</u>	<u>\$ 200,000</u>	<u>\$ 294,088</u>	<u>\$ 1,494,609</u>
				Cash Receipts \$ 191,400	
				Due From Current Fund <u>102,688</u>	
				<u>\$ 294,088</u>	

BOROUGH OF RIDGEFIELD
STATEMENT OF OTHER RECEIVABLES - DUE FROM VENDOR

Increased by:	
Prior Year Adjustment - Overpayment to Vendor	\$ <u>78,461</u>
Balance, June 30, 2007	\$ <u><u>78,461</u></u>

BOROUGH OF RIDGEFIELD
STATEMENT OF DUE TO/FROM CURRENT FUND

Balance, June 30, 2006 (Due To)		\$ 387,825
Increased by:		
Accrued Interest on Bonds	\$ 2,200	
Interest on Investments and Deposits	56,109	
Fund Balance Anticipated As Current Fund Revenue	<u>550,000</u>	
		<u>608,309</u>
		996,134
Decreased by:		
General Capital Grant Receipt Deposited in Current Fund	102,688	
Current Fund Budget Appropriations		
Capital Improvement Fund	50,000	
Current Fund Expenditures Paid by General Capital Fund	82,170	
Payments to Current Fund	<u>937,825</u>	
		<u>1,172,683</u>
Balance, June 30, 2007 (Due From)		<u>\$ 176,549</u>

BOROUGH OF RIDGEFIELD
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, June 30, 2006		\$ 7,221,393
Increased by:		
Costs Funded by Serial Bonds Issued		<u>4,950,000</u>
		12,171,393
Decreased by:		
Budget Appropriation to Pay Bonds	\$ 820,000	
Budget Appropriation to Pay Environmental Infrastructure Trust Loan	<u>45,607</u>	
		<u>865,607</u>
Balance, June 30, 2007		<u>\$ 11,305,786</u>

**BOROUGH OF RIDGEFIELD
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ordinance Number	Improvement Description	Balance, June 30, 2006	Authorized 2006/07	Transfer to Deferred Charges-Funded	Notes Paid by Budget Appropriation	Balance, June 30, 2007	Bond Anticipation Notes	Analysis of Balance, June 30, 2007	
								Expenditures	Improvement Authorizations Unfunded
1775	Construction of New Library	\$ 1,632,000			\$ 27,665	\$ 1,604,335	\$ 1,604,335		
1786	Various Road Improvements	166,250			8,750	157,500	157,500		
1791	Improvements to Willis Park	190,000			6,555	183,445	183,445		
1819/1858	Various Improvements	1,729,000			39,200	1,689,800	1,689,800		
1829	Various Improvements	178,125				178,125	178,125		
1859	Various Improvements	166,250				166,250	166,250		
1888	Addition to Shaler Academy	4,950,000		\$ 4,950,000					
1889	Improvements to Various Roads	18,750				18,750	18,750		
1918	Improvements to Veterans Field	25,175				25,175	25,175		
1924	Resurfacing of Prospect Avenue	16,150				16,150	16,150		
1917/1927	Various Improvements	637,070				637,070	637,070		
1928	Various Road Improvements	23,750				23,750	23,750		
1952	Various Road Improvements	95,000				95,000	95,000		
2005	Various Public Improvements	-	\$ 1,661,550	-	-	1,661,550	1,661,550	\$ 62,911	\$ 32,089
		<u>\$ 9,827,520</u>	<u>\$ 1,661,550</u>	<u>\$ 4,950,000</u>	<u>\$ 82,170</u>	<u>\$ 6,456,900</u>	<u>\$ 6,361,900</u>	<u>\$ 62,911</u>	<u>\$ 32,089</u>

Improvement Authorizations Unfunded		
Less Unexpended Proceeds of Bond Anticipation Notes		\$
Ordinance No. 1786 Various Road Improvements		
1791 Improvements to Willis Park	2,198	
1819/1858 Various Improvements	11,630	
1829 Various Improvements	4,141	
1859 Various Improvements	24,354	
1889 Improvement to Various Roads	1,226	
1918 Improvements to Veterans Field	7,214	
1924 Resurfacing of Prospect Avenue	9,135	
1917/1927 Various Improvements	99,734	
1928 Various Road Improvements	23,750	
2005 Various Public Improvements	160,722	
	<u>344,225</u>	
		\$ 376,314

**BOROUGH OF RIDGEFIELD
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Number	Improvement Description	Ordinance Amount	2006/2007 Authorizations		Capital Improvement Fund	Grant Awards	Deferred Charges to Future Charges Unfunded	Balance, June 30, 2007		
			June 30, 2006					Paid or Charged	Funded	Unfunded
			Funded	Unfunded						
1715	Improvements to Willis Park	\$ 25,000	\$ 10,000					\$ 10,000	\$ 2,198	
1786	Various Road Improvements	275,000		2,198					121	
1791	Improvements to Willis Field	200,000								
1815	Geographic Information System	25,000	24,001					24,001		
1816	Lighting at Meadowlands Park	125,000	92,817					92,817		
1819/1858	Various Improvements	446,500		21,695					11,630	
1829	Various Improvements	206,000		4,975					4,141	
1834	Oak Street Improvements	140,000	75					75		
1842	Construction of New Library	75,000	2,378					1,021		
1843	Changes to Borelli Park	83,200	4,526					4,526		
1845	Develop. Of Transit-Oriented Development	25,000	293					293		
1859	Various Improvements	142,700		25,596					24,354	
1888	Addition to Shaler Academy	5,198,000	973,763					218,841		
1889	Improvement to Various Roads	125,000	1,226						1,226	
1899	Stormwater Pollution Prevention Plan	10,207	19					19		
1918	Improvement to Veterans Field	53,000		7,214					7,214	
1919	Redevelopment Plan for Overpeck Creek	80,000	47,175					43,418		
1924	Resurfacing of Prospect Ave.	152,000	125,195	16,150				132,210	9,135	
1917-1927	Various Improvements	670,600	3,100	153,163				56,529	99,734	
1928	Various Road Improvements	125,000	98,818	23,750				5,250	23,750	
1930	Construction of New Library	571,667	4,235					3,404		
1931	Wolf Creek Flood Study	75,000	60,000					32,500		
1932	NJDEP Stormwater Management	25,000	25,000					27,500		
1944	Improvement to Ridgefield Library	50,000	50,000					22,915		
1945	Improvement to Municipal Complex	20,000	20,000					42,920		
1952	Various Road Improvements	200,000	104,500	95,000				167,411	32,089	
1953	Safe Streets to Schools Program	125,000	125,000					104,039		
2005	Various Capital Improvements	1,949,000			\$ 87,450	\$ 200,000	\$ 1,661,550	1,788,278	160,722	
			\$ 797,132	\$ 1,324,851	\$ 87,450	\$ 200,000	\$ 1,661,550	\$ 3,070,963	\$ 623,706	
									\$ - 376,314	

Cash Disbursements \$ 1,468,233
 Contracts Payable 1,602,730
\$ 3,070,963

**BOROUGH OF RIDGEFIELD
STATEMENT OF CONTRACTS PAYABLE**

Increased by:	
Charges to Improvement Authorizations	\$ <u>1,602,730</u>
Balance, June 30, 2007	\$ <u><u>1,602,730</u></u>

STATEMENT OF OTHER PAYABLE - DUE TO BOARD OF EDUCATION

Increased by:	
Premium on Bonds - Shaler Academy	\$ <u>13,995</u>
Balance, June 30, 2007	\$ <u><u>13,995</u></u>

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, June 30, 2006	\$ 51,795
Increased by:	
2007 Budget Appropriation	<u>50,000</u>
	101,795
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>87,450</u>
Balance, June 30, 2007	\$ <u><u>14,345</u></u>

**BOROUGH OF RIDGEFIELD
STATEMENT OF BOND ANTICIPATION NOTES**

Ordinance Number	Improvement Description	Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	%	Balance, June 30, 2006	Increased	Decreased	Balance, June 30, 2007
1775	Construction of New Library	10/20/2003	10/20/2005 10/20/2006	10/20/2006 8/3/2007	4.00 4.25	4.00	\$ 1,632,000	\$ 1,604,335	\$ 1,632,000	\$ 1,604,335
1786	Various Road Improvements	10/20/2003	10/20/2005 10/20/2006	10/20/2006 8/3/2007	4.00 4.25	4.00	166,250	157,500	166,250	157,500
1791	Improvements to Willis Field	10/20/2003	10/20/2005 10/20/2006	10/20/2006 8/3/2007	4.00 4.25	4.00	190,000	183,445	190,000	183,445
1819	Various Capital Improvements	10/20/2003	10/20/2005 10/20/2006	10/20/2006 8/3/2007	4.00 4.25	4.00	1,349,000	1,309,800	1,349,000	1,309,800
1888	Addition to Shaler Academy	1/27/2005	10/20/2005	10/20/2006	4.00	4.00	4,950,000		4,950,000	
1889	Improvements to Various Roads	1/27/2005	10/20/2005 10/20/2006	10/20/2006 8/3/2007	4.00 4.25	4.00	18,750	18,750	18,750	18,750
1829	Various Capital Improvements	8/3/2006	8/3/2006	8/3/2007	3.94	3.94	178,125	178,125		178,125
1858	Various Capital Improvements	8/3/2006	8/3/2006	8/3/2007	3.94	3.94	380,000	380,000		380,000
1859	Various Capital Improvements	8/3/2006	8/3/2006	8/3/2007	3.94	3.94	166,250	166,250		166,250
1917/1927	Various Capital Improvements	8/3/2006	8/3/2006	8/3/2007	3.94	3.94		637,070		637,070
1918	Improvements to Veterans Field	8/3/2006	8/3/2006	8/3/2007	3.94	3.94		25,175		25,175
1924	Resurfacing of Prospect Avenue	8/3/2006	8/3/2006	8/3/2007	3.94	3.94		16,150		16,150
1928	Various Road Improvements	8/3/2006	8/3/2006	8/3/2007	3.94	3.94		23,750		23,750
2005	Various Capital Improvements	4/10/2007	4/10/2007	4/10/2008	4.00	4.00		1,661,550		1,661,550
							<u>\$ 8,306,000</u>	<u>\$ 6,361,900</u>	<u>\$ 8,306,000</u>	<u>\$ 6,361,900</u>

Renewals	\$ 3,273,830	\$ 3,273,830
Paid by Budget Appropriation	82,170	
Paid by Serial Bond Proceeds	4,950,000	
Issued for Cash	3,088,070	
	<u>\$ 6,361,900</u>	<u>\$ 8,306,000</u>

**BOROUGH OF RIDGEFIELD
STATEMENT OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Loans Outstanding June 30, 2007</u>		<u>Interest Rate</u>	<u>Balance, June 30, 2006</u>	<u>Balance, June 30, 2007</u>
			<u>Date</u>	<u>Amount</u>			
NJ Environmental Infrastructure Trust Loan	11/9/2000	\$ 990,000	8/1/2007	\$ 38,902			
			2/1/2008	6,079			
			8/1/2008	38,590			
			2/1/2009	5,766			
			8/1/2009	46,404			
			2/1/2010	5,376			
			8/1/2010	46,013			
			2/1/2011	4,985			
			8/1/2011	45,622			
			2/1/2012	4,594			
			8/1/2012	45,232			
			2/1/2013	4,203			
			8/1/2013	44,841			
			2/1/2014	3,812			
			8/1/2014	52,577			
			2/1/2015	3,343			
			8/1/2015	52,108			
			2/1/2016	2,862			
			8/1/2016	51,627			
			2/1/2017	2,381			
			8/1/2017	59,274			
			2/1/2018	1,806			
			8/1/2018	58,699			
			2/1/2019	1,231			
			8/1/2019	58,125			
			5/1/2020	657			
			8/1/2020	65,677	0% - 5.25%	\$ 796,393	\$ 750,786
						\$ 45,607	\$ 45,607

Paid by Budget Appropriation \$ 45,607

**BOROUGH OF RIDGEFIELD
STATEMENT OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding June 30, 2007	Interest Rate	Balance, June 30, 2006	Increased	Decreased	Balance, June 30, 2007
Fiscal Year Adjustment Bonds of 1992	March 15, 1992	\$ 6,000,000	\$ 600,000	6.30%	\$ 600,000	\$ 600,000		
General Bonds of 2002	August 1, 2002	6,200,000	445,000	3.0%				
			455,000	3.30%				
			470,000	3.50%				
			495,000	4.125%				
			505,000	4.125%				
			520,000	4.125%				
			535,000	4.125%				
			550,000	4.125%				
			570,000	4.125%				
			590,000	4.25%		5,825,000	220,000	\$ 5,605,000
General Obligation Bonds of 2006	October 15, 2006	4,950,000	160,000	4.00%				
			170,000	4.00%				
			180,000	4.00%				
			185,000	4.00%				
			195,000	4.00%				
			205,000	4.00%				
			215,000	4.00%				
			225,000	4.00%				
			235,000	4.00%				
			245,000	4.00%				
			255,000	4.00%				
			265,000	4.00%				
			275,000	4.00%				
			280,000	4.00%				
		290,000	4.00%					
		300,000	4.00%					
		310,000	4.00%					
		320,000	4.00%					
						\$ 4,950,000		4,950,000
					\$ 6,425,000	\$ 4,950,000	\$ 820,000	\$ 10,555,000

Paid by Budget Appropriation

\$ 820,000

**BOROUGH OF RIDGEFIELD
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance, June 30, <u>2006</u>	2006-2007 <u>Authorizations</u>	Bond Anticipation Notes <u>Issued</u>	Balance, June 30, <u>2007</u>
	General Improvements				
1819/1858	Various Improvements	\$ 380,000		\$ 380,000	
1829	Various Improvements	178,125		178,125	
1859	Various Improvements	166,250		166,250	
1918	Improvement to Veterans Field	25,175		25,175	
1924	Resurfacing of Prospect Ave.	16,150		16,150	
1917/1927	Various Improvements	637,070		637,070	
1928	Various Road Improvements	23,750		23,750	
1952	Various Road Improvements	95,000			\$ 95,000
2005	Various Public Improvements	-	\$ 1,661,550	1,661,550	-
		<u>\$ 1,521,520</u>	<u>\$ 1,661,550</u>	<u>\$ 3,088,070</u>	<u>\$ 95,000</u>

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SWIM POOL UTILITY FUND



BOROUGH OF RIDGEFIELD
STATEMENT OF SWIM POOL UTILITY CASH - TREASURER

	<u>Operating</u>	<u>Capital</u>
Balance, June 30, 2006	\$ 122,392	\$ 4,564
Increased by Receipts:		
Membership Fees	\$ 185,251	
Miscellaneous	30,333	
Cash Received from Current Fund	<u>31,000</u>	<u>\$ 226</u>
	<u>246,584</u>	<u>226</u>
	368,976	4,790
Decreased by Disbursements:		
Budget Appropriations	234,883	
Appropriation Reserves	6,158	
Encumbrances Payable	7,871	
Refund of Prior Year Revenue	<u>250</u>	<u>-</u>
	<u>249,162</u>	<u>-</u>
Balance, June 30, 2007	<u>\$ 119,814</u>	<u>\$ 4,790</u>

**BOROUGH OF RIDGEFIELD
ANALYSIS OF SWIM POOL UTILITY CAPITAL CASH**

	Balance, June 30, <u>2007</u>
Fund Balance	\$ 1,730
Reserve for Capital Outlay	21,455
Due To Swim Pool Utility Operating Fund	23,626
Due From State of New Jersey	(50,000)
Improvement Authorizations	
Ord. No. 1550 Improvements and Purchase of Equipment	79
Ord. No. 1771 Various Improvements	(42,100)
Ord. No. 1835 ADA Improvements	<u>50,000</u>
	<u>\$ 4,790</u>

EXHIBIT D-7

**STATEMENT OF DEFERRED CHARGES - OVEREXPENDITURE OF APPROPRIATIONS
SWIM POOL UTILITY OPERATING FUND**

Balance, June 30, 2006	\$ 2,838
Increased by:	
Overexpenditure of FY 2007 Budget Appropriations	<u>5,508</u>
Balance, June 30, 2007	<u>\$ 8,346</u>

**BOROUGH OF RIDGEFIELD
STATEMENT OF FIXED CAPITAL
SWIM POOL UTILITY CAPITAL FUND**

<u>Description</u>	<u>Balance, June 30, 2006</u>	<u>Additions by Budget Capital Outlay</u>	<u>Balance, June 30, 2007</u>
Municipal Pool Facility	\$ 1,480,252	\$ 32,087	\$ 1,512,339
Pumps and Filters	35,932	1,876	37,808
Fire Alarms	9,885		9,885
Equipment	<u>192,937</u>	<u>6,826</u>	<u>199,763</u>
	<u>\$ 1,719,006</u>	<u>\$ 40,789</u>	<u>\$ 1,759,795</u>
		Budget Appropriation \$ 19,056	
		Appropriation Reserves 3,366	
		Prior Year Adjustment <u>18,367</u>	
		<u>\$ 40,789</u>	

**STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
SWIM POOL UTILITY CAPITAL FUND**

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Ordinance Amount</u>	<u>Balance, June 30, 2006</u>	<u>Balance, June 30, 2007</u>
1835	ADA Improvements	\$ 50,000	<u>\$ 50,000</u>	<u>\$ 50,000</u>

**BOROUGH OF RIDGEFIELD
STATEMENT OF SFY 2006 APPROPRIATION RESERVES**

	Balance, June 30, <u>2006</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating				
Other Expenses	\$ 9,922	\$ 9,922	\$ 2,792	\$ 7,130
Capital Improvements				
Capital Outlay	16,633	16,633	3,366	13,267
Statutory Expenditures				
Contribution to Social Security System (O.A.S.I.)	<u>139</u>	<u>139</u>	<u>-</u>	<u>139</u>
	<u>\$ 26,694</u>	<u>\$ 26,694</u>	<u>\$ 6,158</u>	<u>\$ 20,536</u>
			<u>\$ 6,158</u>	

EXHIBIT D-11

**STATEMENT OF DUE TO SWIM POOL UTILITY OPERATING FUND
SWIM POOL UTILITY CAPITAL FUND**

Balance, June 30, 2006	\$ 23,400
Increased by:	
Interest on Investments and Deposits	<u>226</u>
Balance, June 30, 2007	<u>\$ 23,626</u>

EXHIBIT D-12

**STATEMENT OF DUE TO CURRENT FUND
SWIM POOL UTILITY OPERATING FUND**

Balance, June 30, 2006	\$ 8,861
Increased by:	
Swim Pool Utility Refund Paid by Current Fund	\$ 30
Cash Receipts	<u>31,000</u>
	<u>31,030</u>
Balance, June 30, 2007	<u>\$ 39,891</u>

**BOROUGH OF RIDGEFIELD
STATEMENT OF ENCUMBRANCES PAYABLE
SWIM POOL UTILITY OPERATING FUND**

Balance, June 30, 2006	\$	7,871
Increased by:		
Charges to Budget Appropriations		20,962
		28,833
Decreased by:		
Cash Disbursements		7,871
Balance, June 30, 2007	\$	20,962

**STATEMENT OF IMPROVEMENT AUTHORIZATIONS
SWIM POOL UTILITY CAPITAL FUND**

Ord. No.	<u>Improvement Description</u>	Ordinance Amount <u>Appropriated</u>	Balance, <u>June 30, 2006</u> <u>Funded</u>	Balance, <u>June 30, 2007</u> <u>Funded</u>
1550	Improvements and Purchase of Equipment	\$ 10,000	\$ 79	\$ 79
1835	ADA Improvements	50,000	50,000	50,000
			\$ 50,079	\$ 50,079

**BOROUGH OF RIDGEFIELD
STATEMENT OF RESERVE FOR AMORTIZATION
SWIM POOL UTILITY CAPITAL FUND**

Balance, June 30, 2006		\$ 1,676,906
Increased by:		
Capital Outlay		
By Operating Budgets	\$ 22,422	
Prior Year Adjustment - Prior Operating Budgets	<u>18,367</u>	
		<u>40,789</u>
Balance, June 30, 2007		<u>\$ 1,717,695</u>

EXHIBIT D-16

**STATEMENT OF DEFERRED RESERVE FOR AMORTIZATION
SWIM POOL UTILITY CAPITAL FUND**

Ordinance Number	Improvement <u>Description</u>	<u>Balance, June 30, 2006</u>	<u>Balance, June 30, 2007</u>
1835	ADA Improvements	<u>\$ 50,000</u>	<u>\$ 50,000</u>

EXHIBIT D-17

**STATEMENT OF RESERVE FOR CAPITAL OUTLAY
SWIM POOL UTILITY CAPITAL FUND**

Balance, June 30, 2006		<u>\$ 21,455</u>
Balance, June 30, 2007		<u>\$ 21,455</u>

EXHIBIT D-18

**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
SWIM POOL UTILITY CAPITAL FUND**

Ord. <u>No.</u>	<u>Purpose</u>	<u>Balance, June 30, 2006</u>	<u>Balance, June 30, 2007</u>
1771	Various Improvements	<u>\$ 42,100</u>	<u>\$ 42,100</u>

PUBLIC ASSISTANCE FUND



BOROUGH OF RIDGEFIELD
STATEMENT OF PUBLIC ASSISTANCE CASH - TREASURER

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>	<u>Petty Cash Account</u>	<u>Relocation Account</u>
Balance, June 30, 2006	\$ 51,589	\$ 7,932	\$ 29,942	-	\$ 13,715
Increased by:					
State Aid	94,440		94,440		
Supplemental Security Income	2,667		2,667		
Interest	2,938	265	1,996		677
Refunds	80	80			
Budget Appropriation	5,500	5,500			
IntraFund Transfer	6,126	626	-	\$ 5,500	-
Total Receipts	<u>111,751</u>	<u>6,471</u>	<u>99,103</u>	<u>5,500</u>	<u>677</u>
	<u>163,340</u>	<u>14,403</u>	<u>129,045</u>	<u>5,500</u>	<u>14,392</u>
Decreased by:					
Assistance - Eligible	77,588		77,588		
Assistance - Ineligible	4,815			4,815	
IntraFund Transfer	6,126	5,500		626	
Payments to Current Fund	1,891	255	970	-	666
Total Disbursements	<u>90,420</u>	<u>5,755</u>	<u>78,558</u>	<u>5,441</u>	<u>666</u>
Balance, June 30, 2007	<u>\$ 72,920</u>	<u>\$ 8,648</u>	<u>\$ 50,487</u>	<u>\$ 59</u>	<u>\$ 13,726</u>

EXHIBIT E-2

STATEMENT OF RESERVE FOR PUBLIC ASSISTANCE EXPENDITURES

	<u>Total</u>	<u>P.A.T.F. Account #1/ Petty Cash</u>	<u>P.A.T.F. Account #2</u>	<u>Relocation Account</u>
Balance, June 30, 2006	\$ 50,465	\$ 7,917	\$ 28,877	\$ 13,671
Increased by:				
Revenues	102,687	5,580	97,107	-
	153,152	13,497	125,984	13,671
Decreased by:				
Expenditures	82,403	4,815	77,588	-
Balance, June 30, 2007	<u>\$ 70,749</u>	<u>\$ 8,682</u>	<u>\$ 48,396</u>	<u>\$ 13,671</u>

BOROUGH OF RIDGEFIELD
STATEMENT OF PUBLIC ASSISTANCE REVENUES

	<u>Total</u>	<u>P.A.T.F.</u> <u>Account #1</u>	<u>P.A.T.F.</u> <u>Account #2</u>	<u>Petty Cash</u> <u>Account</u>	<u>Relocation</u> <u>Account</u>
State Aid	\$ 94,440		\$ 94,440		
Budget Appropriation	5,500	\$ 5,500			
Refunds - Non State Matched	80	80	-		
Supplemental Security Income					
Municipal Refund	<u>2,667</u>	<u>-</u>	<u>2,667</u>	<u>-</u>	<u>-</u>
 Total Revenues	 102,687	 5,580	 97,107	 -	 -
 IntraFund Transfers	 6,126	 626		 \$ 5,500	
Interest	<u>2,938</u>	<u>265</u>	<u>1,996</u>	<u>-</u>	<u>\$ 677</u>
	<u>\$ 111,751</u>	<u>\$ 6,471</u>	<u>\$ 99,103</u>	<u>\$ 5,500</u>	<u>\$ 677</u>

EXHIBIT E-4

STATEMENT OF PUBLIC ASSISTANCE EXPENDITURES

	<u>Total</u>	<u>P.A.T.F.</u> <u>Account #1</u>	<u>P.A.T.F.</u> <u>Account #2</u>	<u>Petty Cash</u> <u>Account</u>	<u>Relocation</u> <u>Account</u>
Current Year Assistance					
Maintenance	\$ 40,863		\$ 40,863		
Temporary Rental Assistance	31,172		31,172		
Transportation	466		466		
Work Related	585		585		
Emergency Assistance					
Rent	3,024		3,024		
Shelter/Motel	678		678		
Other	800		800		
Assistance - Ineligible for State Aid	<u>4,815</u>	<u>-</u>	<u>-</u>	<u>\$ 4,815</u>	<u>-</u>
 Total Expenditures	 82,403	 -	 77,588	 4,815	 -
 IntraFund Transfers	 6,126	 \$ 5,500		 626	
Payments to Current Fund	<u>1,891</u>	<u>255</u>	<u>970</u>	<u>-</u>	<u>\$ 666</u>
 Total Disbursements	 <u>\$ 90,420</u>	 <u>\$ 5,755</u>	 <u>\$ 78,558</u>	 <u>\$ 5,441</u>	 <u>\$ 666</u>

BOROUGH OF RIDGEFIELD
STATEMENT OF DUE TO/FROM CURRENT FUND

Balance, June 30, 2006	\$ 1,124
Increased by:	
Interest Earned on Investments and Deposits	<u>2,938</u>
	4,062
Decreased by:	
Payments to Current Fund	<u>1,891</u>
Balance, June 30, 2007	<u>\$ 2,171</u>

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BOROUGH OF RIDGEFIELD
BERGEN COUNTY, NEW JERSEY

PART II
GOVERNMENT AUDITING STANDARDS SECTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2007



LERCH, VINCI & HIGGINS, LLP

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

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

We have audited the financial statements – statutory basis of the Borough of Ridgefield as of and for the fiscal year ended June 30, 2007, and have issued our report thereon dated February 1, 2008 which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared using the statutory basis of accounting prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough of Ridgefield's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Borough's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the statutory basis of accounting such that there is more than a remote likelihood that a misstatement of the Borough's financial statements that is more than inconsequential will not be prevented or detected by the Borough's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses as 2007-1 to 2007-9 and 2007-11 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Borough's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiencies described above to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Ridgefield's financial statements 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying schedule of findings and responses as items 2007-1 to 2007-11.

We also noted certain matters that we reported to management of the Borough of Ridgefield in Part III of this report of audit entitled "Letter of Comments and Recommendations".

The Borough of Ridgefield's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Borough's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the governing body, management, New Jersey Department of Community Affairs and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Lerch, Vinci & Higgins, LLP
LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants


Jeffrey C. Bliss
Registered Municipal Accountant
RMA Number CR00429

Fair Lawn, New Jersey
February 1, 2008

SINGLE AUDIT SECTION



**BOROUGH OF RIDGEFIELD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

Federal CFDA <u>Number</u>	<u>Year</u>	<u>Grant Award Amount</u>	<u>2007 Grant Receipts</u>	Balance, June 30, <u>2006</u> (Restated)	<u>Revenue Realized</u>	<u>Expenditures</u>	Balance, June 30, <u>2007</u>
U.S. Department of Housing and Urban Development (Passed through County Dept. of Community Development) Community Development Block Grants							
14.219		\$ 100,000		\$ 100,000		\$ 100,000	\$ 100,000
	2006	100,000		100,000			
U.S. Department of Environmental Protection Municipal Stormwater Regulation							
66.605	2007	10,207	10,207	19			19
U.S. Department of Law and Public Safety Click It Or Ticket							
20.602	2006	3,464		3,464			3,464
	2005	664		664			664
	2004	4,000		4,000			4,000
	2003	5,000		651			651
U.S. Department of Homeland Security Local Domestic Preparedness Equipment Grant (Ord. 1922)							
97.067		45,000	45,000				
U.S. Department of Justice COPS Universal Hiring							
16.710		25,000		2,183			2,183
Total							
				\$ 210,981	\$ -	\$ 100,000	\$ 110,981

**BOROUGH OF RIDGEFIELD
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2007 Grant Receipts</u>	<u>Balance, June 30, 2006 (Restated)</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Adjustments*</u>	<u>Balance, June 30, 2007</u>
Department of Environmental Protection Clean Communities Grant	4900-765-178900	2007	\$ 10,924	\$ 10,924		\$ 9,887	\$ 8,750		\$ 1,137
		2006	9,887						
Recycling Tonnage Grant	4900-752-178840-60	2007	4,181	4,181					-
		2006	5,453			5,453			5,453
		2007	12,553		2,797				2,797
Division of Motor Vehicles Drunk Driving Enforcement Fund	1110-448-031020-22	2007	3,204	3,204					3,965
		2006	5,414			5,414	1,449		4,506
		2006	4,506		4,506				8,563
		2004	8,563		8,563				2,267
		2003	3,781		2,267				1,256
Department of Community Affairs Alcohol Education and Rehabilitation	4250-700-050000-63		4,353		1,256				1,399
			1,757		1,399				1,770
			2,270		1,770				1,663
			1,663		1,663				62
			62		62				58,697
Special Legislative Grant	8050-100-002-8050-280		155,000		58,697				-
Emergency Management Assistance	1200-100-066-1200-726-6120	2007	5,000	5,000					5,000
		2006	5,000			5,000			3,250
		2005	3,250		3,250				3,250
		2004	3,250		3,250				3,250
		2003	3,250		3,250				455
		2002	3,250		455				

**BOROUGH OF RIDGEFIELD
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

State Grant Program	Grant Number	Grant Year	Grant Award	2007 Grant Receipts	Balance, June 30, 2006 (Restated)	Revenue Realized	Expended	Adjustments *	Balance, June 30, 2007
Department of Community Affairs Hazardous Material	N/A		\$ 2,500		\$ 797				\$ 797
ADA Compliance Grant ADA Improvement Swim Pool	N/A		50,000		50,000				50,000
Livable Communities Borelli Park (Ord. 1843)	100-042-4875-353		83,200		4,526				4,526
New Library (Ord. 1842)			75,000		2,378	\$ 1,357			1,021
New Library (Ord. 1944)			50,000		50,000	7,080			42,920
Municipal Complex (Ord. 1945)			20,000		20,000				20,000
NJ Smart Growth Redemp. Plan Overpeck Creek (Ord. 1919) Transit-Oriented Development (Ord. 1845)	100-022-8070-39-999000		60,000 12,500		47,175 293		3,757		43,418 293
Department of Health Services General Assistance	7550-100-054-121-6020	2007	94,440	94,440	28,877	\$ 94,440	77,588	\$ 2,667	48,396
NJ Division of Criminal Justice Body Armor Replacement Fund	1020-718-066-YCJS	2007 2006 2005	2,732 2,447 2,618	2,732	2,447 1,864		2,116		331 1,864
Department of Transportation NJ Transportation Trust Fund	480-078-6320-6010		125,000		35,927				35,927
Discretionary Aid Prospect Ave (Ord. 1924) Oak Street (Ord. 1834)	480-078-6320		135,000 140,000	128,900	135,000 75		128,900		6,100 75

**BOROUGH OF RIDGEFIELD
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2007 Grant Receipts</u>	<u>Balance, June 30, 2006 (Restated)</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Adjustments *</u>	<u>Balance, June 30, 2007</u>
Safe Streets to Schools (Ord. 1953)	480-078-6320		\$ 125,000		\$ 125,000	\$ 104,039		\$ 20,961	
NJ Educational Facilities Authority Public Library Project Grant (Ord. 1930)	N/A		571,667		4,235	3,404		831	
County of Bergen Pass Thru Grants Municipal Drug Alliance	N/A	2007	11,500	\$ 10,800	\$ 7,856	7,856		-	
		2006	11,500		5,882	3,644		5,382	
Municipal Recycling Assistance Program	N/A	2007	4,674	4,674					
		2006	5,224		5,224	5,224		-	
		2005	6,604		6,604	3,689		2,915	
		2004	4,766		1,615	1,615		-	
					<u>\$ 615,880</u>	<u>\$ 136,918</u>	<u>\$ 360,968</u>	<u>\$ 2,667</u>	<u>\$ 394,497</u>

* Adjustments for prior year revenue

**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**

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**BOROUGH OF RIDGEFIELD
 NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
 AND STATE FINANCIAL ASSISTANCE
 FISCAL YEARS ENDED JUNE 30, 2007 AND 2006**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal awards and state financial assistance programs of the Borough of Ridgefield. The Borough is defined in Note 1(A) to the Borough's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of expenditures of awards.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are presented using the modified accrual basis of accounting as prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is described in Note 1(B) to the Borough's financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's financial statements. Financial assistance revenues are reported in the Borough's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund		\$ 42,478	\$ 42,478
Public Assistance Fund	-	94,440	94,440
	<u>\$ -</u>	<u>\$ 136,918</u>	<u>\$ 136,918</u>

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the Borough's fiscal year and grant program year.

**BOROUGH OF RIDGEFIELD
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FISCAL YEARS ENDED JUNE 30, 2007 AND 2006**

NOTE 5 FEDERAL AND STATE LOANS OUTSTANDING

The Borough's federal and state loans outstanding at June 30, 2007, which are not required to be reported on the schedules of expenditures of federal awards and state financial assistance, are as follows:

Loan Program

New Jersey Environmental
Infrastructure Trust
Trust Loan
Fund Loan

\$	400,000
	<u>350,786</u>
\$	<u>750,786</u>

NOTE 6 RESTATEMENTS

The balances at June 30, 2006 were restated to reflect the unexpended balances of federal and state grant awards as reported in and determined from the prior year's audit.

	Balance June 30, 2006 Prior to <u>Restatement</u>	<u>Restatements</u>	Balance, June 30, 2006 <u>Restated</u>
Schedule A - Federal Awards	\$ (5,717)	\$ 216,698	\$ 210,981
Schedule B - State Financial Assistance	(46,722)	662,602	615,880

**BOROUGH OF RIDGEFIELD
BERGEN COUNTY, NEW JERSEY**

PART III

SUPPORTING DATA

SCHEDULE OF FINDINGS AND RESPONSES

LETTER OF COMMENTS AND RECOMMENDATIONS

FOR THE FISCAL YEAR ENDED JUNE 30, 2007



**BOROUGH OF RIDGEFIELD
COMPARATIVE SCHEDULES OF OPERATIONS AND CHANGES IN FUND BALANCE –
CURRENT FUND**

	<u>Fiscal Year 2006/07</u>		<u>Fiscal Year 2005/06</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 39,600	0.12 %	\$ 900,000	2.78 %
Miscellaneous - From Other Than Local				
Property Tax Levies	10,626,569	31.47	9,860,228	30.50
Collection of Delinquent Taxes and Tax Title Liens	253,227	0.75	334,598	1.03
Collection of Current Tax Levy	22,552,985	66.79	20,735,127	64.13
Other Credits	<u>294,921</u>	<u>0.87</u>	<u>503,459</u>	<u>1.56</u>
Total Income	<u>33,767,302</u>	<u>100.00 %</u>	<u>32,333,412</u>	<u>100.00 %</u>
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	17,093,124	51.38 %	16,830,530	52.06 %
County Taxes	3,254,092	9.78	3,238,424	10.02
Local District School Taxes	12,826,957	38.56	11,802,059	36.51
Other Expenditures - Debits	<u>94,533</u>	<u>0.28</u>	<u>456,601</u>	<u>1.41</u>
Total Expenditures	<u>33,268,706</u>	<u>100.00 %</u>	<u>32,327,614</u>	<u>100.00 %</u>
Less: Expenditures to be Raised by Future Revenue	<u>89,603</u>		<u>5,129</u>	
Total Adjusted Expenditures	<u>33,179,103</u>		<u>32,322,485</u>	
Excess in Revenue	588,199		10,927	
Fund Balance, Beginning of Year	<u>153,393</u>		<u>1,042,466</u>	
	741,592		1,053,393	
Less Utilization as Anticipated Revenue	<u>39,600</u>		<u>900,000</u>	
Fund Balance, End of Year	<u>\$ 701,992</u>		<u>\$ 153,393</u>	

**BOROUGH OF RIDGEFIELD
COMPARATIVE SCHEDULES OF OPERATIONS AND CHANGES IN FUND BALANCE –
SWIM POOL UTILITY OPERATING FUND**

	<u>Fiscal Year 2006/07</u>			<u>Fiscal Year 2005/06</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Surplus Anticipated	\$ 69,900	22.82 %	\$	46,969	15.01 %
Membership Fees	185,251	60.49		174,284	55.71
Miscellaneous Fees	30,559	9.98		28,280	9.04
Other Credits to Income	<u>20,536</u>	<u>6.71</u>		<u>63,310</u>	<u>20.24</u>
 Total Income	 <u>306,246</u>	 <u>100.00</u> %		 <u>312,843</u>	 <u>100.00</u> %
EXPENDITURES					
Budget Expenditures					
Operating	233,676	83.85 %		212,388	80.20 %
Capital Improvements	35,000	12.56		35,000	13.22
Deferred Charges and Statutory Expenditures	9,732	3.49		9,000	3.40
Deficit in Operations in Prior Years				8,419	3.18
Other Expenditures - Debits	<u>280</u>	<u>0.10</u>		<u>-</u>	<u>-</u>
 Total Expenditures	 <u>278,688</u>	 <u>100.00</u> %		 <u>264,807</u>	 <u>100.00</u> %
Less: Expenditures to be Raised by Future Revenue	<u>5,508</u>			<u>2,838</u>	
 Total Adjusted Expenditures	 <u>273,180</u>			 <u>261,969</u>	
 Excess in Revenue	 33,066			 50,874	
 Fund Balance, Beginning of Year	 <u>105,204</u>			 <u>101,299</u>	
	138,270			152,173	
Decreased by:					
Utilized as Anticipated Revenue	<u>69,900</u>			<u>46,969</u>	
 Fund Balance, End of Year	 <u>\$ 68,370</u>			 <u>\$ 105,204</u>	

**BOROUGH OF RIDGEFIELD
GENERAL INFORMATION**

COMPARATIVE SCHEDULE OF CALENDAR YEAR TAX RATE INFORMATION

	<u>2007</u>	<u>2006</u>	<u>2005</u>
<u>Calendar Year Tax Rate</u>	<u>\$1.37</u>	<u>\$1.19</u>	<u>\$1.17</u>
<u>Apportionment of Tax Rate</u>			
Municipal	\$.424	\$.351	\$.409
County	.176	.164	.162
County Open Space	.010	.010	.010
Local School	.760	.665	.589
<u>Assessed Valuation</u>			
2007	<u>\$1,853,343,069</u>		
2006		<u>\$1,851,145,960</u>	
2005 (1)			<u>\$1,854,169,156</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year Ended</u> <u>June 30</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage</u> <u>of</u> <u>Collection</u>
2007	\$ 23,012,149	\$ 22,677,985	98.54%
2006	21,047,887	20,735,127	98.51%
2005	20,116,172	19,727,800	98.07%

**BOROUGH OF RIDGEFIELD
GENERAL INFORMATION**

DELINQUENT TAXES AND TAX TITLE LIENS

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

Year Ended <u>June 30</u>	Amount of Tax Title <u>Liens</u>	Amount of Delinquent <u>Taxes</u>	Total <u>Delinquent</u>	Percentage of <u>Tax Levy</u>
2007	\$ 55,179	\$ 305,217	\$ 360,396	1.56%
2006	47,822	251,084	298,906	1.42%
2005	42,923	334,598	377,521	1.84%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens at year-end, on the basis of the last assessed valuation of such properties, was as follows:

Year Ended <u>June 30</u>	<u>Amount</u>
2007	\$81,180
2006	81,180
2005	81,180

COMPARATIVE SCHEDULE OF FUND BALANCES

	Year Ended <u>June 30</u>	Fund <u>Balance</u>	Utilized In Budget of Succeeding <u>Year</u>
Current Fund	2007	\$701,992	\$400,000
	2006	153,393	39,600
	2005	1,042,466	900,000
Swim Pool Utility Operating Fund	2007	\$ 68,370	\$ 50,000
	2006	105,204	69,900
	2005	101,299	46,969

**BOROUGH OF RIDGEFIELD
GENERAL INFORMATION**

OFFICIALS 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>Corporate Surety</u>
Anthony Suarez	Mayor		
Javier Acosta	Councilman to 12/31/06		
Robert Avery	Councilman		
Thomas Blackley	Councilman		
Angus Todd	Councilman from 1/1/07		
Warren Vincentz	Councilman from 1/1/07		
James Fucci	Councilman		
Robert Kovic	Councilman		
John Quaregna	Councilman to 12/31/06		
Martin Gobbo	Borough Clerk from 12/11/06	\$300,000	Western Surety Co.
Stewart Veale	Borough Clerk to 12/11/06		
Linda Castel	Deputy Clerk	150,000	Western Surety Co.
Roberta Stern	Administrator	100,000	Western Surety Co.
Joseph Iannoconi	Chief Financial Officer to 4/2/07	300,000	Western Surety Co.
Frank Elenio	Chief Financial Officer from 5/1/07		
Alexis Melchionne	Finance Clerk	150,000	Western Surety Co.
Frank Berardo	Tax Collector	150,000	Western Surety Co.
John Gallagher	Tax Searcher/Assistant to Tax Assessor/ Tax Clerk	25,000	Western Surety Co.
Jennifer Kees	Tax Clerk	50,000	Western Surety Co.
George Reggo	Assessor		
Bernie McHugh	Director of Welfare/Relocation Officer	60,000	Western Surety Co.
Louise Dinice	Magistrate to 2/12/07	10,000	Western Surety Co.
Robert Binetti	Magistrate from 2/12/07	100,000	Western Surety Co.
Stephanie Seyr	Court Administrator	75,000	Western Surety Co.
Jasna Gega	Court Clerk	75,000	Western Surety Co.
Rosemary Sutton	Court Clerk	50,000	Western Surety Co.
Andrea Beth Novak	Court Clerk	50,000	Western Surety Co.
Stephen Pellino, Esq.	Attorney to 3/12/07		
Douglas Doyle, Esq.	Attorney from 3/12/07		

All officials handling cash were covered by a blanket position bond issued by the Hartford Insurance Co. in the amount of \$150,000.

**BOROUGH OF RIDGEFIELD
SCHEDULE OF FINDINGS AND RESPONSES**

Finding 2007-1 – Our audit revealed the Current Fund general ledger account balances were not in agreement with subsidiary ledgers and supporting documentation.

Criteria – Division of Local Government Services Technical Accounting Directive 85-3 “General Ledger Accounting”.

Condition – Numerous adjusting journal entries were required to reconcile the Current Fund general ledger account balances to subsidiary ledgers and supporting documentation (i.e., tax account status reports, revenue and budget account status reports, bank reconciliations, etc.).

Cause – Current year tax levy, adopted budget, cash receipt and disbursement transactions required adjusting entries to reconcile the general ledger account balances and transactions with their respective subsidiary ledgers and supporting documentation.

Effect – The accuracy of the Current Fund financial statements could be compromised due to unposted or misposted transactions which are not reconciled between the general ledger accounts and subsidiary reports and supporting documentation.

Recommendation – The Current Fund general ledger accounts be reconciled to their respective subsidiary ledgers and supporting documentation on a monthly basis.

Response – The Borough has reviewed this finding and has indicated appropriate corrective action will be implemented.

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Finding 2007-2 – Our audit revealed a general ledger accounting system has not been implanted and maintained for all funds of the Borough.

Criteria – Division of Local Government Services Technical Accounting Directive 85-3 “General Ledger Accounting”.

Condition – General ledgers are not maintained for the Trust Funds, General Capital Fund, Swim Pool Utility Funds or Public Assistance Trust Funds.

Cause – Monthly financial activity of certain funds are not maintained by a self-balancing double entry accounting system.

Effect – The accuracy of financial statements could be compromised due to financial transactions not being recorded in a general ledger accounting system.

Recommendation – The Borough implement and maintain a general ledger accounting system for all funds of the Borough.

Response – The Borough has reviewed this finding and has indicated appropriate corrective action will be implemented.

**BOROUGH OF RIDGEFIELD
SCHEDULE OF FINDINGS AND RESPONSES**

Finding 2007-3 – Our audit revealed overcommitments and overexpenditures of appropriations and appropriation reserves occurred in the Borough’s Current Fund and the Swim Pool Utility Operating fund.

Criteria – N.J.S.A. 40A:4-57 prohibits the payment of any claims without the existence of sufficient appropriations.

Condition – The Borough incurred expenditures in excess of available appropriations. There were overexpenditures of approximately \$48,000 in the FY 07 budget and approximately \$42,000 in the FY 06 reserve budget. In addition, the Swim Pool Operating Fund had overexpenditures in the FY 07 budget of approximately \$5,500.

Cause – Sufficient funds were not available in certain budgetary line accounts for the payment of expenses incurred by the Borough.

Effect – The Borough must fund these overexpenditures in the FY 08 budget.

Recommendation – Internal control procedures be reviewed and enhanced to ensure sufficient appropriations are made available in budgetary line accounts prior to the expenditure of funds.

Response – The Borough has reviewed this finding and has indicated appropriate corrective action will be implemented.

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Finding 2007-4 – Our audit of the Current and General Capital Funds revealed liabilities of approximately \$321,000 and \$1,425,000, respectively that were not recorded in the Borough’s financial records at June 30, 2007.

Criteria – Division of Local Government Services Technical Accounting Directive 85-1 “Encumbrance Accounting”.

Condition – The financial statements and subsidiary records (budget reports, improvement authorization ledgers, etc) of the Borough do not reflect all expenditures incurred by the Borough during the fiscal year and which remained outstanding at year end.

Cause – Approved purchase orders are not issued and encumbered for monthly recurring expenditures or prior to the ordering of the good or service or for contracts that are awarded by governing body resolution.

Effect – The accuracy of the Current Fund and General Capital Fund financial statements could be compromised due to unrecorded liabilities which remain outstanding at year end.

Recommendation – The Borough review its internal control procedures regarding the encumbering of funds for monthly recurring expenditures, the ordering of goods or services, and the awarding of contracts to ensure approved purchase orders are issued prior to the commitment of Borough funds.

Response - The Borough has reviewed this finding and has indicated appropriate corrective action will be implemented.

**BOROUGH OF RIDGEFIELD
SCHEDULE OF FINDINGS AND RESPONSES**

Finding 2007-5 – Our audit of cash disbursements revealed that certain expenditures pertaining to May and June 2007 and 2006 were charged to the incorrect budget year.

Criteria – Budgetary accounting and State of New Jersey budget guidelines.

Condition – May and June 2006 bills totaling \$175,000 were charged to the FY 2007 budget and May and June 2007 bills totaling \$201,000 were charged to the FY 2008 budget. Financial statements were adjusted to record transactions to the proper budget year.

Cause - Purchase orders are not properly reviewed to verify that the correct budget year is charged.

Effect – The accuracy of the Current Fund financial statements could be comprised due to financial transactions being recorded against the incorrect budget year.

Recommendation - The Borough review its internal control procedures regarding the review and approval of purchase orders to ensure that expenditures are charged to the proper fiscal years' budget.

Response - The Borough has reviewed this finding and has indicated appropriate corrective action will be implemented.

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Finding 2007-6 – Our audit of the General Capital Fund revealed numerous outstanding grant receivable balances which appear old, inactive and uncollectible. Certain unexpended improvement authorization balances relating to these receivables were cancelled to Capital Fund Balance (Surplus) during FY06. The capital surplus was subsequently anticipated as revenue in the FY 07 budget.

Criteria – Internal controls of grant accounting and reporting.

Condition – Numerous grant receivable balances remain outstanding and appear uncollectible.

Cause – Amounts have not been collected against grant awards for which expenditures were incurred. In addition certain grant awards were not expended in full; however, their unexpended authorization balances were cancelled to capital surplus in the prior year and anticipated as revenue in the FY 07 budget.

Effect – The cancellation of uncollectible receivables will create a deferred charge in the General Capital Fund which the Borough will be required to finance in subsequent years budgets. It is estimated that approximately \$700,000 may be uncollectible.

Recommendation - The Borough review all outstanding grant receivables in the General Capital Fund and appropriate action be taken to clear uncollectible balances of record. In addition, all grant receivable balances deemed uncollectible for which improvement authorization balances have been spent be deferred and financed in subsequent years' budgets.

Response - The Borough has reviewed this finding and has indicated appropriate corrective action will be implemented.

**BOROUGH OF RIDGEFIELD
SCHEDULE OF FINDINGS AND RESPONSES**

Finding 2007-7 – Our audit revealed that certain Borough bank accounts were not reconciled on a monthly basis or in a timely manner.

Criteria – Internal controls over cash.

Condition – Trust Fund bank accounts were not reconciled until after year end. The General Capital Fund and Swim Pool Utility Fund bank accounts were not reconciled by the Borough for the entire fiscal year.

Cause – Unknown.

Effect – The accuracy of the Borough's financial statements could be compromised due to unposted, misposted or unauthorized transactions in the Borough's bank accounts and financial records.

Recommendation – All bank accounts be reconciled on a monthly basis and verified to the Borough's financial records in a timely manner.

Response - The Borough has reviewed this finding and has indicated appropriate corrective action will be implemented.

* * * * *

Finding 2007-8 – Our audit revealed that the minutes of the Mayor and Council meetings were not transcribed, approved by the governing body and permanently bound in a timely manner.

Criteria – Requirements of Audit.

Condition – Official minutes of the Mayor/Council meeting were not prepared, approved and bound in a timely manner.

Cause – Unknown.

Effect – The minutes of the Mayor/Council meetings are required as a permanent record of the Borough.

Recommendation – The minutes of all Mayor and Council meetings be prepared and submitted to the governing body for their approval in a timely manner. Furthermore, the approved minutes of the borough be permanently bound and available for review.

Response - The Borough has reviewed this finding and has indicated appropriate corrective action will be implemented.

**BOROUGH OF RIDGEFIELD
SCHEDULE OF FINDINGS AND RESPONSES**

Finding 2007-9 – Our audit of vendors who were paid in excess of the bid threshold revealed that documentation to support the award of certain bids or the reason for bidding exemption was not made available for audit. It appears the cumulative purchases of certain items exceeded the bid threshold and were not publicly advertised for bid.

Criteria – N.J.S.A. 40A:11-4

Condition – Bid files and documentation supporting reason for items not bid were not made available for audit. Purchases for auto parts, office supplies, computer hardware, pool chemicals, equipment repairs and purchases did not appear to be publicly advertised for bids.

Cause – Unknown.

Effect – It could not be determined whether the Borough adhered to the Local Public Contracts Law in regards to bidding.

Recommendation – All bid files and documentation supporting any bidding exemptions be made available for audit. In addition, bids be publicly advertised for purchases that exceed the bidding threshold.

Response - Management has reviewed this finding and has indicated appropriate corrective action will be implemented.

* * * * *

Finding 2007-10- – Our audit revealed that Police Outside Services are being accounted for in the Current Fund not in a dedicated trust fund as required by the Division of Local Government Services.

Criteria – N.J.S.A. 40A:4-39

Condition – Police salaries expenditure and reimbursements relating to “Police Outside Services” are being accounted for in the Police Salaries and Wages budget line account in the Current Fund. The proper handling of these funds is through a dedicated trust fund.

Cause - The Borough has not established a dedicated trust fund for this purpose.

Effect – Expenditures for police salaries and wages may be misstated due to transaction related to Police Outside Services.

Recommendation - A dedicated trust fund be established by the Borough and approved by the Division of Local Government Services to account for police outside service fees.

Response - The Borough has reviewed this finding and has indicated appropriate corrective action will be implemented.

**BOROUGH OF RIDGEFIELD
SCHEDULE OF FINDINGS AND RESPONSES**

Finding 2007-11 - Our review of the Borough's internal controls relating to its financial accounting and reporting computer system software noted that there is a lack of security over computer system access.

Criteria – Internal controls over financial accounting and reporting system.

Condition – User names can be easily determined and user passwords are not required to access the Tax and Financial Accounting Software System.

Cause – Security restrictions have not been placed on access to the software system.

Effect – Access to the financial accounting software system can easily be obtained by unauthorized personnel.

Recommendation - Greater security and access controls be established and maintained for the financial accounting and reporting computer systems.

Response - The Borough has reviewed this finding and has indicated appropriate corrective action will be implemented.

**BOROUGH OF RIDGEFIELD
GENERAL COMMENTS**

Our audit of tax collections revealed that the payment of delinquent taxes received by mail was not applied to the interest charges first with the remaining amount applied to the principal. It is recommended that all delinquent tax payments be applied to interest charges first and then to principal as required by statute.

Our audit noted a balance of approximately \$75,000 in tax overpayments on the financial statements of the Borough at June 30, 2007. It is recommended that the tax overpayment balances be reviewed and action taken to clear balances of record.

Our audit of expenditures revealed that certain salary and wages and other expenses are being charged to incorrect budget accounts in the Current Fund. In addition, it was noted that there were improper items charged to the capital outlay budget account in the Swim Pool Utility Operating Fund. It is recommended that budget account numbers be reviewed for propriety prior to being posted in the budgetary accounting software system.

Our audit noted that payments for head and assistant swim team instructors were made by voucher. It is recommended that all payments made for head and assistant swim team instructors be processed through the payroll system.

Our audit noted that certain budget refunds being applied against budgetary expense accounts are not appropriate. These items include grants, outside police duty and board of health fees. It is recommended that receipts be reviewed for proper classification by a designated Borough employee prior to applying any refund against a budgetary expense account.

Our audit of the payroll bank account and reconciliation noted the following:

- The reconciled bank balance at June 30, 2007 was in an overdraft position of approximately \$27,000.
- Old outstanding checks of approximately \$13,000 are included on the June 30, 2007 bank reconciliation.
- The Borough incurred \$5,250 in overdraft charges for the fiscal year.

It is recommended that a responsible Borough official review the payroll bank reconciliations on a monthly basis to ensure cash overdrafts are eliminated and old outstanding checks are cleared of record.

Our audit revealed that the Borough does not maintain a payroll deduction ledger. It is recommended that a payroll agency ledger by deduction be maintained and reconciled with the payroll agency bank account on a monthly basis.

The Borough's banking depository does not provide copies of the back of the cancelled checks. It is recommended that the Borough request from its banks copies of the back of all cancelled checks for all accounts.

Our audit of certain trust fund expenditures revealed that payments were made without a purchase order being generated. These items generally were disbursements which were approved by a governing body resolution. It is recommended that an approved purchase order be generated for all trust fund disbursements made by the Borough.

Our audit of the Other Trust Funds noted numerous reserve accounts maintained which do not have Division of Local Government Services approved dedication by riders. These reserves include police vehicle maintenance, health department, fire prevention, bail excess funds, public defender, DARE, Borough newsletter, library donations, and Ridgefield Day. It is recommended that these reserves be reviewed and the appropriate dedication by rider resolutions be approved by the Division of Local Government Services or the balances be cancelled to the Borough's Current Fund.

**BOROUGH OF RIDGEFIELD
GENERAL COMMENTS**

Our audit of the General Capital Fund bank reconciliation revealed that an overpayment in the approximate amount of \$78,000 was made to a vendor during fiscal year 2006. This amount was recorded as a reconciling item on the June 30, 2006 bank reconciliation. This amount has been reclassified on the Borough's General Capital financial statements as Other Accounts Receivable - Due from Vendor. It is recommended that action be taken to collect the vendor overpayment outstanding in the General Capital Fund.

Our audit of the Borough's General Capital Fund improvement authorization ledger revealed that in certain instances the ledger was not in agreement with audited balances. It is recommended that the improvement authorization ledger balances be adjusted to agree with audited balances and that any old inactive accounts be reviewed and cleared of record.

In certain instances, it was noted that only two of the required three signatures were on checks presented for payment. It is recommended that the required three authorized signatures be obtained on all checks issued by the Borough.

Our audit noted that properly executed labor contracts were not presented for audit. It is recommended that properly executed labor contracts be on file with the Borough Clerk's office and be made available for audit.

Our audit noted that the bank account for "Ridgefield Day" is controlled and maintained by a Borough resident who signs and issues checks from the account. We noted purchases were not made through the Borough's purchasing procedures and disbursements from this account are not approved in the Borough minutes. It is recommended that the "Ridgefield Day" bank account be controlled and maintained by the Chief Financial Officer and that all Borough purchasing and payment procedures be followed and adhered to.

Our audit of escrow deposits revealed that balances per Borough records are not reconciled with cash balances and audit balances. In addition, state regulations for escrow deposit accounting and reporting are not being adhered to. Our audit also revealed numerous old and inactive deposits and reserve accounts. It is recommended that all escrow balances be reconciled with cash and audit balances, the Borough adhere to state regulations regarding escrow accounting and reporting and old and inactive deposits and reserves be reviewed and cleared of record.

Our audit revealed that the June 30, 2006 audit synopsis publication was not available for audit. It is recommended that the Borough maintain proof of the publication of the audit synopsis.

Our audit of municipal departments revealed the following:

- Majority of records are manually maintained
- Monthly reports are not always prepared and filed with the Borough
- Certain applications, licenses and permits are not prenumbered
- Prenumbered receipts are not issued for all monies collected

It is recommended that internal controls over department financial recordkeeping be reviewed and enhanced to ensure a standardized revenue accounting and reporting system is maintained.

Our audit of the Swim Pool Utility Operating Fund revealed that there is no detail accounting to support the daily cash receipt entries in the ledger and bank deposit amounts. It is recommended that a detailed accounting be maintained to support daily cash receipt entries and deposits in the Swim Pool Utility Operating Fund.

Our audit of the Swim Pool Utility Operating Fund also noted that guest pass collections were not always deposited within forty-eight hours of receipt. It is recommended that all monies collected be deposited within forty-eight hours of receipt in the Swim Pool Utility Operating Fund.

**BOROUGH OF RIDGEFIELD
GENERAL COMMENTS**

Our audit of the Municipal Court noted that monies were not always remitted to the respective agencies by the 15th day of the subsequent month. It is recommended that all monies be remitted to the proper agencies by the 15th day of the subsequent month.

Our audit of the Municipal Court revealed 623 tickets assigned and not issued which were outstanding over six months and not recalled. It is recommended that all tickets assigned and not issued which are outstanding over six months be recalled and reassigned by the Municipal Court Administrator.

Our audit of fees collected by the Department of Public Works revealed that performance bond deposits (sidewalk and street opening) are not turned over to and deposited by the Chief Financial Officer. The performance bond deposits remain with the application and are returned when the job is completed. It is recommended that all performance bond deposits collected be turned over to the Chief Financial Officer and deposited in an escrow account.

Our audit of the Borough Clerk noted several entries not recorded in the cash receipt ledger. We noted the prenumbered receipt tickets entered into the cash receipts ledger had receipt tickets missing. It is recommended that the Borough Clerk's office record all entries in the cash receipts ledger.

Our audit of the Recreation Department revealed that registration forms were not retained and made available for audit. In addition, a roster by individual by program was not available for audit. It is recommended that all registration forms be retained and program rosters be maintained and they be made available for audit.

Our audit of the Recreation Department also noted numerous instances where late fees were not charged for a late registration. It is recommended that late fees be consistently charged for late registrations.

Our audit revealed that the Youth Commission maintains a separate bank account for fundraising deposits and expenses related to Youth Center activities. We noted that disbursements were not made through the Borough's purchasing procedures, there was only one signature on checks and disbursements were not approved in the Borough minutes. It is recommended that the Youth Commission bank account be maintained by the Chief Financial Officer and all Borough purchasing and payment procedures be followed and adhered to.

Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4

NJS 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate of \$21,000, except by contract or agreement."

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 a question arises as to whether any contract 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:

- | | |
|---|--|
| Heavy Fire Rescue Vehicle | Emergency Response Vehicles (Ambulances) |
| Safe Streets to School Project | Street Sweeper |
| Roadway Improvements for Kingsland Avenue | Tree Pruning and Removal |
| Various DPW Vehicles | Lawn Maintenance Services |

**BOROUGH OF RIDGEFIELD
GENERAL COMMENTS**

Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4 (Continued)

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5.

Our examination of expenditures revealed instances where individual payments exceeded the bid threshold "for the performance of any work, or the furnishing or hiring of any materials or supplies," where it appeared bids had not been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJS 40A:11-6.

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 materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

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 non-payment of taxes or assessments on or before the date when they would become delinquent.

The Governing Body on January 8, 2007 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,

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.

It appears from an examination of the Collector's records that interest was collected in accordance with the foregoing resolution.

**BOROUGH OF RIDGEFIELD
GENERAL COMMENTS**

Delinquent Taxes and Tax Title Liens

The last tax sale was held on May 25, 2007 and was complete.

The following comparison is made of the number of tax title liens receivable at year-end of the last three years.

<u>Year Ended</u> <u>June 30</u>	<u>Number of Liens</u>
2007	2
2006	2
2005	2

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax-paying basis.

Suggestions to Management

- The Borough's current surety bonds are continuation certificate bonds. The Borough consider obtaining new bonds on an annual basis to ensure that adequate coverage is in place in the event of a defalcation.
- The quarterly unemployment invoice from the New Jersey Department of Labor (DOL) be reviewed by a responsible Borough employee and action be taken to immediately resolve any discrepancy between the DOL records and Borough records.
- The Borough review with area banks the establishment of an accu-track account for its escrow deposit accounts.
- The Borough review its investment policies and procedures to ensure it maximizes its investment earnings potential.
- A formal wire transfer authorization and approval form be developed and implemented to document bank and wire transfer payments made by the Board.
- Consideration be given to a review of the Finance, Tax and Public Assistance department operations to ensure there is sufficient segregation of duties and cross training of employees related to the various financial functions.
- All Municipal Court checkbooks be placed in a safe at the end of the day.

BOROUGH OF RIDGEFIELD RECOMMENDATIONS

It is recommended that:

1. The Current Fund general ledger accounts be reconciled to their respective ledgers and supporting documentation on a monthly basis.
2. The Borough implement and maintain a general ledger accounting system for all funds of the Borough.
- * 3. Internal control over procedures be reviewed and enhanced to ensure sufficient appropriations are made available in budgetary line accounts prior to the expenditure of funds.
4. The Borough review its internal control procedures regarding the encumbering of funds for monthly recurring expenditures, the ordering of goods or services, and the awarding of contracts to ensure approved purchase orders are issued prior to the commitment of Borough Funds.
5. The Borough review its internal control procedures regarding the review and approval of purchase orders to ensure that expenditures are charged to the proper fiscal years' budget.
- * 6. The Borough review all outstanding grant receivables in the General Capital Fund and appropriate action be taken to clear uncollectible balances of record. In addition, all grant receivable balances deemed uncollectible for which improvement authorization balances have been spent be deferred and financed in subsequent years' budgets.
7. All bank accounts be reconciled on a monthly basis and verified to Borough's financial records in a timely manner.
8. The minutes of all Mayor and Council meetings be prepared and submitted to the governing body for the approval in a timely manner. Furthermore, the approved minutes of the Borough be permanently bound and available for review.
- * 9. All bid files and documentation supporting any bidding exemptions be made available for audit. In addition, bids be publicly advertised for purchases that exceed the bidding threshold.
10. A dedicated trust fund be established by the Borough and approved by the Division of Local Government Services to account for police outside service fees.
11. Greater security and access controls be established and maintained for the financial accounting and reporting computer systems.
12. All delinquent tax payments be applied to interest charges first and then to principal as required by statute.
13. The tax overpayment balances be reviewed and action taken to clear balances of record.
14. Budget account numbers be reviewed for propriety prior to being posted in the budgetary accounting software system.
15. All payments made for head and assistant swim team instructors be processed through the payroll system.
16. Receipts be reviewed for proper classification by a designated Borough employee prior to applying any refund against a budgetary expense account.

BOROUGH OF RIDGEFIELD
RECOMMENDATIONS (Continued)

It is recommended that:

- * 17. A responsible Borough official review the payroll bank reconciliations on a monthly basis to ensure cash overdrafts are eliminated and old outstanding checks are cleared of record.
- 18. A payroll agency ledger by deduction be maintained and reconciled with the payroll agency bank account on a monthly basis.
- 19. The Borough request from its banks copies of the back of all cancelled checks for all accounts.
- 20. Approved purchase orders be generated for all trust fund disbursements made by the Borough.
- 21. The Other Trust Fund reserves be reviewed and the appropriate dedication by rider resolutions be approved by the Division of Local Government Services or the balances be cancelled to the Borough's Current Fund.
- 22. Action to taken to collect the vendor overpayment outstanding in the General Capital Fund.
- 23. The improvement authorization ledger balances be adjusted to agree with audited balances and that any old inactive accounts be reviewed and cleared of record in the General Capital Fund.
- 24. The required three authorized signatures be obtained on all checks issued by the Borough.
- 25. Properly executed labor contracts be on file with the Borough Clerk's office and they be made available for audit.
- 26. The "Ridgefield Day" bank account be controlled and maintained by the Chief Financial Officer and that all Borough purchasing and payment procedures be followed and adhered to.
- * 27. All escrow balances be reconciled with cash and audit balances, the Borough adhere to state regulations regarding escrow accounting and reporting and old and inactive deposits and reserves be reviewed and cleared of record.
- * 28. The Borough maintain proof of the publication of the synopsis of audit.
- 29. That internal controls over department financial accounting and reporting be reviewed and enhanced to ensure a standardized revenue accounting and reporting system is maintained.
- 30. With respect to Swim Pool Utility:
 - a. A detailed accounting be maintained to support all daily cash receipt entries and deposits in the Swim Pool Utility Operating Fund.
 - b. All monies collected be deposited within forty-eight hours of receipt in the Swim Pool Utility Operating Fund.

**BOROUGH OF RIDGEFIELD
RECOMMENDATIONS**

It is recommended that:

- 31. With respect to the Municipal Court:
 - * a. All monies be remitted to the proper agencies by the 15th day of the subsequent month.
 - b. All tickets assigned and not issued which are outstanding over six months be recalled and reassigned by the Municipal Court Administrator.
- 32. All performance bond deposits be turned over to the Chief Financial Officer and deposited in an escrow account.
- * 33. The Borough Clerk's office record all entries in the cash receipts ledger.
- 34. With respect to the Recreation Department:
 - a. All registration forms be retained and program rosters be maintained and they be made available for audit.
 - b. Late fees be consistently charged for late registrations.
- 35. The Youth Commission bank account be maintained by the Chief Financial Officer and all Borough purchasing and payment procedures be followed and adhered to.

Status of Prior Year's Audit Findings/Recommendations

A review was performed on all prior year's recommendations and corrective action was taken on all; however, further action needs to be taken on the above recommendations denoted with an asterisk (*).

The problems and weaknesses noted in our audit were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments and recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.

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