

**BOROUGH OF RIDGEFIELD**

**Financial Statements With  
Supplementary Information**

**December 31, 2015**

**(With Independent Auditors' Reports Thereon)**

**BOROUGH OF RIDGEFIELD**

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Ridgefield in the County of Bergen, as of and for the years ended December 31, 2015 and 2014, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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



Honorable Mayor and  
Members of the Borough Council  
Page 2.

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

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

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

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Ridgefield as of December 31, 2015 and 2014, or changes in financial position for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2015 and 2014, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2015 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.



***Other Matters***

***Other Information***

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

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2016 on our consideration of the Borough of Ridgefield's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Ridgefield's internal control over financial reporting and compliance.



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



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

June 13, 2016



## BOROUGH OF RIDGEFIELD

## Comparative Balance Sheet-Regulatory Basis

## Current Fund

December 31, 2015 and 2014

<u>Assets</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Current Fund:			
Cash	A-4	\$ 5,359,615	4,960,041
Change Fund	A-5	450	450
Due from State of New Jersey:			
Senior citizens' and veterans' deductions	A-10	71,292	67,292
Grants Receivable	A-23	<u>76,902</u>	<u>402</u>
		<u>5,508,259</u>	<u>5,028,185</u>
Receivables and other assets with full reserves:			
Delinquent property taxes receivable	A-6	514,105	771,445
Tax Title Liens	A-22	89,886	77,678
Property Acquired for Taxes			
Assessed Valuations	A-9	81,180	81,180
Revenue accounts receivable	A-7	21,152	21,728
Interfunds Receivable:			
Payroll Agency Account	A-20	1,195	51
Public Assistance	A-20	73	6
General Capital Fund	A-20	<u>718,410</u>	<u>          </u>
		<u>1,426,001</u>	<u>952,088</u>
Deferred Charges:			
Special Emergency	A-8	<u>18,000</u>	<u>36,000</u>
		<u>18,000</u>	<u>36,000</u>
		<u>\$ 6,952,260</u>	<u>6,016,273</u>

## BOROUGH OF RIDGEFIELD

## Comparative Balance Sheet-Regulatory Basis

## Current Fund

December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation reserves	A-3, A-14	\$ 1,286,389	844,110
Encumbrances payable	A-15	296,031	481,793
Tax overpayments	A-16	25,423	27,398
Prepaid Taxes	A-17	174,976	69,503
Accounts Payable	A-18	3,000	8,351
Due to State of New Jersey	A-19	15,659	12,195
Local School District Taxes Payable	A-11	84,511	42,306
Due to County of Bergen	A-13	1,087	
Appropriated reserves	A-24	17,131	15,543
Unappropriated reserves	A-25	33,449	39,416
Reserve for:			
Tax Appeals	A-21	106,936	178,563
Re-Assessment	A-21	2,000	4,500
Miscellaneous	A-21	50	50
Sale of Property	A-21	576,002	
		<u>2,622,644</u>	<u>1,723,728</u>
Reserve for receivables and other assets	A	1,426,001	952,088
Fund balance	A-1	<u>2,903,615</u>	<u>3,340,457</u>
		<u>4,329,616</u>	<u>4,292,545</u>
		<u>\$ 6,952,260</u>	<u>6,016,273</u>

See accompanying notes to financial statements.

## BOROUGH OF RIDGEFIELD

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

## Current Fund

Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenue and other income realized:		
Fund balance utilized	\$ 1,031,318	1,000,000
Miscellaneous revenue anticipated	9,710,452	9,565,245
Receipts from delinquent taxes	559,372	437,565
Receipts from current taxes	32,941,953	32,296,472
Nonbudget revenues	150,168	189,834
Other credits to income:		
Accounts Payable Cancelled	1,621	10,899
Unexpended balance of appropriation reserves	662,664	411,098
Adjustment to appropriated grant reserves		9,911
Interfunds Returned		81,284
	<hr/>	<hr/>
Total revenue	45,057,548	44,002,308
Expenditures:		
Budget and emergency appropriations:		
Operations:		
Salaries and wages	6,894,740	6,968,012
Other expenses	9,955,917	9,801,160
Deferred charges and statutory expenditures	1,643,888	1,558,310
Capital improvements	50,000	
Municipal debt service	1,654,376	1,672,216
County taxes	4,198,342	4,282,601
Due county for added taxes	8,894	7,156
Local district school taxes	19,333,721	18,851,685
Grants Receivable Cancelled		11,336
Interfunds advanced	720,278	
Refunds	2,916	
	<hr/>	<hr/>
Total expenditures	44,463,072	43,152,476
Excess in Revenue	594,476	849,832
Fund balance - January 1,	3,340,457	3,490,625
Decreased by utilization as anticipated revenue	<hr/> 1,031,318	<hr/> 1,000,000
Fund balance	<u>\$ 2,903,615</u>	<u>\$ 3,340,457</u>

See accompanying notes to financial statements.

## BOROUGH OF RIDGEFIELD

## Statement of Revenues-Regulatory Basis

## Current Fund

Year Ended December 31, 2015

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Surplus anticipated	\$ 1,031,318	1,031,318	
Miscellaneous revenues:			
Licenses:			
Alcoholic beverages	30,500	32,938	2,438
Other	44,000	43,243	(757)
Fees and permits:			
Other	220,000	222,999	2,999
Fines and costs municipal court	319,000	324,728	5,728
Interest and costs on taxes	80,000	105,342	25,342
Interest on investments and deposits	900	316	(584)
Hackensack Meadowlands Adjustment to			
Tax Sharing	1,117,736	1,172,199	54,463
Energy Receipts Tax	5,242,420	5,242,420	
Supplemental Energy Receipts Tax	255,930	255,930	
Uniform Construction Code Fees	400,000	552,290	152,290
Palisades Park-Health Officer	45,000	45,000	
Recycling Tonnage Grant	19,351	19,351	
Clean Communities Grant	15,247	15,247	
Alcohol Education and Rehabilitation Fund	591	591	
Municipal Alliance on Alcoholism and Drug Abuse	9,876	9,876	
NJDMV	1,450	1,450	
FEMA-Hazard Mitigation	75,000	75,000	
Body Armor Replacement	2,777	2,777	
Uniform Fire Safety Act	37,000	32,515	(4,485)
Rental of Borough Property - Shaler Lease	250,000	250,000	
Rental of Borough Property - Shaler Lease -			
Debt Service Payments	371,600	371,600	
Sewer Charges	240,000	120,842	(119,158)
Sewer Charges - Additional - Tier II User Charges	300,000	350,136	50,136
Reserve for Payment of Debt - 2006 Bonds	215,000	215,000	
Capital Fund Balance	2,269	2,269	
EMS Medical Transport	72,000	97,654	25,654
Reserve for Payment of Debt - Ord. 2108	26,000	26,000	
Cable TV Franchise Fee	122,739	122,739	
Total miscellaneous revenues	<u>9,516,386</u>	<u>9,710,452</u>	<u>194,066</u>
Receipts from delinquent taxes	<u>570,000</u>	<u>559,372</u>	<u>(10,628)</u>
Amount to be raised by taxes for support of municipal budget	<u>9,922,376</u>	<u>10,236,997</u>	<u>314,621</u>
Budget total	<u>\$ 21,040,080</u>	<u>21,538,139</u>	<u>498,059</u>
Nonbudget revenue		<u>150,168</u>	
		<u>\$ 21,688,307</u>	

**BOROUGH OF RIDGEFIELD**  
**Statement of Revenues-Regulatory Basis**  
**Current Fund**  
**Year Ended December 31, 2015**

Analysis of Realized Revenue

Allocation of current tax collections;	
Revenue from collections	\$ <u>32,941,953</u>
Allocated to:	
Local district school tax	19,333,721
County taxes	<u>4,207,236</u>
	<u>23,540,957</u>
Balance for support of municipal	
budget appropriations	9,400,997
Reserve for uncollected taxes	<u>836,000</u>
	<u>\$ 10,236,997</u>
Receipts from:	
Delinquent tax collections	<u>559,372</u>
	<u>\$ 559,372</u>

Analysis of Miscellaneous Revenue Not Anticipated

Donations	\$ 2,350
BCUA	4,583
Poll Rental	200
Police Outside Detail	50,950
Pistol Range Rent	400
Offsets not Applied	25,666
BOE Willis Field	3,000
Bank Refunds	240
Hotel Tax	27,646
Flu Shots	4,030
Housing Inspections	5,647
Other	<u>25,456</u>
	<u>\$ 150,168</u>

See accompanying notes to financial statements.

**BOROUGH OF RIDGEFIELD**

**Statement of Expenditures-Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2015**

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Operations-within "CAPS"					
Administrative and executive:					
Salaries and wages	\$ 66,000	66,000	64,968	1,032	
Other expenses	40,000	45,000	44,588	412	
Rent Leveling:					
Salaries and wages	6,000	6,050	6,031	19	
Other expenses	2,000	2,000	196	1,804	
Mayor and Council:					
Salaries and wages	40,750	40,750	40,750		
Other expenses	8,000	8,200	8,181	19	
Municipal Clerk:					
Salaries and wages	114,390	114,390	107,351	7,039	
Other expenses	45,300	45,300	22,742	22,558	
Financial Administration:					
Salaries and wages	160,000	160,000	147,522	12,478	
Annual Audit	28,000	28,000		28,000	
Miscellaneous Other expenses	50,000	54,000	46,571	7,429	
Grant Writer	36,000	36,000	36,000		
Collection of taxes:					
Salaries and wages	95,000	105,000	103,114	1,886	
Other expenses	24,000	24,000	19,203	4,797	
Assessment of Taxes:					
Salaries and wages	18,000	18,000	17,842	158	
Other expenses	4,150	4,150	2,268	1,882	
Professional Services	9,000	30,500	27,968	2,532	

**BOROUGH OF RIDGEFIELD**

**Statement of Expenditures-Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2015**

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Legal services and costs:					
Retainer	46,000	46,000	45,600	400	
Other expenses	125,000	167,000	162,680	4,320	
Engineering:					
Other expenses	120,000	120,000	99,550	20,450	
Municipal Land Use Law (NJSA 40:55D-1):					
Planning Board:					
Salaries and wages	7,200	7,200	7,200		
Other expenses	11,000	11,000	7,073	3,927	
Insurance:					
Unemployment Insurance	40,000	40,000	25,000	15,000	
Liability	526,000	526,000	521,871	4,129	
Workers Compensation	420,000	420,000	417,468	2,532	
Group Insurance for Employees	2,478,600	2,478,600	2,283,004	195,596	
PUBLIC SAFETY:					
Fire:					
Clothing Allowance	215,000	215,000	150,160	64,840	
Fire hydrant service	119,000	119,000	116,837	2,163	
Miscellaneous	112,300	155,300	149,900	5,400	
Fire Prevention Bureau:					
Salaries and wages	75,000	75,600	75,509	91	
Other expenses	30,000	30,000	29,065	935	
Police:					
Salaries and wages	3,866,250	3,810,250	3,624,553	185,697	
Other expenses	134,468	134,468	102,596	31,872	
Purchase of Police Vehicles	78,990	80,990	80,155	835	

**BOROUGH OF RIDGEFIELD**

**Statement of Expenditures-Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2015**

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Police Dispatching/911:					
911 Service Agreement	208,000	208,000	204,000	4,000	
First Aid Organization:					
Clothing Allowance	90,000	90,000	36,674	53,326	
Miscellaneous	20,000	20,000	19,698	302	
Community Service Officer					
Salaries and wages	135,000	135,000	125,867	9,133	
Other expenses	22,000	22,000	20,659	1,341	
Emergency Management Services:					
Salaries and wages	19,000	19,000	17,110	1,890	
Other expenses	3,000	3,000	2,080	920	
Municipal Prosecutor:					
Salaries and wages	12,500	12,500	12,500		
Streets and Roads:					
Road Repairs and Maintenance:					
Salaries and wages	1,300,000	1,300,000	1,261,752	38,248	
Other expenses	162,000	142,000	127,528	14,472	
Maintenance of Borough Vehicles:					
Streets and Roads	65,000	82,400	81,033	1,367	
Fire	40,200	40,200	31,121	9,079	
Police	43,000	33,000	25,439	7,561	
Ambulance	7,500	7,500	1,747	5,753	
Garage	30,000	35,000	34,531	469	
Building	1,000	1,000	30	970	
Health	1,000	1,000		1,000	

**BOROUGH OF RIDGEFIELD**

**Statement of Expenditures-Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2015**

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Sanitation:					
Garbage and Trash Removal:					
Salaries and wages	278,000	278,000	234,312	43,688	
Other expenses	75,700	75,700	61,220	14,480	
Sanitary Landfill - Contractual	300,000	300,000	248,718	51,282	
Recycling Program:					
Salaries and wages	10,000	10,000	1,122	8,878	
Public Building and Grounds:					
Other Expenses - Maintenance & Repair	183,000	183,000	173,398	9,602	
Health and Welfare:					
Board of Health:					
Salaries and wages	163,000	163,000	116,703	46,297	
Other expenses	50,332	53,332	53,213	119	
Bergen County Animal Shelter	10,500	10,500		10,500	
Environmental Commission (NJSA 40:56A-1):					
Other expenses - miscellaneous	3,000	3,000	873	2,127	
Other expenses - arborist	3,000	3,000		3,000	
Administration of Public Assistance:					
Miscellaneous Other expenses	1,000	1,000	500	500	
Recreation and Education:					
Parks and Recreation:					
Salaries and wages	200,000	200,000	199,529	471	
Other expenses	142,000	152,300	151,482	818	
Youth Commission					
Salaries and wages	14,000	14,000	13,135	865	
Other expenses	1,200	1,200	175	1,025	

**BOROUGH OF RIDGEFIELD**

**Statement of Expenditures-Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2015**

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Celebration of Public Events:					
Other expenses	28,000	28,000	24,981	3,019	
Uniform Construction Code-Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Uniform construction code official:					
Salaries and wages	160,000	160,000	147,097	12,903	
Other expenses	22,150	22,150	11,366	10,784	
Property Maintenance					
Salaries and wages	7,000	7,000	6,358	642	
Other expenses	2,000	2,000	605	1,395	
Municipal Court:					
Salaries and wages	148,000	148,000	139,731	8,269	
Other expenses	30,650	30,650	24,526	6,124	
Public Defender:					
Other expenses	2,500	2,500	1,900	600	
UNCLASSIFIED:					
Utilities:					
Street lighting	175,000	162,950	107,672	55,278	
Electric & Gas	300,000	290,000	285,348	4,652	
Telephone	108,000	108,000	91,004	16,996	
Water	19,000	19,000	16,971	2,029	
Gasoline	215,000	159,000	120,792	38,208	
Accumulated Absences	5,000	5,000	5,000		
Other Expenses	3,000	3,000	1,605	1,395	
Snow Removal Trust	5,000	5,000	5,000		

**BOROUGH OF RIDGEFIELD**

**Statement of Expenditures-Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2015**

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Total Operations within "CAPS"	13,975,630	13,975,630	12,839,621	1,136,009	
Contingent	<u>5,000</u>	<u>5,000</u>	<u>420</u>	<u>4,580</u>	
Total Operations Including Contingent-within "CAPS"	13,980,630	13,980,630	12,840,041	1,140,589	
Detail:					
Salaries & Wages	6,895,090	6,849,740	6,470,056	379,684	
Other Expenses (Including Contingent)	<u>7,085,540</u>	<u>7,130,890</u>	<u>6,369,985</u>	<u>760,905</u>	
	<u>13,980,630</u>	<u>13,980,630</u>	<u>12,840,041</u>	<u>1,140,589</u>	
Deferred Charges and Statutory Expenditures-Municipal within "CAPS"					
DEFERRED CHARGES					
Anticipated Deficit in Swim Pool Utility	62,500	62,500	62,500		
STATUTORY EXPENDITURES:					
Contribution to:					
Social Security System (O.A.S.I.)	335,000	335,000	331,008	3,992	
Pension of Widow Volunteer Firemen	8,000	8,000	7,850	150	
Volunteer Fireman's Pension	16,000	16,000	15,900	100	
Volunteer Fireman's Over Age Burial Fund	10,500	10,500		10,500	
Defined Contribution Retirement Program	3,000	3,000	882	2,118	
Public Employees Retirement system	338,705	338,705	338,361	344	
Police and Firemans Retirement System of N.J.	<u>852,183</u>	<u>852,183</u>	<u>852,183</u>		

**BOROUGH OF RIDGEFIELD**

**Statement of Expenditures-Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2015**

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	<u>1,625,888</u>	<u>1,625,888</u>	<u>1,608,684</u>	<u>17,204</u>	
Total General Appropriations for Municipal Purposes within "CAPS"	<u>15,606,518</u>	<u>15,606,518</u>	<u>14,448,725</u>	<u>1,157,793</u>	
Operations-Excluded from "CAPS"					
Bergen County Utilities Authority:					
Sewage Processing and Disposal	2,000,000	2,000,000	1,987,382	12,618	
Maintenance of Free Public Library:					
Contribution to Library	590,542	590,542	590,542		
Insurance:					
Recycling Tax	15,000	15,000	11,226	3,774	
Reserve for tax appeals	50,000	50,000	50,000		
Interlocal Municipal Service Agreements:					
Health Officer - Palisades Park	45,000	45,000	45,000		
Salaries and wages					
Public and Private Programs Offset by Revenues:					
Clean Communities	15,247	15,247	12,994	2,253	
Alcohol Education and Rehabilitation	591	591	472	119	
Body Armor Grant	2,777	2,777	2,726	51	
NJ Department of Motor Vehicle	1,450	1,450	8,945	1,450	
Municipal Alliance	9,876	9,876	2,469	931	
Municipal Alliance - Matching Funds	2,469	2,469	18,175	1,176	
Recycling Tonnage Grant	19,351	19,351			
FEMA - Hazard Mitigation	75,000	75,000		75,000	

**BOROUGH OF RIDGEFIELD**

**Statement of Expenditures-Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2015**

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
FEMA - Hazard Mitigation - Local Share	42,724	42,724	11,500	31,224	
Total Operations-Excluded from "CAPS"	2,870,027	2,870,027	2,741,431	128,596	
Detail:					
Salaries and Wages	45,000	45,000	45,000		
Other Expenses	2,825,027	2,825,027	2,696,431	128,596	
	2,870,027	2,870,027	2,741,431	128,596	
Capital Improvements - Excluded from CAPS	50,000	50,000	50,000		
Capital Improvement Fund	50,000	50,000	50,000		
Total Capital Improvements - Excluded from CAPS	50,000	50,000	50,000		
Municipal Debt Service-Excluded from "CAPS"					
Payment of Bond Principal	1,080,000	1,080,000	1,080,000		
Payment of Bond Anticipation Notes	38,295	38,295	38,295		
Interest on Bonds	464,240	464,240	464,240		
Interest on Notes	9,000	9,000	8,955		45
Infrastructure Trust Loan	68,000	68,000	62,886		5,114
Total Municipal Debt Service-Excluded from "CAPS"	1,659,535	1,659,535	1,654,376		5,159
Deferred Charges- Municipal Excluded from "CAPS"					
Special Emergency Authorizations - 5 years (N.J.S. 40A:4-5)	18,000	18,000	18,000		
Total Deferred Charges-Municipal-Excluded from "CAPS"	18,000	18,000	18,000		

**BOROUGH OF RIDGEFIELD**

**Statement of Expenditures-Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2015**

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	4,597,562	4,597,562	4,463,807	128,596	5,159
Subtotal General Appropriations	20,204,080	20,204,080	18,912,532	1,286,389	5,159
Reserve for Uncollected Taxes	836,000	836,000	836,000		
Total General Appropriations	<u>\$ 21,040,080</u>	<u>21,040,080</u>	<u>19,748,532</u>	<u>1,286,389</u>	<u>5,159</u>
Adopted Budget	<u>21,040,080</u>				
	\$ <u>21,040,080</u>				
<u>Analysis of Paid or Charged</u>					
Reserve for Uncollected Taxes			836,000		
Reserve for Tax Appeals			50,000		
Reserve for Encumbrances			296,031		
Deferred Charges			18,000		
Cash			18,548,501		
			<u>\$ 19,748,532</u>		

See accompanying notes to financial statements.

## BOROUGH OF RIDGEFIELD

## Comparative Balance Sheet-Regulatory Basis

## Trust Funds

December 31, 2015 and 2014

<u>Assets</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Animal License Fund:			
Cash	B-1	\$ <u>13,739</u>	<u>10,577</u>
		<u>13,739</u>	<u>10,577</u>
Unemployment Compensation Trust Fund:			
Cash	B-1	39,098	48,061
Accounts Receivable	B-6	<u>1,452</u>	<u>1,408</u>
		<u>40,550</u>	<u>49,469</u>
Other Trust Funds:			
Cash	B-1	<u>2,001,745</u>	<u>1,732,043</u>
		<u>2,001,745</u>	<u>1,732,043</u>
		<u>\$ 2,056,034</u>	<u>1,792,089</u>

**BOROUGH OF RIDGEFIELD**  
**Comparative Balance Sheet-Regulatory Basis**  
**Trust Funds**  
**December 31, 2015 and 2014**

<u>Liabilities and Reserves</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Animal License Fund:			
Reserve for Dog License Fund expenditures	B-2	13,668	10,551
Due to State of New Jersey	B-3	71	26
		13,739	10,577
Unemployment Compensation Trust Fund:			
Unemployment claims Payable	B-7	16,051	1,517
Reserve for Expenditures	B-8	24,499	47,952
		40,550	49,469
Other Trust Funds:			
Reserve for:			
Other Trust Deposits	B-5	2,001,745	1,732,043
		2,001,745	1,732,043
		\$ 2,056,034	1,792,089

See accompanying notes to financial statements.

## BOROUGH OF RIDGEFIELD

## Comparative Balance Sheet-Regulatory Basis

## General Capital Fund

December 31, 2015 and 2014

<u>Assets</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Cash:			
Checking	C-2,C-3	\$ 2,298,392	956,520
Grants Receivable	C-7	546,430	465,710
Deferred charges to future taxation:			
Funded	C-4	10,268,338	11,403,789
Unfunded	C-5	<u>2,723,980</u>	<u>2,144,775</u>
		<u>\$ 15,837,140</u>	<u>14,970,794</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds	C-8	9,966,000	11,046,000
NJ Environmental Infrastructure Trust Loan	C-9	302,338	357,789
Bond Anticipation Notes	C-10	2,009,165	718,410
Capital Improvement Fund	C-11	109,378	206,128
Reserve for:			
Payment of Debt	C-12	590,905	831,905
Capital Projects	C-13	6,650	6,650
Acquisition of Employee Time System	C-14		25,000
Interfund Payable	C-6	718,410	
Improvement authorizations:			
Funded	C-15	867,990	778,173
Unfunded	C-15	1,230,154	998,470
Fund Balance	C-1	<u>36,150</u>	<u>2,269</u>
		<u>\$ 15,837,140</u>	<u>14,970,794</u>

There were bonds and notes authorized but not issued at December 31, 2015 and 2014 of \$767,829 and \$1,479,379 respectively. See exhibit C-16.

See accompanying notes to financial statements.

**BOROUGH OF RIDGEFIELD**

**Schedule of Fund Balance**

**General Capital Fund**

**Years Ended December 31,**

	<u>2015</u>	<u>2014</u>
Balance - December 31,	\$ 2,269	26,254
Increased by :		
Funded Improvement Authorizations cancelled	36,150	16,499
Premium on Sale of Notes		<u>2,269</u>
	<u>36,150</u>	<u>18,768</u>
	38,419	45,022
Decreased by:		
Budgeted Revenue	2,269	26,075
Cancellation of Grants Receivable		<u>16,678</u>
	<u>2,269</u>	<u>42,753</u>
Balance - December 31,	<u>\$ 36,150</u>	<u>2,269</u>

See Accompanying Notes to Financial Statements

## BOROUGH OF RIDGEFIELD

## Comparative Balance Sheet - Regulatory Basis

## Swimming Pool Utility Fund

December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Operating Fund:			
Cash	D-5	\$ 4,237	2,162
Petty Cash		200	200
Interfunds Receivable:			
Due from Swimming Pool Utility Capital Fund	D-8	13,630	13,630
		<u>18,067</u>	<u>15,992</u>
Deferred Charges-			
Operating Deficit	D-1	<u>10,333</u>	<u>4,340</u>
Total Operating Fund		<u>28,400</u>	<u>20,332</u>
Capital Fund:			
Cash	D-5,D-6	1,136	1,136
Fixed capital	D-10	1,820,236	1,820,236
Fixed capital authorized and uncompleted	D-11	1,342	1,342
Total Capital Fund		<u>1,822,714</u>	<u>1,822,714</u>
		<u>\$ 1,851,114</u>	<u>1,843,046</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves	D-4,D-7	\$ 3,912	198
Encumbrances Payable	D-4,D-7	5,135	781
Fund Balance	D-1	19,353	19,353
Total Operating Fund		<u>28,400</u>	<u>20,332</u>
Capital Fund:			
Improvement Authorizations - Funded	D-12	1,342	1,342
Reserve for Amortization	D-13	1,783,236	1,783,236
Reserve for Capital Outlay	D-14	21,355	21,355
Deferred Reserve for Amortization	D-15	1,342	1,342
Due to Swimming Pool Operating Fund	D-9	13,630	13,630
Fund Balance	D-2	1,809	1,809
Total Capital Fund		<u>1,822,714</u>	<u>1,822,714</u>
		<u>\$ 1,851,114</u>	<u>1,843,046</u>

There were bonds and notes authorized but not issued on December 31, 2015 and 2014 in the amount of \$37,000 (per Exhibit D-16).

See accompanying notes to financial statements.

**BOROUGH OF RIDGEFIELD**

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

**Swimming Pool Utility Fund**

**December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
Revenue and other income realized:		
Membership fees	\$ 172,050	181,000
Miscellaneous revenues	48,419	50,323
Other credits to income:		
Unexpended balance of appropriation reserves	198	6,837
Total income	<u>220,667</u>	<u>238,160</u>
 Expenditures:		
Operations:		
Salaries and wages	165,661	159,675
Other expenses	110,000	106,525
Statutory Expenditures & Deferred Charges	13,500	12,300
Deficit in Operations in Prior Years	4,339	
Total expenditures	<u>293,500</u>	<u>278,500</u>
 Excess (Deficit)	 (72,833)	 (40,340)
 Adjustments to income before fund balance-		
Realized from General Fund Budget for		
Anticipated Deficit	<u>62,500</u>	<u>36,000</u>
	<u>(10,333)</u>	<u>(4,340)</u>
 Fund balance, January 1	 <u>19,353</u>	 <u>19,353</u>
 Fund balance, December 31	 \$ <u>19,353</u>	 <u>19,353</u>

See accompanying notes to financial statements.

**BOROUGH OF RIDGEFIELD**

**Statement of Changes in Capital Fund Balance - Regulatory Basis**

**Swimming Pool Utility Capital Fund**

**December 31, 2014 and 2015**

	<u>2015</u>	<u>2014</u>
Balance - December 31,	\$ <u>1,809</u>	\$ <u>1,809</u>
Balance - December 31,	\$ <u><u>1,809</u></u>	\$ <u><u>1,809</u></u>

See accompanying notes to financial statements.

**BOROUGH OF RIDGEFIELD**

**Statement of Revenues-Regulatory Basis**

**Swimming Pool Utility Fund**

**Year ended December 31, 2015**

	<u>Anticipated</u>	<u>Realized</u>	Excess (deficit)
Membership fees	\$ 181,000	172,050	(8,950)
Miscellaneous revenues	<u>50,000</u>	<u>48,419</u>	<u>(1,581)</u>
	<u>231,000</u>	<u>220,469</u>	<u>(10,531)</u>
Deficit (General Budget)	<u>62,500</u>	<u>62,500</u>	<u></u>
Total Swim Pool Utility Revenue	\$ <u><u>293,500</u></u>	<u><u>282,969</u></u>	<u><u>(10,531)</u></u>

Analysis of Miscellaneous Revenues

Snack Bar Contract	\$ 6,000
Chair Rental	170
Guest Fees	34,789
Miscellaneous	<u>7,460</u>
	\$ <u><u>48,419</u></u>
Cash	274,809
Due from Current Fund	<u>8,160</u>
	\$ <u><u>282,969</u></u>

See accompanying notes to financial statements.

**BOROUGH OF RIDGEFIELD**

**Statement of Expenditures-Regulatory Basis**

**Swimming Pool Utility Fund**

**Year Ended December 31, 2015**

	<u>Appropriations</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget after modification</u>	<u>Paid or charged</u>	<u>Reserved</u>
Operating:				
Salaries and wages	\$ 165,661	165,661	165,661	
Other expenses	<u>110,000</u>	<u>110,000</u>	<u>106,382</u>	<u>3,618</u>
Total Operating	275,661	275,661	272,043	3,618
Statutory Expenditures:				
Contribution To:				
Social Security System (O.A.S.I.)	<u>13,500</u>	<u>13,500</u>	<u>13,206</u>	<u>294</u>
Total Statutory Expenditures	<u>13,500</u>	<u>13,500</u>	<u>13,206</u>	<u>294</u>
Deficit in Operations in Prior Years	<u>4,339</u>	<u>4,339</u>	<u>4,339</u>	
	<u>\$ 293,500</u>	<u>293,500</u>	<u>289,588</u>	<u>3,912</u>
		Encumbrances	5,135	
		Deficit in Operations in Prior Years	4,339	
		Cash Disbursed	<u>280,113</u>	
		<b>\$</b>	<b><u>289,588</u></b>	

See accompanying notes to financial statements.

**BOROUGH OF RIDGEFIELD**  
**Comparative Balance Sheet - Regulatory Basis**  
**Public Assistance Fund**  
**December 31, 2015 and 2014**

	<u>Ref.</u>	<u>Dec. 31</u> <u>2015</u>	<u>Dec. 31,</u> <u>2014</u>
<u>Assets</u>			
Cash	E-1	\$ <u>12,363</u>	<u>12,296</u>
		\$ <u><u>12,363</u></u>	<u><u>12,296</u></u>
 <u>Liabilities</u>			
Due to Current Fund	E-2	\$ 73	6
Reserve for Public Assistance	E-3	<u>12,290</u>	<u>12,290</u>
		\$ <u><u>12,363</u></u>	<u><u>12,296</u></u>

See accompanying notes to the financial statements.

**BOROUGH OF RIDGEFIELD**

**Statement of Net Payroll and Withholdings Payable**

**December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Cash		
Payroll Agency	\$ 1,195	51
Deficit in Payroll Account	<u>840</u>	<u>7,752</u>
	<u>\$ 2,035</u>	<u>7,803</u>
 <u>Liabilities:</u>		
Cash Deficit	\$ 840	7,752
Due to Current Fund	<u>1,195</u>	<u>51</u>
	<u>\$ 2,035</u>	<u>7,803</u>

See accompanying notes to financial statements.

**BOROUGH OF RIDGEFIELD**

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

**General Fixed Assets Account Group**

**December 31, 2015 and 2014**

	Dec. 31, <u>2015</u>	Dec. 31, <u>2014</u>
Land	\$ 19,927,700	19,927,700
Land Improvements	761,702	761,702
Buildings and Improvements	11,109,990	11,024,990
Automobiles and Vehicles	6,870,468	6,773,928
Machinery and Equipment	<u>1,722,333</u>	<u>1,655,435</u>
	<u>\$ 40,392,193</u>	<u>40,143,755</u>

See accompanying notes to financial statements.

**BOROUGH OF RIDGEFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Reporting Entity**

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

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

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

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(CONTINUED)**

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

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

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

The Borough has the following funds and account group:

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

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

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

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

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

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

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

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(CONTINUED)**

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

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

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

Basis of Accounting

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

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

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(CONTINUED)**

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

Basis of Accounting, (continued)

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures for the Current Fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

The Borough is not required to adopt budgets for the following funds:

- General Capital Fund
- Trust Fund
- Public Assistance Fund
- Swimming Pool Utility Capital Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted.

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(CONTINUED)**

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

Basis of Accounting, (continued)

Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During the years ended December 31, 2015 and 2014, the Governing Body approved additional revenues and appropriations of \$-0- and \$2,065, respectively, in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were approved by the governing body in 2015 and 2014.

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - Contractual orders outstanding at December 31 are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

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

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

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(CONTINUED)**

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

Basis of Accounting, (continued)

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

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

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

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

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

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

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

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(CONTINUED)**

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

Basis of Accounting, (continued)

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

Use of Estimates - The preparation of financial statements requires management of the Borough to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Borough's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Recent Accounting Pronouncements

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the entity's financial reporting. However, the provisions of this statement required significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(CONTINUED)**

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

Recent Accounting Pronouncements, (continued)

In April of 2013, the Government Accounting Standards Board issued GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement is effective for reporting periods beginning after June 15, 2013 and will not have any impact on the entity's financial statement disclosures.

In November 2013, the Government Accounting Standards Board issued GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The provisions of this Statement required significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

In February 2015, the Government Accounting Standards Board issued GASB Statement No. 72, Fair Value Measurement and Application. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement also provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement is effective for periods beginning after June 15, 2015. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68. This Statement is effective for periods beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for periods beginning after June 15, 2016. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(CONTINUED)**

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

Recent Accounting Pronouncements, (continued)

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement applies to OPEB plans and basically parallels GASB Statement 67 and replaces GASB Statement 43 and is effective for periods beginning after June 15, 2016. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for periods beginning after June 15, 2017. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the American Institute of Certified Public Accountants that is cleared by the GASB. This Statement is effective for periods beginning after June 15, 2015. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

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

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(CONTINUED)**

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

Recent Accounting Pronouncements, (continued)

In December 2015, the Government Accounting Standards Board issued GASB Statement No. 78, Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement is effective for reporting periods beginning after December 15, 2015. The Borough is currently reviewing what effects, if any, this Statement might have on future financial statements.

In December 2015, the Government Accounting Standards Board issued GASB Statement No. 79, Certain External Investment Pools and Pool Participants. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it established criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. This Statement is effective for periods beginning after June 15, 2015, and for certain provisions, periods beginning after December 15, 2015. The Borough is currently reviewing what effects, if any, this Statement might have on future financial statements.

C. Basic Financial Statements

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

**NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments

**BOROUGH OF RIDGEFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014  
(CONTINUED)**

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

established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2015 and 2014, \$0- of the Borough's bank balance of \$9,833,457 and \$7,925,191, respectively, was exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

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

**Credit Risk**

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

**Concentration of Credit Risk**

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

**NOTE 3. MUNICIPAL DEBT**

Long-term debt as of December 31, 2015 consisted of the following:

	<u>Balance Dec. 31, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Bonds Payable:					
Obligation Debt	\$11,046,000	\$	\$1,080,000	\$9,966,000	\$1,100,000
Other Liabilities:					
General Capital:					
NJ Infrastructure Trust					
Loans Payable	357,789		55,451	302,338	54,489
Compensated Absences	<u>772,280</u>	<u>877</u>	<u>182,202</u>	<u>590,955</u>	<u>          </u>
	<u>\$12,176,069</u>	<u>\$877</u>	<u>\$1,317,653</u>	<u>\$10,859,293</u>	<u>\$1,154,489</u>

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(CONTINUED)**

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

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

The Borough's debt is summarized as follows:

	<u>Year 2015</u>	<u>Year 2014</u>	<u>Year 2013</u>
<u>Issued</u>			
General - Bonds, Notes and Loans	\$12,277,503	\$12,122,199	\$13,276,884
<u>Authorized But Not Issued</u>			
General - Bonds and Notes	767,829	1,479,379	809,350
Swim Pool Utility - Bonds and Notes	<u>37,000</u>	<u>37,000</u>	<u>37,000</u>
	804,829	1,516,379	846,350
Total Bonds, Notes and Loans Issued and Authorized But Not Issued	13,082,332	13,638,578	14,123,234
Less: Deductions	<u>643,919</u>	<u>884,920</u>	<u>1,003,492</u>
Net Debt	<u>\$12,438,413</u>	<u>\$12,753,658</u>	<u>\$13,119,742</u>

**SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENTS**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .7072% for 2015.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School District Debt	\$7,923,000	\$7,923,000	\$0
Swimming Pool Utility	37,000		37,000
General Debt	<u>13,045,332</u>	<u>643,919</u>	<u>12,401,413</u>
	<u>\$21,005,332</u>	<u>\$8,566,919</u>	<u>\$12,438,413</u>

Net Debt \$12,438,413 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended of \$1,758,862,053 equals .7072% for 2015.

**BOROUGH OF RIDGEFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014  
(CONTINUED)**

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

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .713% for 2014.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School District Debt	\$8,538,000	\$8,538,000	\$0
Swimming Pool Utility	37,000		37,000
General Debt	<u>13,601,578</u>	<u>884,920</u>	<u>12,716,658</u>
	<u>\$22,176,578</u>	<u>\$9,422,920</u>	<u>\$12,753,658</u>

Net Debt \$12,753,658 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended of \$1,786,440,497 equals .713% for 2014.

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

	<u>2015</u>	<u>2014</u>
3 ½% of equalized valuation basis (municipal)	\$61,560,172	\$62,525,417
Net Debt	<u>12,491,427</u>	<u>12,753,658</u>
Remaining borrowing power	<u>\$49,068,745</u>	<u>\$49,771,759</u>

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

	<u>2015</u>	<u>2014</u>
Cash receipts from fees, rents or other charges for year	\$282,969	\$267,323
Deductions:	<u>293,500</u>	<u>278,500</u>
Operating and Maintenance Cost		
Deficit in Revenue - Not Self Liquidating	<u>(\$10,531)</u>	<u>(\$11,177)</u>

**BOROUGH OF RIDGEFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014  
(CONTINUED)**

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

The Borough's long term debt consisted of the following at December 31, 2015:

Paid by Current Fund:

General Serial Bonds:

	Amount Outstanding	
	2015	2014
\$4,950,000 General Serial Bonds - with an interest rate of 4.00%, issued October 16, 2006, due through October 15, 2026	\$3,180,000	\$3,415,000
\$6,656,000 General Serial Bonds - with an interest rate of 4.125% to 4.625% issued October 15, 2008, due through April 15, 2025	5,656,000	5,956,000
\$2,780,000 Refunding Bonds - with an interest rate of 2.00% to 4.00% issued December 29, 2011, due through August 1, 2017	<u>1,130,000</u>	<u>1,675,000</u>
Total General Serial Bonds	<u>\$9,966,000</u>	<u>\$11,046,000</u>

General Capital New Jersey Infrastructure Trust Loan

The Borough entered into a loan agreement with the New Jersey Department of Environmental Protection under the Infrastructure Trust program. The loan was obtained to fund sewer improvements in the amount of \$990,000.

	Amount Outstanding	
	2015	2014
The sewer improvement project award is a rate of 5.00% to 5.25%, in the amount of \$990,000 with principal and interest payments commencing August 1, 2004 and continuing on a semiannual basis through August 1, 2020	<u>\$302,340</u>	<u>\$357,789</u>

**BOROUGH OF RIDGEFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014  
(CONTINUED)**

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

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

	General Capital Bonds			General Capital Loans		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$1,100,000	\$425,553	\$1,525,553	\$54,489	\$9,150	\$63,639
2017	1,130,000	380,428	1,510,428	61,655	7,613	69,268
2018	565,000	333,915	898,915	60,505	5,775	66,280
2019	925,000	301,534	1,226,534	59,356	3,938	63,294
2020	955,000	259,893		66,333	2,100	68,433
2021-2025	4,971,000	652,733	5,623,733			
2026	<u>320,000</u>	<u>12,800</u>	<u>332,800</u>			
	<u>\$9,966,000</u>	<u>\$2,366,856</u>	<u>\$12,332,856</u>	<u>\$302,338</u>	<u>\$28,576</u>	<u>\$330,914</u>

General capital serial bonds and loans are direct obligations of the Borough for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Borough.

At December 31, 2015 and 2014, the Borough had authorized but not issued debt as follows:

	<u>2015</u>	<u>2014</u>
General Capital Fund	\$767,829	\$1,479,379
Swim Pool Utility Capital Fund	37,000	37,000

**NOTE 4. BOND ANTICIPATION NOTES**

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

**BOROUGH OF RIDGEFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014  
(CONTINUED)**

**NOTE 4. BOND ANTICIPATION NOTES, (continued)**

On December 31, 2015 and 2014, the Borough had \$2,009,165 and \$718,410, respectively, in outstanding General Capital bond anticipation notes.

The following activity related to bond anticipation notes occurred during the periods ended December 31, 2015 and 2014:

<u>2015</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>General Capital Notes Payable:</u>				
PNC Bank	\$	\$2,009,165	\$	\$2,009,165
Roosevelt & Cross Inc.	<u>718,410</u>		<u>718,410</u>	
	<u>\$718,410</u>	<u>\$2,009,165</u>	<u>\$718,410</u>	<u>\$2,009,165</u>
 <u>2014</u>	 <u>Beginning Balance</u>	 <u>Additions</u>	 <u>Reductions</u>	 <u>Ending Balance</u>
<u>General Capital Notes Payable:</u>				
Roosevelt & Cross Inc.	\$	\$718,410	\$	\$718,410
Capital One Public Funding, LLC	<u>756,705</u>		<u>756,705</u>	
	<u>\$756,705</u>	<u>\$718,410</u>	<u>\$756,705</u>	<u>\$718,410</u>

**NOTE 5. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015, the following deferred charges are shown on the balance sheet of the Current Fund:

	<u>Balance December 31, 2015</u>	<u>2016 Budget Appropriation</u>	<u>Balance to Succeeding Years</u>
<u>Current Fund</u>			
Special Emergency	<u>\$18,000</u>	<u>\$18,000</u>	<u>\$0</u>

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(CONTINUED)**

**NOTE 6. PENSION PLANS**

Description of Systems:

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

*Public Employees' Retirement System (PERS)*

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

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

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

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(CONTINUED)**

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

Description of Systems: (continued)

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

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal year 2012.

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

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

*Police and Firemens' Retirement System (PFRS)*

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

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(CONTINUED)**

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

Description of Systems: (continued)

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

Enrolled members of the Police and Firemens' Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Special retirement is permitted to members who have 25 or more years of creditable service in the system.

Benefits fully vest on reaching 10 years of service. Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

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

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

Defined Contribution Retirement Program

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

**BOROUGH OF RIDGEFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014  
(CONTINUED)**

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

Defined Contribution Retirement Program, (continued)

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

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

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

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

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

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

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

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

**BOROUGH OF RIDGEFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014  
(CONTINUED)**

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

Contribution Requirements

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

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

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2015	\$338,705	\$852,183	\$882
2014	316,359	713,013	3,440
2013	330,452	748,580	3,591

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.

**BOROUGH OF RIDGEFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014  
(CONTINUED)**

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

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

**Public Employees Retirement System (PERS)**

At December 31, 2015, the Borough had a liability of \$9,199,865 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the Borough's proportion was 0.049830133 percent, which was an increase/(decrease) of (0.36987449) percent from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the Borough recognized pension expense of \$338,705. At December 31, 2015, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$219,476	\$
Changes of assumptions	987,992	
Net difference between projected and actual earnings on pension plan investments		147,916
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	_____	134,996
Total	<u>\$1,207,468</u>	<u>\$282,912</u>

**BOROUGH OF RIDGEFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014  
(CONTINUED)**

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

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

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

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2015) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$192,892
2017	192,892
2018	192,892
2019	307,211
2020	173,665

**Additional Information**

Local Group Collective balances at June 30, 2015 and June 30, 2014 are as follows:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Collective deferred outflows of resources	\$3,578,755,666	\$952,194,675
Collective deferred inflows of resources	993,410,455	1,479,224,662
Collective net pension liability	22,447,996,119	18,722,735,003
Borough s Proportion	.0409830133%	.410857503%

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(CONTINUED)**

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

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

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

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.04 Percent
Salary Increases:	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

**Mortality Rates**

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

**BOROUGH OF RIDGEFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014  
(CONTINUED)**

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

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

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

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Returns	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

**BOROUGH OF RIDGEFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014  
(CONTINUED)**

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

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

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

**Discount Rate**

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2014 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	<u>June 30, 2015</u>		
	1% Decrease <u>3.90%</u>	At Current Discount Rate <u>4.90%</u>	1% Increase <u>5.90%</u>
Borough's proportionate share of the pension liability	\$11,434,307	\$9,199,865	\$7,326,526

**BOROUGH OF RIDGEFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014  
(CONTINUED)**

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

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

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

**Pension Plan Fiduciary Net Position**

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

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

At December 31, 2015, the Borough had a liability of \$16,544,716 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the Borough's proportion was 0.0993288013 percent, which was an increase/(decrease) of (0.01162255) percent from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the Borough recognized pension expense of \$852,183. At December 31, 2015, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$3,054,566	\$142,703
Changes of assumptions		
Net difference between projected and actual earnings on pension plan investments		287,946
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>966,285</u>	<u>1,274,882</u>
Total	<u>\$4,020,851</u>	<u>\$1,705,531</u>

**BOROUGH OF RIDGEFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014  
(CONTINUED)**

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

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

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

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2015) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$498,329
2017	498,329
2018	498,329
2019	817,089
2020	311,839

**Additional Information**

Local Group Collective balances at June 30, 2015 and June 30, 2014 are as follows:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Collective deferred outflows of resources	\$3,512,729,953	\$750,532,959
Collective deferred inflows of resources	871,083,367	1,561,923,934
Collective net pension liability	16,656,514,197	13,933,627,178
Borough's Proportion	.0993288013%	.1109513502%

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(CONTINUED)**

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

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

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

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.04 Percent
Salary Increases:	
2012-2021	2.60-9.48 Percent (based on age)
Thereafter	3.60-10.48 Percent (based on age)
Investment Rate of Return	7.90 Percent

**Mortality Rates**

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

**BOROUGH OF RIDGEFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014  
(CONTINUED)**

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Returns	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

**Discount Rate**

The discount rate used to measure the total pension liability was 5.79% and 6.32% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended

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

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

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

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

contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

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

	<u>June 30, 2015</u>		
	1% Decrease <u>4.79%</u>	At Current Discount Rate <u>5.79%</u>	1% Increase <u>6.79%</u>
Borough's proportionate share of the pension liability	\$22,273,040	\$16,544,716	\$11,873,779

**Pension Plan Fiduciary Net Position**

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

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(CONTINUED)**

**NOTE 7. OTHER POST EMPLOYMENT BENEFITS**

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

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

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/pdf/financial/gasb-43-july2013.pdf>.

**Plan Coverage**

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

**Funding Policy**

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

**BOROUGH OF RIDGEFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014  
(CONTINUED)**

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

Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Borough of Ridgefield on a monthly basis. The Borough contributions to SHBP for post-retirement benefits for the years ended December 31, 2015 and December 31, 2014 were \$958,208 and \$824,788, which equaled the required contribution for each year.

**NOTE 8. FUND BALANCES**

Fund balances as of December 31, 2015 that have been anticipated as revenue in the 2016 budget is as follows:

Current Fund	\$600,000
Swimming Pool Operating Fund	-0-

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

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

It is estimated that the current cost of such unpaid compensation would approximate \$590,955 and \$772,280 at December 31, 2015 and 2014, respectively. This amount which is considered material to the financial statements, is not reported either as an expenditure or liability.

**NOTE 10. FIXED ASSETS**

The following is a summary of changes in the General Fixed Assets Account Group as of December 31, 2015:

	Balance December 31, <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2015</u>
Land	\$19,927,700	\$	\$	\$19,927,700
Land Improvements	761,702			761,702
Buildings and Improvements	11,024,990	85,000		11,109,990
Automobiles and Vehicles	6,773,928	96,540		6,870,468
Machinery and Equipment	<u>1,655,435</u>	<u>66,898</u>	<u>          </u>	<u>1,722,333</u>
	<u>\$40,143,755</u>	<u>\$248,438</u>	<u>\$          </u>	<u>\$40,392,193</u>

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(CONTINUED)**

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

Balances due to/from other funds at December 31, 2015 consist of the following:

\$1,195	Due to the Current Fund from the Payroll Agency Account for excess funds in the account.
73	Due to the Current Fund from the Public Assistance Trust Fund for interest earnings not turned over.
718,410	Due to the Current Fund from the General Capital Fund for reimbursement of expenses paid.
<u>13,630</u>	Due to the Swim Pool Utility Operating Fund from the Swim Pool Capital Fund for reimbursement for expenses paid in prior years.
<u>\$733,308</u>	

**NOTE 12. LEASES**

Capital Leases Payable

The Borough had not entered into any Capital Leases as of December 31, 2015.

**NOTE 13. RISK MANAGEMENT**

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

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

**BOROUGH OF RIDGEFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014  
(CONTINUED)**

**NOTE 13. RISK MANAGEMENT, (continued)**

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

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

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

**NOTE 14. TAXES COLLECTED IN ADVANCES**

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

	Balance <u>Dec 31, 2015</u>	Balance <u>Dec. 31, 2014</u>
Prepaid Taxes	<u>\$174,976</u>	<u>\$69,503</u>
Cash Liability for Taxes Collected in Advance	<u>\$174,976</u>	<u>\$69,503</u>

**BOROUGH OF RIDGEFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(CONTINUED)**

**NOTE 15. LITIGATION**

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

**NOTE 16. COMMITMENTS AND CONTINGENCIES**

There are numerous tax appeal litigations pending at December 31, 2015. The Borough's tax appeal attorney is rigorously defending the Borough's interest in those appeals. Any successful appeals would be raised through future taxation.

**NOTE 17. SUBSEQUENT EVENTS**

The Borough has evaluated subsequent events through June 13, 2016, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**SUPPLEMENTARY DATA AND SCHEDULES**

**BOROUGH OF RIDGEFIELD**

**Supplementary Data**

Comparative Schedule of Tax Rate Information

	December 31, <u>2015</u>	December 31, <u>2014</u>	December 31, <u>2013</u>
Tax rate	2.167	2.099	2.073
Apportionment of tax rate:			
Local school	1.252	1.197	1.180
County	0.273	0.273	0.266
Municipal	0.642	0.629	0.627
Assessed valuation:			
2015	\$ 1,544,089,115		
2014		1,574,907,515	
2013			1,552,095,638

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2015	\$ 33,522,053	32,941,953	98.27%
2014	33,112,454	32,296,472	97.54%
2013	32,195,658	31,698,405	98.46%

**BOROUGH OF RIDGEFIELD**

**Supplementary Data**

Delinquent Taxes and Tax Title Liens

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

<u>Year</u>	<u>Amount of tax title liens</u>	<u>Amount of delinquent taxes</u>	<u>Total delinquent</u>	<u>Percentage of tax levy</u>
2015	89,886	514,105	603,991	1.80%
2014	77,678	771,445	849,123	2.56%
2013	65,852	452,721	518,573	1.61%

Property Acquired By Tax Title Lien Liquidation

No properties have been acquired in 2015 by foreclosure or deed, as a result of liquidation of tax title liens.

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

<u>Year</u>	<u>Amount</u>
2015	\$ 81,180
2014	81,180
2013	81,180

Comparative Schedule of Fund Balances

	<u>Year</u>	<u>Year ended</u>	<u>Utilized in budget of succeeding year</u>
Current Fund:	FY 2015	\$ 2,903,615	600,000
	FY 2014	3,340,457	1,031,318
	FY 2013	3,490,355	1,000,000
	FY 2012	3,026,378	880,000
	FY 2011	3,376,064	900,000
Swim Pool	FY 2015	19,353	
Utility Operating Fund	FY 2014	19,353	
	FY 2013	19,353	
	FY 2012	19,353	
	FY 2011	19,353	

**BOROUGH OF RIDGEFIELD**

**Supplementary Data**

Official in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of bond</u>	<u>Name of corporate surety</u>
Anthony Suarez	Mayor		
Russell Castelli	Councilman		
Javier Acosta	Councilman		
Angus Todd	Councilman		
Warren Vincentz	Councilman		
Ray Penabad	Councilman		
Dennis Shim	Councilman		
Linda Silvestri	Borough Clerk	(A)	
Frank Berardo	Chief Financial Officer	(A)	
Frank Berardo	Tax Collector	(A)	
Erik Lenander (through 10/2/15)	Assistant to CFO/Treasurer	150,000	RLI Insurance Co.
Janice Saponaro (8/10/15-8/28/15)	Assistant to CFO/Treasurer	(A)	
Isabelle Meurer	Payroll/Finance Clerk	(A)	
Joan Gallagher	Assistant to Tax Assessor/Tax Clerk	(A)	
Jennifer Kees	Tax Clerk/Tax Search Officer	(A)	
Stephen Pellino	Borough Attorney	(A)	
David Lafferty	Magistrate	(A)	
Jasna Gego	Court Administrator	(A)	
Andrea Beth Novak	Deputy Court Administrator	(A)	
George Reggo	Tax Assessor	(A)	
Armand Marini	Construction Code Official	(A)	

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

**BOROUGH OF RIDGEFIELD**  
**Schedule of Expenditures of Federal Awards**  
**Year ended December 31, 2015**

Federal grantor	Program	CFDA number	Grant period	Award Amount	Balance at Dec. 31, 2014	Cash Received	Expenditures	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2015	(MEMO) Cumulative Expenditures
Department of Environmental Protection	Emergency Management Assistance	97.042	2015	5,000	\$ 4,685	5,000			5,000	*
	Emergency Management Assistance	97.042	2012	5,000	90				4,685	*
	Emergency Management Assistance	97.042	2011	5,000	4,775	5,000			90	*
					9,775				9,775	*
U.S. Department of Justice	Bulletproof Vest Partnership Program	16.607	2014	2,065	2,065		2,065			2,065
Department of Housing and Urban Development (passed through County of Hudson).	Community Development Block Grant:									*
	Capital Fund:									*
	ADA Cooperative Eng. Design Grant	14.219	Ord. 2210	55,000	(5,054)				(5,054)	*
	Hillside Street Improvements	14.219	Ord. 2257	100,000		100,000	100,000			5,054
	Lloyd and Hillside Street Impr.	14.219	Ord. 2275	76,180			48,783		(48,783)	100,000
					(5,054)	100,000	148,783		(53,837)	48,783
Department of Homeland Security	FEMA - Hazard Mitigation	97.036	2015	75,000						*
<b>Total Federal Financial Assistance</b>					\$ 1,786	105,000	150,848		(44,062)	*

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

**BOROUGH OF RIDGEFIELD**  
**Schedule of Expenditures of State Awards and Other Financial Assistance**  
**Year ended December 31, 2015**

State grantor	Program	Grant number	Grant period	Award Amount	Balance Dec. 31, 2014	Cash Received	Budgetary Expenditures	Adjustment	Deferred Revenues/ (Accounts Receivable) at Dec. 31, 2015	(MEMO) Cumulative Expenditures
Department of Environmental Protection	Recycling Tonnage Grant	4900-752-178840-60	2014	19,351 \$	19,351		14,043		5,308 *	14,043
	Recycling Tonnage Grant	4900-752-178840-60	2013	16,486	84		4,189	4,189	84 *	16,402
	Recycling Tonnage Grant	4900-752-178840-60	2010	12,480	113				113 *	12,367
	Recycling Tonnage Grant	4900-752-178840-60	2009	13,437	3,199				3,199 *	14,765
					22,747		18,232	4,189	8,704 *	
Department of Environmental Protection	Clean Communities Program	4900-765-178900	2015	18,535		18,535			18,535	11,154
	Clean Communities Program	4900-765-178900	2014	15,247	15,247		11,154		4,093 *	18,278
	Clean Communities Program	4900-765-178900	2013	18,324	46				46 *	14,056
	Clean Communities Program	4900-765-178900	2012	14,116	60				60 *	13,986
	Clean Communities Program	4900-765-178900	2011	14,075	89				89 *	13,142
	Clean Communities Program	4900-765-178900	2010	14,970	1,828				1,828 *	
					17,270		11,154		24,651 *	
Department of Law and Public Safety	Body Armor Grant	1020-718-066-1020-001-YCJS	2015	1,000		1,000			1,000 *	2,726
	Body Armor Grant	1020-718-066-1020-001-YCJS	2014	2,777	2,777		2,726		51 *	1,770
	Body Armor Grant	1020-718-066-1020-001-YCJS	2013	3,811	2,041		1,770	1,770	2,041 *	2,621
	Body Armor Grant	1020-718-066-1020-001-YCJS	2011	2,801	180				180 *	535
	Body Armor Grant	1020-718-066-1020-001-YCJS	2010	2,629	1,193		658		535 *	3,807
					6,191		5,154	1,770	8,387 *	
									8,387 *	
									8,387 *	
Department of Law and Public Safety	Drunk Driving Enforcement Fund	6400-100-078-6400	2015	8,387						
Department of Transportation	NJDMV	098-9735-760-001	2015	350		350			350 *	2,092
		098-9735-760-001	2014	1,450	1,450				1,450 *	
		098-9735-760-001	2011	5,061	2,969				2,969 *	
					4,419			4,769 *		
Administrative Offices of the Courts	Alcohol Education and Rehabilitation	4250-700-05000-063	2015	177		177			177 *	472
	Alcohol Education and Rehabilitation	4250-700-05000-063	2014	591	591		472		119 *	419
	Alcohol Education and Rehabilitation	4250-700-05000-063	2012	1,403	515				515 *	373
	Alcohol Education and Rehabilitation	4250-700-05000-063	PY	377	4				4 *	815
					1,110		472			
County of Bergen	Municipal Alliance Grant Fund	100-082-2000-044	2015	9,876		7,974	8,945		(971) *	8,945
	Municipal Alliance Grant Fund	100-082-2000-044	2014	8,473	(329)	402			73 *	8,400
	Municipal Alliance Grant Fund	100-082-2000-044	2013	12,345	25				25 *	12,320
	Municipal Alliance Grant Fund	100-082-2000-044	2012	13,856	442				442 *	13,414
	Municipal Alliance Grant Fund	100-082-2000-044	2010	20,712	152				152 *	20,560
					290		8,945		(279) *	

(continued next page) \*

BOROUGH OF RIDGEFIELD

Schedule of Expenditures of State Awards and Other Financial Assistance

Year ended December 31, 2015

State grantor	Program	Grant number	Grant period	Award Amount	Balance Dec. 31, 2014	Cash Received	Budgetary Expenditures	Adjustment	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2015	(MEMO) Cumulative Expenditures			
General Capital Fund: New Jersey Department of Transportation	Elm Ave Improvements, Section 2 Abbott Avenue Improvements, Section 3	6320-480-601385-61	Ord. 2245	150,000	(13,589)				(13,589)	13,589			
		6320-480-601385-61	Ord. 2287	149,000	(13,589)				(13,589)				
County of Bergen Open Space Trust Fund	Improvements to Steward Yeale Pool Complex Nature Center Fence Improvements Nature Center Fence Improvements	N/A	Ord. 2207	49,500	(18,934)	14,948		3,986		49,500			
		N/A	Ord. 2260	44,000									
		N/A	Ord. 2285	72,250	(18,934)	14,948		3,986					
Swim Pool Utility Capital Fund: New Jersey Department of Transportation	ADA Improvement Swim Pool	022-99-8030-100-652	Ord. 1835	50,000	1,342				1,342	48,656			
					1,342				1,342				
<b>Total State Financial Assistance</b>									<b>\$ 20,846</b>	<b>51,773</b>	<b>43,957</b>	<b>9,945</b>	<b>38,607</b>

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

## BOROUGH OF RIDGEFIELD

## Schedule of Cash - Collector/Treasurer

## Current Fund

Year Ended December 31, 2015

	Regular <u>Fund</u>
Balance - December 31, 2014	\$ 4,960,041
Increased by receipts:	
Revenue accounts receivable	9,586,325
Miscellaneous revenues not anticipated	150,168
Taxes receivable	33,379,322
Senior citizens and veterans deductions	50,250
Prepaid Taxes	174,976
Interfunds	1,905,120
Tax Overpayments	26,281
Due to State of NJ	31,502
Various Reserves	576,002
Grants Receivable	8,376
Unappropriated reserves	33,449
	<u>45,921,771</u>
	<u>50,881,812</u>
Decreased by disbursements:	
2015 budget appropriations	18,548,501
2014 appropriation reserves	660,994
Tax overpayment refunds	2,773
Local district school tax	19,291,516
County taxes	4,206,149
Interfunds	2,627,313
Various Reserves	149,610
Accounts Payable	3,730
Due to State of NJ	28,038
Appropriated Reserves	657
Refunds	2,916
	<u>45,522,197</u>
Balance - December 31, 2015	\$ <u><u>5,359,615</u></u>

**BOROUGH OF RIDGEFIELD**

**Schedule of Cash - Change Fund**

**Current Fund**

**Year Ended December 31, 2015**

Balance - December 31, 2014	\$ <u>450</u>
Balance - December 31, 2015	\$ <u><u>450</u></u>

**BOROUGH OF RIDGEFIELD**

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

**Current Fund**

**Year Ended December 31, 2015**

Year	Balance, Dec. 31, 2014	2015 Levy	Added 2015 Levy	Collected		Senior & Veteran's Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2015
				2014	2015				
2014	\$ 771,445				559,372			212,073	
2015		33,460,413	61,640	69,503	32,819,950	52,500	12,208	53,787	514,105
	\$ 771,445	33,460,413	61,640	69,503	33,379,322	52,500	12,208	265,860	514,105

Analysis of 2015 Tax Levy

Tax yield:	
General property tax	\$ 33,460,413
Added tax (R.S. 54:4-63.1 et seq.)	61,640
	<u>\$ 33,522,053</u>
Tax Levy:	
Local District School Tax	\$ 19,333,721
County Tax	4,154,616
County Open Space Preservation	43,726
County Added and Omitted Taxes	8,894
	<u>4,207,236</u>
Local Tax for Municipal Purposes	\$ 9,922,376
Add: Additional Taxes Levied	58,720
	<u>9,981,096</u>
Local Tax for Municipal Purposes	\$ <u>33,522,053</u>

## BOROUGH OF RIDGEFIELD

## Schedule of Revenue Accounts Receivable

## Current Fund

Year Ended December 31, 2015

	Balance, Dec. 31, <u>2014</u>	Accrued in 2015	<u>Collected</u>	Balance, Dec. 31, <u>2015</u>
Clerk:				
Licenses:				
Alcoholic beverages	\$	32,938	32,938	
Other		43,243	43,243	
Fees and permits		222,999	222,999	
Municipal Court fines and costs	21,728	324,317	324,893	21,152
Interest and cost on taxes		105,342	105,342	
Interest on investments		316	316	
Hackensack Meadowlands Adjustment to Tax Sharing		1,172,199	1,172,199	
Energy Receipts Tax		5,242,420	5,242,420	
Supplemental Energy Receipts Tax		255,930	255,930	
Uniform Construction Code Fees		552,290	552,290	
Palisades Park-Health Officer		45,000	45,000	
Uniform Fire Safety Act		32,515	32,515	
Rental of Borough Property - Shaler Lease		250,000	250,000	
Rental of Borough Property - Shaler Lease - Debt Service Payments		371,600	371,600	
Sewer Charges		120,842	120,842	
Sewer Charges - Additional - Tier II User Charges		350,136	350,136	
Reserve for Payment of Debt - 2006 Bonds		215,000	215,000	
Capital Fund Balance		2,269	2,269	
EMS Medical Transport		97,654	97,654	
Reserve for Payment of Debt - Ord. 2108		26,000	26,000	
Cable TV Franchise Fee		122,739	122,739	
	\$ <u>21,728</u>	<u>9,585,749</u>	<u>9,586,325</u>	<u>21,152</u>

**BOROUGH OF RIDGEFIELD**

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

**Current Fund**

**Year Ended December 31, 2015**

<u>Purpose</u>	<u>Date</u>	<u>Amount Authorized</u>	<u>Not Less Than 1/5 of Amount Authorized</u>	<u>Balance, Dec. 31, 2014</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2015</u>
Re-Assessment of Real Property	July 2011	90,000	18,000	36,000	18,000	18,000
				\$ 36,000	18,000	18,000

**BOROUGH OF RIDGEFIELD**  
**Schedule of Property Aquired for Taxes**  
**Current Fund**  
**Year Ended December 31, 2015**

Balance - December 31, 2014	\$ <u>81,180</u>
Balance - December 31, 2015	\$ <u><u>81,180</u></u>

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

**Current Fund**

**Year Ended December 31, 2015**

Balance - December 31, 2014	\$	67,292
Increased by:		
Senior citizens' and veterans' deductions per tax billings	\$	51,250
Senior Citizens' and Veterans' Allowed		1,250
Senior Citizens' and Veterans' Allowed-1prior Year		<u>1,750</u>
		<u>54,250</u>
		121,542
Decreased by:		
Cash received		<u>50,250</u>
Balance - December 31, 2015	\$	<u><u>71,292</u></u>

**BOROUGH OF RIDGEFIELD**  
**Schedule of Local District School Taxes Payable**  
**Current Fund**  
**Year Ended December 31, 2015**

Balance - December 31, 2014	\$	42,306
Increased by:		
2015 Levy		<u>19,333,721</u>
		19,376,027
Decreased by:		
Cash Disbursed		<u>19,291,516</u>
Balance - December 31, 2015	\$	<u><u>84,511</u></u>

**BOROUGH OF RIDGEFIELD**  
**Schedule of County Taxes Payable**  
**Current Fund**  
**Year Ended December 31, 2015**

Increased by:			
County Tax Levy	\$	4,154,616	
County Open Space Tax Levy		<u>43,726</u>	
			<u>\$ 4,198,342</u>
Decreased by:			
Cash Disbursed			<u>\$ 4,198,342</u>

**Schedule of Due County for Added  
and Omitted Taxes**  
**Current Fund**  
**Year Ended December 31, 2015**

Increased by:			
2015 Added Levy	\$	8,894	
Decreased by:			
Cash Disbursed		<u>7,807</u>	
Balance - December 31, 2015			<u>\$ 1,087</u>

## BOROUGH OF RIDGEFIELD

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2015

	Balance, Dec. 31, <u>2014</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
General Administration	\$ 775	775		775
Municipal Clerk's Office	4,354	4,354		4,354
Financial Administration	8,033	8,033	6,000	2,033
Collection of Taxes	1,711	1,711	145	1,566
Assessment of Taxes	521	521	344	177
Planning Board	123	123		123
Fire Prevention Bureau	1,246	1,246		1,246
Police	97,201	97,201	80,000	17,201
Community Service Officers	1,850	1,850		1,850
Emergency Management Services	1,199	1,199		1,199
Road Repairs and Maintenance	124,138	124,138	54,635	69,503
Garbage and Trash Removal	27,360	27,360	14,382	12,978
Recycling Program	260	260		260
Board of Health	6,591	6,591		6,591
Parks and Recreation	2	2		2
Youth Commission	2,615	2,615		2,615
Municipal Court	3,276	3,276		3,276
Construction Code Official	1,215	1,215		1,215
Property Maintenance	1,250	1,250		1,250
<b>Total Salaries and Wages Within "CAPS"</b>	<b>283,720</b>	<b>283,720</b>	<b>155,506</b>	<b>128,214</b>
Other Expenses Within "CAPS":				
General Administration	219	992	773	219
Rent Leveling	1,960	2,000	1,364	636
Mayor and Council	1,300	1,521	221	1,300
Municipal Clerk's Office	17,526	22,612	3,900	18,712
Financial Administration	6	13,505	13,318	187
Auditing and Accounting Services	500	28,000	27,500	500
Collection of Taxes	1,247	1,637	1,290	347
Assessment of Taxes:				
Other Expenses	3,178	3,416	238	3,178
Professional Services	7,385	7,500	115	7,385
Legal Services:				
Retainer	400	400		400
Other Expenses	23,479	40,153	22,070	18,083
Engineering	2,592	38,186	19,843	18,343
Planning Board:				

## BOROUGH OF RIDGEFIELD

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2015

	Balance, Dec. 31, <u>2014</u>	Balance after <u>Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Other Expenses	5,587	5,587	1,211	4,376
Insurance:				
Liability	5,625	5,625		5,625
Workers Compensation	2,514	2,514		2,514
Employee Group Health	172,170	172,170	12,699	159,471
Fire:				
Clothing Allowance	4,545	49,545	41,800	7,745
Fire Hydrant Service	55	55		55
Miscellaneous	1,502	24,413	24,365	48
Fire Prevention Bureau	343	2,701	2,358	343
Police:				
Other Expenses	7,471	27,262	26,626	636
Purchase of Police Vehicles	19	1,571	1,552	19
First Aid Organization:				
Clothing Allowance	12,634	45,598	30,064	15,534
Miscellaneous	21	2,311	2,290	21
Community Service Officers	2,264	4,205	3,229	976
Emergency Management Services	599	2,296	1,697	599
Road Repairs and Maintenance	16,394	28,552	13,856	14,696
Maintenance of Borough Vehicles:				
Streets and Roads	477	10,796	10,772	24
Fire	1,631	24,656	24,633	23
Police	16,605	16,605	6,277	10,328
Ambulance	665	1,823	1,157	666
Garbage	762	2,416	2,202	214
Building	279	500	221	279
Health	48	48		48
Sanitation:				
Garbage and Trash Removal	114	17,562	12,476	5,086
Sanitary Landfill Disposal Costs - Contractual	27,200	71,060	43,650	27,410
Public Buildings and Grounds	14,464	49,657	32,463	17,194
Health and Welfare:				
Board of Health	5,542	19,520	18,621	899
Bergen County Animal Shelter	3,500	3,500		3,500
Environmental Commission:				
Arborist	26	1,226	1,200	26
Administration of Public Assistance:				
Other Expenses - Miscellaneous	1,000	1,000		1,000
Parks and Recreation	262	13,593	13,106	487

## BOROUGH OF RIDGEFIELD

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2015

	Balance, Dec. 31, <u>2014</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Youth Commission	1,166	1,166		1,166
Celebration of Public Events	3,175	5,608	2,433	3,175
Municipal Court	4,967	5,723	1,107	4,616
Public Defender	400	600	200	400
Construction Code Official	13,461	13,723	261	13,462
Property Maintenance	195	195		195
Street Lighting	5,436	21,437	15,026	6,411
Electricity	10,776	35,777	25,914	9,863
Telephone	4,348	13,208	8,664	4,544
Water		973	773	200
Gasoline	41,555	57,555	13,443	44,112
Anti Bullying Committee:				
Other Expenses	171	494	323	171
Total Other expenses Within "CAPS"	<u>449,760</u>	<u>924,748</u>	<u>487,301</u>	<u>437,447</u>
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security ( O.A.S.I. )	8,302	8,302	5,280	3,022
Pension of Widow Volunteer Firemen	407	407		407
Public Employees Retirement System	34,908	34,908	2,870	32,038
Police and Firemen's Pension Fund	50,529	50,529		50,529
Volunteer Fireman's Pension	100	100		100
Defined Contribution Retirement Program	561	560		560
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>94,807</u>	<u>94,806</u>	<u>8,150</u>	<u>86,656</u>
Total Reserves Within "CAPS"	<u>828,287</u>	<u>1,303,274</u>	<u>650,957</u>	<u>652,317</u>
Operations - Excluded from "CAPS"				
Public and Private Programs Offset by Revenues:				
Clean Communities Program	46	46	46	
Alcohol Education and Rehabilitation	53	53	53	
Body Armor Grant	2,041	3,811	3,811	
Municipal Alliance	30	30	30	
Municipal Alliance - Matching Funds	43	43	43	
Federal Body Armor	2,065	2,065	2,065	
Recycling Tonnage Grant	84	4,273	4,273	
Total Public and Private Programs Offset by Revenues	<u>4,362</u>	<u>10,321</u>	<u>10,321</u>	

**BOROUGH OF RIDGEFIELD**

**Schedule of Appropriation Reserves**

**Current Fund**

**Year Ended December 31, 2015**

	Balance, Dec. 31, <u>2014</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Other Expenses Excluded From "CAPS":				
Bergen County Utility Authority				
Sewarge Processing and Disposal	7,596	7,596		7,596
Recycling Tax	3,865	4,712	1,961	2,751
Total Other Expenses Excluded from "CAPS"	<u>11,461</u>	<u>12,308</u>	<u>1,961</u>	<u>10,347</u>
Total Reserves Excluded from "CAPS"	<u>15,823</u>	<u>22,629</u>	<u>12,282</u>	<u>10,347</u>
Total Reserves	<u>\$ 844,110</u>	<u>1,325,903</u>	<u>663,239</u>	<u>662,664</u>
Appropriation reserves		844,110		
Encumbrances		<u>481,793</u>		
		<u>\$ 1,325,903</u>		
			Cash Disbursements	660,994
			Transferred to Appropriated Reserves	<u>2,245</u>
			<u>\$</u>	<u>663,239</u>

Exhibit A-15

**BOROUGH OF RIDGEFIELD**  
**Schedule of Reserve for Encumbrances**  
**Current Fund**  
**Year Ended December 31, 2015**

Balance - December 31, 2014	\$	481,793
Increased by:		
2015 encumbrances		<u>296,031</u>
		777,824
Decreased by:		
Transferred to appropriation reserves		<u>481,793</u>
Balance - December 31, 2015	\$	<u><u>296,031</u></u>

Exhibit A-16

**Schedule of Tax Overpayments**  
**Current Fund**  
**Year Ended December 31, 2015**

Balance - December 31, 2014	\$	27,398
Increased by:		
Cash Receipts		<u>26,281</u>
		53,679
Decreased by:		
Cash Disbursements	\$	2,773
Transfer to Reserve for Tax Appeal		<u>25,483</u>
Cash Disbursements		<u>28,256</u>
Balance - December 31, 2015	\$	<u><u>25,423</u></u>

**BOROUGH OF RIDGEFIELD**

**Schedule of Prepaid Taxes**

**Current Fund**

**Year Ended December 31, 2015**

Balance - December 31, 2014	\$	69,503
Increased by:		
2016 prepaid taxes collected		<u>174,976</u>
		244,479
Decreased by:		
Taxes realized as revenue		<u>69,503</u>
Balance - December 31, 2015	\$	<u><u>174,976</u></u>

**Schedule of Accounts Payable**

**Current Fund**

**Year Ended December 31, 2015**

Balance - December 31, 2014	\$	8,351
Decreased by:		
Cash Disbursements	\$	3,730
Cancelled		<u>1,621</u>
		<u>5,351</u>
Balance - December 31, 2015	\$	<u><u>3,000</u></u>

**BOROUGH OF RIDGEFIELD**

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

**Current Fund**

**Year Ended December 31, 2015**

	<u>Marriage License Fee</u>	<u>Burial Permit Fee</u>	<u>Construction Training Fee</u>	<u>Total</u>
Balance - December 31, 2014	\$ 375	5	11,815	\$ 12,195
Increased by:				
Collections	<u>1,425</u>	<u>5</u>	<u>30,072</u>	<u>31,502</u>
	1,800	10	41,887	43,697
Decreased by:				
Payments	<u>1,625</u>	<u>10</u>	<u>26,403</u>	<u>28,038</u>
	<u>1,625</u>	<u>10</u>	<u>26,403</u>	<u>28,038</u>
Balance - December 31, 2015	<u>\$ 175</u>	<u>10</u>	<u>15,484</u>	<u>\$ 15,659</u>

**BOROUGH OF RIDGEFIELD**

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

**Current Fund**

**Year Ended December 31, 2015**

	Balance Dec. 31, <u>2014</u>	<u>Increased</u>	<u>Decreased</u>	Balance Dec. 31, <u>2015</u>
Trust Funds:				
Payroll Account	\$	108,903	108,903	
Payroll Agency	51	1,144		1,195
Other Trust Fund		500,000	500,000	
General Capital Fund		2,018,410	1,300,000	718,410
Public Assistance Trust Fund	<u>6</u>	<u>67</u>		<u>73</u>
	<u>\$ 57</u>	<u>2,628,524</u>	<u>1,908,903</u>	<u>719,678</u>
		Cash Receipts \$	1,905,120	
		Cash Disbursement	2,627,313	
		Reimbursement for expenditures paid	1,144	3,783
		Interest Earned	<u>67</u>	
		<u>\$ 2,628,524</u>	<u>1,908,903</u>	

**BOROUGH OF RIDGEFIELD**

**Schedule of Various Reserves**

**Current Fund**

**Year Ended December 31, 2015**

	Balance, Dec. 31, <u>2014</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2015</u>
Reserve for:				
Sale of Property	\$	576,002		576,002
Tax Appeals	178,563	75,483	147,110	106,936
Re-Assessment	4,500		2,500	2,000
Miscellaneous	50			50
	<u>\$ 183,113</u>	<u>651,485</u>	<u>149,610</u>	<u>684,988</u>
		Cash Receipts \$ 576,002		
		Cash Disbursements	149,610	
		Transfer from Tax Overpayment	25,483	
		Transferred from Budget Appropriations	50,000	
		<u>\$ 651,485</u>	<u>149,610</u>	

**BOROUGH OF RIDGEFIELD**

**Schedule of Tax Title Liens**

**Current Fund**

**Year Ended December 31, 2015**

Balance - December 31, 2014	\$	77,678
Increased by:		
Transferred from taxes receivable		<u>12,208</u>
Balance - December 31, 2015	\$	<u><u>89,886</u></u>

**BOROUGH OF RIDGEFIELD**

**Schedule of Grants Receivable**

**State and Federal Grant Fund**

**Year Ended December 31, 2015**

<u>Purpose</u>	Balance, Dec. 31, <u>2014</u>	2015 Budget Revenue <u>Realized</u>	<u>Received</u>	Balance, Dec. 31, <u>2015</u>
Municipal Alliance	\$ 402	9,876	8,376	1,902
Recycling Tonnage Grant		19,351	19,351	
Clean Communities		15,247	15,247	
Hazard Mitigation		75,000		75,000
Body Armor		2,777	2,777	
DMV		1,450	1,450	
Alcohol Education Rehabilitation		591	591	
	<u>\$ 402</u>	<u>124,292</u>	<u>47,792</u>	<u>76,902</u>

Cash receipts	\$ 8,376
Unappropriated Reserves	<u>39,416</u>
	<u>\$ 47,792</u>

## BOROUGH OF RIDGEFIELD

## Schedule of Appropriated Grant Reserves

## State and Federal Grant Fund

## Year Ended December 31, 2015

<u>Purpose</u>	Balance, Dec. 31, 2014	<u>Expended</u>	Transferred from Appropriation Reserves	Balance, Dec. 31, 2015
Clean Communities Program	\$ 1,977		46	2,023
Municipal Alliance	618		74	692
Body Armor Grant	1,373	657	2,041	2,757
Emergency Management Grant	4,775			4,775
NJ Recycling Tonnage Grant	3,312		84	3,396
Alcohol Education Rehabilitation	519			519
Municipal Court DMV	2,969			2,969
	<u>\$ 15,543</u>	<u>657</u>	<u>2,245</u>	<u>17,131</u>

## BOROUGH OF RIDGEFIELD

## Schedule of Unappropriated Grant Reserves

## State and Federal Grant Fund

Year Ended December 31, 2015

<u>Purpose</u>	Balance, Dec. 31, 2014	<u>Received</u>	Appropriated in 2015 <u>Budget</u>	Balance, Dec. 31, 2015
Body Armor Grant	\$ 2,777	1,000	2,777	1,000
NJ Department of Motor Vehicles - Drunk Drunk Driving Enforcement Fund	1,450	350	1,450	350
Recycling Tonnage Grant	19,351	8,387	19,351	8,387
Clean Communities Program	15,247	18,535	15,247	18,535
Alcohol Education and Rehab. Fund	591	177	591	177
Emergency Management Assistance		5,000		5,000
	<u>\$ 39,416</u>	<u>33,449</u>	<u>39,416</u>	<u>33,449</u>

BOROUGH OF RIDGEFIELD

Schedule of Cash - Treasurer

Trust Funds

Year Ended December 31, 2015

	Animal License Fund	Unemployment Compensation Fund	Other Trust Funds
Balance - December 31, 2014	\$ <u>10,577</u>	<u>48,061</u>	<u>1,732,043</u>
Increased by:			
Employee payroll deductions		12,203	
Interfunds			500,000
Budget Appropriation		25,000	
Dog License Fees	5,484		
State Fees	801		
Miscellaneous Reserves			<u>1,072,474</u>
	<u>6,285</u>	<u>37,203</u>	<u>1,572,474</u>
	<u>16,862</u>	<u>85,264</u>	<u>3,304,517</u>
Decreased by:			
State Fees	756		
Interfunds			500,000
Animal license expenditures	2,367		
Unemployment Claims payable		46,166	
Miscellaneous Reserves			<u>802,772</u>
	<u>3,123</u>	<u>46,166</u>	<u>1,302,772</u>
Balance - December 31, 2015	\$ <u><u>13,739</u></u>	<u><u>39,098</u></u>	<u><u>2,001,745</u></u>

**BOROUGH OF RIDGEFIELD**  
**Schedule of Reserve for Expenditures**  
**Animal License Fund**  
**Year Ended December 31, 2015**

Balance - December 31, 2014	\$	10,551
Increased by:		
Dog license fees	\$	4,562
Cat license fees		162
Late fees		<u>760</u>
		<u>5,484</u>
		16,035
Decreased by:		
Disbursements		<u>2,367</u>
Balance - December 31, 2015	\$	<u><u>13,668</u></u>

<u>Dog License Fees Collected</u>		
	2013	7,126
	2014	<u>6,610</u>
	\$	<u><u>13,736</u></u>

**BOROUGH OF RIDGEFIELD**

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

**Animal License Trust Fund**

**Year Ended December 31, 2015**

Balance - December 31, 2014	\$	26
Increased by:		
2015 fees collected		<u>801</u>
		827
Decreased by:		
Paid to State Treasurer		<u>756</u>
Balance - December 31, 2015	\$	<u><u>71</u></u>

**BOROUGH OF RIDGEFIELD**

**Schedule of Interfunds**

**Trust Funds**

**Year Ended December 31, 2015**

	<u>Increased</u>	<u>Decreased</u>
Other Trust Fund:		
Current Fund	\$ <u>500,000</u>	<u>500,000</u>
	\$ <u><u>500,000</u></u>	<u><u>500,000</u></u>
Cash Receipts	\$ 500,000	
Cash Disbursements	<u>                    </u>	<u>500,000</u>
	\$ <u><u>500,000</u></u>	<u><u>500,000</u></u>

## BOROUGH OF RIDGEFIELD

## Schedule of Miscellaneous Reserves

## Other Trust Funds

Year Ended December 31, 2015

	Balance, Dec. 31, <u>2014</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2015</u>
Reserve for:				
P.O.A.A.	\$ 11,928	3,238	2,995	12,171
Fire Prevention	9,840	25,083	9,551	25,372
Tax Sale Premiums	43,100	202,500	68,000	177,600
Recycling Program	52,237	30,772	18,510	64,499
Community Gardens	1,595	570	673	1,492
Shade Tree Commission	42,183		1,285	40,898
Recreation Fees	22,837	57,025	43,449	36,413
Public Defender	10,034	4,300	2,500	11,834
Library Donation	2,250			2,250
Anti Bullying Committee	1,607	400	25	1,982
Police Outside Duty	79,778	599,192	530,919	148,051
Accumulated Unused Sick Leave	161,041	5,000		166,041
Snow Removal	61,898	5,000		66,898
Youth Commission	35,941	26,418	22,964	39,395
Marriage Ceremony Fees	450	2,250	2,550	150
Road Opening Deposits	2,050	95	2,050	95
Miscellaneous Deposits	6,395			6,395
Escrow	161,448	108,433	95,301	174,580
COAH	904,015	2,071		906,086
Landlord Security and Maintenance	60,941	127		61,068
Rehab Revolving Loan	60,475		2,000	58,475
	<u>\$ 1,732,043</u>	<u>1,072,474</u>	<u>802,772</u>	<u>2,001,745</u>

**BOROUGH OF RIDGEFIELD**  
**Schedule of Accounts Receivable**  
**Unemployment Compensation Trust Fund**  
**Year Ended December 31, 2015**

Balance - December 31, 2014	\$	1,408
Increased by:		
Unemployment Insurance Payroll Deductions		12,247
		13,655
Decreased by:		
Cash Receipts		12,203
Balance - December 31, 2015	\$	1,452

Analysis of Balance:	
4th quarter 2015	1,452
	\$ 1,452

**BOROUGH OF RIDGEFIELD**  
**Schedule of Due to State of New Jersey**  
**Unemployment Compensation Trust Fund**  
**Year Ended December 31, 2015**

Balance - December 31, 2014	\$ 1,517
Increased by:	
Quarterly Billings	<u>60,700</u>
	62,217
Decreased by:	
Disbursements	<u>46,166</u>
Balance - December 31, 2015	<u><u>\$ 16,051</u></u>

**BOROUGH OF RIDGEFIELD**

**Schedule of Reserve for Unemployment  
Compensation Insurance**

**Unemployment Insurance Compensation Trust**

**Year Ended December 31, 2015**

Balance - December 31, 2014		\$	47,952
Increased by:			
Unemployment Insurance Payroll Deductions	\$	12,247	
Budget Appropriations		<u>25,000</u>	
			<u>37,247</u>
			85,199
Decreased by:			
Unemployment Insurance Claims Payable		<u>60,700</u>	
Balance - December 31, 2015		\$	<u><u>24,499</u></u>

**BOROUGH OF RIDGEFIELD**

**Schedule of Cash - Treasurer**

**General Capital Fund**

**Year Ended December 31, 2015**

Balance - December 31, 2014		\$	956,520
Increased by receipts:			
Interfunds	\$	2,018,410	
Grants Receivable		114,948	
Bond Anticipation Notes Issued		1,329,050	
Capital Improvement Fund		<u>50,000</u>	
			<u>3,512,408</u>
			4,468,928
Decreased by disbursements:			
Reserve for Payment of Debt		241,000	
Interfunds		1,300,000	
Fund Balance		2,269	
Improvement Authorizations		<u>627,267</u>	
			<u>2,170,536</u>
Balance - December 31, 2015		\$	<u><u>2,298,392</u></u>

## BOROUGH OF RIDGEFIELD

## Schedule of General Capital Fund Cash

## General Capital Fund

Year Ended December 31, 2015

Capital Improvement Fund	\$	109,378
Grant Receivable		(546,430)
Due to Current Fund		718,410
Reserve for Payment of Debt		590,905
Reserve for Capital Projects		6,650
Excess Proceeds from Note Sale		53,014
Fund Balance		36,150

Improvement description

1888	Addition to Shaler Academy	70,117
1917/1927	Various Improvements	46,452
1944/2059	Improvements to Ridgefield Library	45,772
1952	Various Road Improvements	(21,291)
2005/2012	Various Public Improvements	47,144
2116	Acquisition of Pumper Ladder	(85,329)
2207	Various Public Improvements at Intersections Along Bergen County Roads	20,078 49,946
2235	Elm Avenue Improvements	160,642
2251	Interior Improvements to the Community Center	11,002
2260	Nature Center Fence Improvements	88,000
2264	Community Center Kitchen Improvements	5,593
2265	Various Capital Improvements	642,130
2275	Lloyd and Hillside Street Improvements	27,397
2283	Renovations to Truss System and Installation of Fire Protection System for Community Center	(93,263)
2285	Nature Center Fence Improvements	144,500
2287	Abbott Avenue Improvements, Section 3	171,425
		<u>\$ 2,298,392</u>

**BOROUGH OF RIDGEFIELD**

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

**General Capital Fund**

**Year Ended December 31, 2015**

Balance - December 31, 2014		\$ 11,403,789
Decreased by:		
Budget appropriations:		
Bond Principal	\$ 1,080,000	
NJ Environmental Infrastructure Trust Loan	<u>55,451</u>	
		<u>1,135,451</u>
Balance - December 31, 2015		\$ <u><u>10,268,338</u></u>

**BOROUGH OF RIDGEFIELD**

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

**General Capital Fund**

**Year Ended December 31, 2015**

Ordinance number	Improvement description	Balance, Dec. 31, 2014	2015 Authorizations	Decreased by:	Balance, Dec. 31, 2015	Analysis of Balance - December 31, 2015		
						Funded by Bond Anticipation Notes	Expenditures	Unexpended improvement authorization
1952	Various Road Improvements	\$ 65,000			65,000		21,291	43,709
2108	Synthetic Turf Athletic Field, Willis Field	396,986		26,000	370,986	424,000		
2116	Acquisition of Pumper Ladder	353,739		12,295	341,444	256,115	85,329	
2207	Various Public Improvements	477,850			477,850	477,850		
2222	Sanitary Sewer Imps. at Hoyt and Edgewater	161,500			161,500	161,500		
2265	Various Capital Improvements	689,700			689,700	689,700		
2283	Renovations to the Truss Roof and Installation of a Fire Protection System for the Community Center		617,500		617,500		93,263	524,237
		<u>\$ 2,144,775</u>	<u>617,500</u>	<u>38,295</u>	<u>2,723,980</u>	<u>2,009,165</u>	<u>199,883</u>	<u>567,946</u>
			Paydown on Notes \$	<u>38,295</u>				
				\$	<u>38,295</u>			
				Less: Excess Note Proceeds				
				Ord. 2108	<u>(53,014)</u>			
								<u>1,956,151</u>
				Improvement Authorizations - Unfunded \$				1,230,154
				Less: Unexpended note proceeds:				
				Ord. 2207				20,078
				Ord. 2265				642,130
								<u>\$ 567,946</u>

**BOROUGH OF RIDGEFIELD**

**Schedule of Interfunds**

**General Capital Fund**

**Year Ended December 31, 2015**

	<u>Increased</u>	<u>Decreased</u>	Balance, from/(to) Dec. 31, <u>2015</u>
Current Fund	\$ 1,300,000	2,018,410	718,410
	<hr/>	<hr/>	<hr/>
	<u>\$ 1,300,000</u>	<u>2,018,410</u>	<u>718,410</u>
Cash Receipts \$		2,018,410	
Cash Disbursements	<u>1,300,000</u>	<hr/>	
	<u>\$ 1,300,000</u>	<u>2,018,410</u>	

**BOROUGH OF RIDGEFIELD**

**Schedule of Grants Receivable**

**General Capital Fund**

**Year Ended December 31, 2015**

	Grant Amount	Year	Ordinance	Balance Dec. 31, 2014	2013 Grants Authorized	Received	Cancelled	Balance Dec. 31, 2015
<u>New Jersey Department of Transportation</u>								
Elm Ave Improvements, Section 2	150,000	2013	2235	150,000				150,000
Abbott Avenue Improvements, Section 3	149,000	2015	2287		149,000			149,000
<u>Bergen County ADA Cooperative Engineering</u>								
<u>Design Grant:</u>								
ADA Compliance Improvements at all Intersections along Bergen County Roads	55,000	2012	2210	55,000				55,000
<u>Bergen County Open Space Preservation</u>								
<u>Trust Fund:</u>								
Improvements to Steward Veal Pool Complex	49,500	2012	2207	18,934		14,948	3,986	44,000
Nature Center Fence Improvements	44,000	2014	2260	44,000				72,250
Nature Center Fence Improvements	72,250	2015	2285		72,250			72,250
<u>Community Development Block Grant</u>								
Banta Place Road Improvements	100,000	2012	2219	6,776			6,776	91,000
Banta Place Road Improvements	91,000	2012	2219	91,000			91,000	100,000
Hillside Street Improvements	100,000	2014	2257	100,000		100,000		76,180
Lloyd and Hillside Street Improvements	76,180	2015	2275		76,180			76,180
				\$ 465,710	297,430	114,948	101,762	546,430

**BOROUGH OF RIDGEFIELD**

**Schedule of Serial Bonds**

**General Capital Fund**

Year Ended December 31, 2015

<u>Purpose</u>	<u>Date of issue</u>	<u>Original issue</u>	<u>Maturities of bonds outstanding</u>		<u>Interest rate</u>	<u>Balance, Dec. 31, 2014</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2015</u>
			<u>Date</u>	<u>Amount</u>				
General Obligation Bonds of 2006	October 15, 2006	4,950,000	October 15, 2016	245,000	4.000% \$	3,415,000	235,000	3,180,000
			October 15, 2017	255,000	4.000%			
			October 15, 2018	265,000	4.000%			
			October 15, 2019	275,000	4.000%			
			October 15, 2020	280,000	4.000%			
			October 15, 2021	290,000	4.000%			
			October 15, 2022	300,000	4.000%			
			October 15, 2023	310,000	4.000%			
			October 15, 2024-26	320,000	4.000%			
	General Improvement Bonds of 2008	October 15, 2008	6,656,000	April 15, 2016-17	300,000	4.375%	5,956,000	300,000
			April 15, 2018	300,000	4.500%			
			April 15, 2019	650,000	4.625%			
			April 15, 2020-23	675,000	4.625%			
			April 15, 2024	700,000	4.625%			
			April 15, 2025	706,000	4.625%			

**BOROUGH OF RIDGEFIELD**

**Schedule of Serial Bonds**

**General Capital Fund**

**Year Ended December 31, 2015**

<u>Purpose</u>	<u>Date of issue</u>	<u>Original issue</u>	<u>Maturities of bonds outstanding</u>		<u>Interest rate</u>	<u>Balance, Dec. 31, 2014</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2015</u>
			<u>Date</u>	<u>Amount</u>				
Refunding Bonds of 2011	December 31, 2011	2,780,000	April 1, 2016	555,000	4.000%	1,675,000	545,000	1,130,000
			April 1, 2017	575,000	4.000%			
							<u>1,080,000</u>	<u>9,966,000</u>
						<u>\$ 11,046,000</u>		

**BOROUGH OF RIDGEFIELD**

**Schedule of New Jersey Infrastructure Trust Loan**

**General Capital Fund**

**Year Ended December 31, 2015**

<u>Purpose</u>	<u>Date of issue</u>	<u>Original issue</u>	<u>Maturities of bonds outstanding</u>		<u>Interest rate</u>	<u>Balance, Dec. 31, 2014</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2015</u>
			<u>Date</u>	<u>Amount</u>				
NJ Environmental Infrastructure Trust Loan	November 9, 2000	990,000	February 1, 2016	2,862	5%-5.25% \$	357,789	55,451	302,338
			August 1, 2016	51,627				
			February 1, 2017	2,381				
			August 1, 2017	59,274				
			February 1, 2018	1,806				
			August 1, 2018	58,699				
			February 1, 2019	1,231				
			August 1, 2019	58,125				
			February 1, 2020	657				
			August 1, 2020	65,676				
						<u>\$ 357,789</u>	<u>55,451</u>	<u>302,338</u>

**BOROUGH OF RIDGEFIELD**  
**Schedule of Bond Anticipation Notes Payable**

**General Capital Fund**

**Year Ended December 31, 2015**

<u>Ord. Number</u>	<u>Purpose</u>	<u>Date of original issue</u>	<u>Original issue</u>	<u>Date of Maturity</u>	<u>Interest rate</u>	<u>Balance, Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2015</u>
2108	Synthetic Turf Willis Field	December 10, 2010	Oct. 29, 2015	Oct. 21, 2016	0.800% \$	450,000	424,000	450,000	424,000
2116	Acquisition of Pump Ladder	December 10, 2010	Oct. 29, 2015	Oct. 21, 2016	0.800%	268,410	256,115	268,410	256,115
2207	Various Capital Improvements	July 1, 2015	July 1, 2015	June 30, 2016	0.750%		477,850		477,850
2222	Sanitary Sewer Imps. at Hoyt and Edgewater Avenues	July 1, 2015	July 1, 2015	June 30, 2016	0.750%		161,500		161,500
2263	Various Capital Improvements	July 1, 2015	July 1, 2015	June 30, 2016	0.750%		689,700		689,700
						\$ 718,410	2,009,165	718,410	2,009,165

Cash	\$ 1,329,050
Budget Appropriation	38,295
Renewed	680,115
	<u>\$ 2,009,165</u>
	<u>718,410</u>

**BOROUGH OF RIDGEFIELD**  
**Schedule of Capital Improvement Fund**  
**General Capital Fund**  
**Year Ended December 31, 2015**

Balance - December 31, 2014		\$	206,128
Increased by:			
Budget Appropriation		\$	50,000
Cancelled Reserve			<u>25,000</u>
			<u>75,000</u>
			281,128
Decreased by:			
Appropriated to Finance			
Improvement Authorizations			<u>171,750</u>
Balance - December 31, 2015		\$	<u><u>109,378</u></u>

**BOROUGH OF RIDGEFIELD**  
**Schedule of Reserve for Payment of Debt**  
**General Capital Fund**  
**Year Ended December 31, 2015**

Balance - December 31, 2014	\$	831,905
Decreased by:		
Current Fund Budgeted Revenue		241,000
Balance - December 31, 2015	\$	590,905
	Ord. 2108	152,240
	2006 Bonds	438,665
		590,905

**Schedule of Reserve for Capital Projects**  
**General Capital Fund**  
**Year Ended December 31, 2015**

Balance - December 31, 2014	\$	6,650
Balance - December 31, 2015	\$	6,650

**BOROUGH OF RIDGEFIELD**

**Schedule of Reserve for Acquisition of Employee Time System**

**General Capital Fund**

**Year Ended December 31, 2015**

Balance - December 31, 2014	\$ <u>25,000</u>
Decreased by:	
Cancelled	\$ <u><u>25,000</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2015

Ordinance number	Improvement description	Ordinance Date	Amount	Balance, Dec. 31, 2014		Authorized	Expended	Canceled	Balance, Dec. 31, 2015	
				Funded	Unfunded				Funded	Unfunded
1888	Addition to Shaler Academy	9/27/2004	5,198,000	\$ 70,117					70,117	
1917/1927	Various Improvements	5/23/2005	670,600	46,452					46,452	
1944/2059	Improvements to Ridgefield Library	8/8/2005	450,000	45,772					45,772	
1952	Various Road Improvements	10/24/2005	200,000		43,709					43,709
2005/2012	Various Public Improvements	11/13/2006	1,949,000	58,051			10,907	18,655	47,144	
2188	Acquisition of a Compacting Garbage Truck	12/12/2011	225,000	18,655						
2191	Upgrades to Tennis Courts at Veterans Memorial Park	2/13/2012	60,000	2,600				2,600		
2207	Various Public Improvements	6/23/2012	699,000		104,419		80,355	3,986		20,078
2210	Design of ADA Compliance Requirements at Intersections Along Bergen County Roads	10/22/2012	55,000	49,946					49,946	
2219	Banta Place Improvements	3/11/2013	291,000	97,776				97,776		
2232	Grandstand Bleachers Replacement at Veterans Memorial Park	9/9/2013	110,000	1,845				1,845		
2235	Elm Avenue Improvements	9/23/2013	175,000		160,642				160,642	
2251	Interior Improvements to the Community Cent	3/4/2014	110,000	71,645			60,643		11,002	
2255	Bleacher Installation and Concrete Footings	5/12/2014	40,000	13,050				13,050		
2257	Hillside Street Improvements	6/23/2004	100,000	100,000			100,000			
2259	Asphalt Overlay on Portions of 12 Borough Streets	8/18/2014	36,000	2,970			2,970			
2260	Nature Center Fence Improvements	8/18/2014	88,000	88,000					88,000	
2264	Community Center Kitchen Improvements	10/27/2014	110,000	110,000			104,407		5,593	
2265	Various Capital Improvements	10/27/2014	726,000	1,294	689,700		48,864			642,130
2275	Lloyd and Hillside Street Improvements	4/13/2015	76,189			76,180	48,783		27,397	
2277	Design Services for Repair of Cracked Roof Trusses at Community Center	4/27/2015	41,000				41,000			
	Center	6/22/2015	650,000			650,000	125,763			524,237
2285	Nature Center Fence Improvements	9/14/2015	144,500						144,500	
2287	Abbott Avenue Improvements, Section 3	9/28/2015	175,000			175,000	3,575		171,425	
				\$ 778,173	998,470	1,086,680	627,267	137,912	867,990	1,230,154

Capital Improvement Fund \$ 171,750  
 Grants 297,430  
 Deferred Charges Unfunded 617,500  
 \$ 1,086,680

Deferred Charges Unfunded \$ 101,762  
 Fund Balance 36,150

\$ 137,912

BOROUGH OF RIDGEFIELD

Schedule of Bonds and Notes Authorized but not Issued

General Capital Fund

Year Ended December 31, 2015

<u>Ordinance number</u>	<u>Improvement description</u>	Balance, Dec. 31, <u>2014</u>	<u>Authorized</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2015</u>
1952	Various Road Improvements	\$ 65,000			65,000
2116	Acquisition of a Pump Ladder Truck	85,329			85,329
2207	Various Capital Improvements	477,850		477,850	
2222	Sanitary Sewer Impr. at Hoyt and Edgewater Avenues	161,500		161,500	
2265	Various Capital Improvements	689,700		689,700	
2283	Renovations to Truss System and Installation of Fire Protection System for Community Center		617,500		617,500
		<u>\$ 1,479,379</u>	<u>617,500</u>	<u>1,329,050</u>	<u>767,829</u>

Bond Anticipation Notes Issued \$ 1,329,050

## BOROUGH OF RIDGEFIELD

## Schedule of Cash - Collector-Treasurer

## Swimming Pool Utility Fund

Year Ended December 31, 2015

	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2014	\$ <u>2,162</u>	<u>1,136</u>
Increased by receipts:		
Membership Fees	163,890	
Miscellaneous	48,419	
Deficit (General Budget)	62,500	
Petty Cash	100	
Interfund	<u>8,160</u>	
	<u>283,069</u>	
	285,231	1,136
Decreased by disbursements:		
2015 Appropriations	280,113	
Appropriation Reserve	781	
Petty Cash	<u>100</u>	
	<u>280,994</u>	
Balance - December 31, 2015	\$ <u><u>4,237</u></u>	<u><u>1,136</u></u>

**BOROUGH OF RIDGEFIELD**

**Schedule of Analysis of Cash**

**Swimming Pool Utility Capital Fund**

**Year Ended December 31, 2015**

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

Improvement authorizations:

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

## BOROUGH OF RIDGEFIELD

## Schedule of 2014 Reserves - Operating Fund

## Swimming Pool Utility Fund

Year Ended December 31, 2015

	Balance, Dec. 31, <u>2014</u>	Balance after <u>transfers</u>	Paid or <u>charged</u>	Balance <u>lapsed</u>
Salaries and Wages	\$ 103	103		103
Other expenses	<u>2</u>	<u>783</u>	<u>781</u>	<u>2</u>
Total Operating	105	886	781	105
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	<u>93</u>	<u>93</u>		<u>93</u>
Total Deferred Charges and Statutory Expenditures	<u>93</u>	<u>93</u>		<u>93</u>
	<u>\$ 198</u>	<u>979</u>	<u>781</u>	<u>198</u>

**BOROUGH OF RIDGEFIELD**

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

**Swimming Pool Utility - Operating Fund**

**Year Ended December 31, 2015**

	Balance Dec. 31, <u>2014</u>	<u>Increased</u>	<u>Decreased</u>	Balance Dec. 31, <u>2015</u>
Swim Pool Utility Capital Fund	\$ 13,630			13,630
Current Fund	<u>                    </u>	<u>8,160</u>	<u>8,160</u>	<u>                    </u>
	<u>\$ 13,630</u>	<u>8,160</u>	<u>8,160</u>	<u>13,630</u>
		Cash Receipts \$	8,160	
		Summer Camp Membership	<u>8,160</u>	
		\$	<u>8,160</u>	<u>8,160</u>

**BOROUGH OF RIDGEFIELD**

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

**Swimming Pool Utility - Capital Fund**

**Year Ended December 31, 2015**

	Balance Dec. 31, <u>2014</u>	Balance Dec. 31, <u>2015</u>
Swim Pool Utility Operating Fund \$	<u>(13,630)</u>	<u>(13,630)</u>
\$	<u><u>(13,630)</u></u>	<u><u>(13,630)</u></u>

**Exhibit D-10**

**BOROUGH OF RIDGEFIELD**  
**Schedule of Fixed Capital**  
**Swimming Pool Utility Capital Fund**  
**Year Ended December 31, 2015**

Balance - December 31, 2014	\$ <u>1,820,236</u>
Balance - December 31, 2015	\$ <u><u>1,820,236</u></u>
<u>Analysis of Balance</u>	
Swim Pool Improvements	\$ <u><u>1,820,236</u></u>

**Exhibit D-11**

**Schedule of Fixed Capital Authorized**  
**and Uncompleted**  
**Swimming Pool Utility Capital Fund**  
**Year Ended December 31, 2015**

Balance - December 31, 2014	\$ <u>1,342</u>
Balance - December 31, 2015	\$ <u><u>1,342</u></u>
<u>Analysis of Balance</u>	
Ord. 1835	\$ <u>1,342</u>
	\$ <u><u>1,342</u></u>

**BOROUGH OF RIDGEFIELD**

**Schedule of Improvement Authorizations**

**Swimming Pool Utility Capital Fund**

**Year Ended December 31, 2015**

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance December 31, 2014</u>		<u>Balance December 31, 2015</u>	
				<u>Funded</u>	<u>Unfunded</u>	<u>Funded</u>	<u>Unfunded</u>
1835	ADA Improvements	Sept. 8, 2003	50,000 \$	1,342		1,342	
				<u>1,342</u>		<u>1,342</u>	

**Exhibit D-13**

**BOROUGH OF RIDGEFIELD**  
**Schedule of Reserve for Amortization**  
**Swimming Pool Utility Capital Fund**  
**Year Ended December 31, 2015**

Balance - December 31, 2014	\$ <u>1,783,236</u>
Balance - December 31, 2015	\$ <u><u>1,783,236</u></u>

**Exhibit D-14**

**Schedule of Reserve for Capital Outlay**  
**Swimming Pool Utility Capital Fund**  
**Year Ended December 31, 2015**

Balance - December 31, 2014	\$ <u>21,355</u>
Balance - December 31, 2015	\$ <u><u>21,355</u></u>

**BOROUGH OF RIDGEFIELD**  
**Schedule of Deferred Reserve for Amortization**  
**Swimming Pool Utility Capital Fund**  
**Year Ended December 31, 2015**

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Ordinance Date</u>	Balance Dec. 31, 2014	Balance Dec. 31, 2015
1835	ADA Improvements	Sept. 8, 2003	\$ 1,342	1,342
			\$ 1,342	1,342

**BOROUGH OF RIDGEFIELD**

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

**Swimming Pool Utility Capital Fund**

**Year Ended December 31, 2015**

<u>Ordinance number</u>	<u>Improvement description</u>	Balance Dec. 31, <u>2014</u>	Balance Dec. 31, <u>2015</u>
1771	Various Improvements	\$ <u>37,000</u>	<u>37,000</u>
		\$ <u><u>37,000</u></u>	<u><u>37,000</u></u>

**BOROUGH OF RIDGEFIELD**

**Schedule of Cash-Treasurer**

**Public Assistance Fund**

**Year Ended December 31, 2015**

	<u>Total</u>	<u>P.A.T.F. Account #1/ Petty Cash</u>	<u>Relocation Account</u>
Balance - December 31, 2014	\$ 12,296	6,813	5,483
Increased by:			
Due to Current Fund	<u>67</u>	<u>37</u>	<u>30</u>
Balance - December 31, 2015	\$ <u><u>12,363</u></u>	<u><u>6,850</u></u>	<u><u>5,513</u></u>

**BOROUGH OF RIDGEFIELD**  
**Schedule of Due from/(to) Current Fund**  
**Public Assistance Fund**  
**Year Ended December 31, 2015**

Balance - December 31, 2014	\$	(6)
Increased by:		
Interest Earned		<u>67</u>
Balance - December 31, 2015	\$	<u><u>(73)</u></u>

**BOROUGH OF RIDGEFIELD**

**Schedule of Reserve for Public Assistance**

**Public Assistance Fund**

**Year Ended December 31, 2015**

	<u>Total</u>	<u>P.A.T.F. Account #1/ Petty Cash</u>	<u>Relocation Account</u>
Balance - December 31, 2014	\$ <u>12,290</u>	<u>6,585</u>	<u>5,705</u>
Balance - December 31, 2015	\$ <u><u>12,290</u></u>	<u><u>6,585</u></u>	<u><u>5,705</u></u>

**BOROUGH OF RIDGEFIELD**

**LETTERS ON COMPLIANCE AND ON INTERNAL CONTROL**

**GENERAL COMMENTS AND RECOMMENDATIONS**

**DECEMBER 31, 2015**

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

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Borough of Ridgefield in the County of Bergen as of and for the year ended December 31, 2015 and the related notes to the financial statements, and have issued our report thereon dated June 13, 2016, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

### **Internal Control Over Financial Reporting**

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

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



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

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

### **Compliance and Other Matters**

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

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

### **Purpose of this Report**

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

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

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

June 13, 2016



## BOROUGH OF RIDGEFIELD

### GENERAL COMMENTS

#### Contracts and Agreements

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

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

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

- a. Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder.

## BOROUGH OF RIDGEFIELD

### GENERAL COMMENTS, (continued)

Effective January 1, 2011, the bid threshold, in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$17,500 with a qualified purchasing agent the threshold may be up to \$36,000. On July 1, 2015, this amount was increased to \$40,000.

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

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

2013-2014 CDBG Project  
Community Center Truss Repairs  
Nature Center Fence Improvements

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

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

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

#### Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 5, 2015 adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

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

**BOROUGH OF RIDGEFIELD**

**GENERAL COMMENTS, (continued)**

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

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

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

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

**Delinquent Taxes and Tax Title Liens**

A tax sale was held on June 4, 2015 and was complete.

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

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

<u>Year Ended</u>	<u>Number of Liens</u>
December 31, 2015	2
December 31, 2014	2
December 31, 2013	2

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

**BOROUGH OF RIDGEFIELD  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2015**

**Comments:**

**Finance:**

1. \*Not all transactions are posted to the general ledger for the Net Payroll account as required by Technical Directive #3.
2. Grant receipts are improperly posted as budget contras.
3. There were tax overpayments from prior years that were not refunded nor applied.
4. There were instances in which a Form 1099 was not issued to all individuals and/or organizations that were compensated in excess of \$600 in violation of IRS regulations.
5. There are unfunded improvement authorizations in the General Capital fund greater than 5 years old.
6. The first quarter 2015 payment to the State for DCA fees collected does not accurately reflect collections by the department.
7. Twelve payments for State Health Benefits were not made to the current year budget.
8. There was an instance in which an expenditure was charged to the incorrect budget year.

**Payroll:**

1. \*There were instances in which amounts being transferred to the net payroll account do not agree to payroll registers.
2. \*The net payroll account is reporting a negative reconciled balance as of year-end.
3. \*There were instances in which enrolled employee health benefit deductions were not being calculated in accordance with Chapter 78, P.L. 2011.
4. \*There were instances in which employee's longevity amounts did not agree to contracted percentages.

**Departments:**

1. An accurate cash receipt ledger detailing monies collected is not being maintained for the Pool by the Recreation Department.
2. Deposits by the Building Department are not always made within 48 hours of receipt as required by N.J.S.A. 40A:5-15.

**Municipal Court:**

1. There are 216 tickets assigned over 180 days on the December Monthly Management Report.

**BOROUGH OF RIDGEFIELD  
COMMENTS AND RECOMMENDATIONS  
(CONTINUED)**

**Recommendations:**

**Finance:**

1. \*That all transactions be recorded in the general ledger for all funds.
2. That more care be taken to ensure grant receipts are properly posted.
3. That tax overpayments be refunded or applied in a timely manner in accordance with N.J.S.A. 54:49-15-16.
4. That all vendors compensated in excess of \$600 be issued a Form 1099 as required by IRS Rev. Rul. 2003-66.
5. That all ordinances with cash deficits over five years old should be funded through a valid financing source.
6. That the payments to the State for DCA fees accurately reflect collections by the Department.
7. That more care be taken to ensure that 12 monthly payments are paid and charged the same budget year.
8. That all expenditures are charged to the appropriate budget year.

**Payroll:**

1. \*That more care be taken to ensure amounts being transferred to the net payroll account agree to the payroll registers.
2. \*That more care be taken to ensure sufficient funds be maintained in the account to prevent negative reconciled balances.
3. \*That all enrolled employee health benefit deductions be calculated in accordance with Chapter 78, P.L. 2011.
4. \*That longevity calculations be reviewed to ensure proper percentages are computed for all eligible employees.

**Departments:**

1. That a monthly summary of receipts collected be maintained by the department.
2. Deposits should be made within 48 hours of receipt as required by N.J.S.A. 40A:5-15.

**Municipal Court:**

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

**BOROUGH OF RIDGEFIELD**

**STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS**

A review was performed on all prior year recommendations and corrective action was taken on all with the exception of those marked with an "\*", which are included in this year's recommendations.

**ACKNOWLEDGMENT**

We received the complete cooperation of all the officials of the municipality and we greatly appreciate the courtesies extended to all members of the audit team.

Respectfully submitted,



Steven D. Wielkocz  
Registered Municipal Accountant  
No. CR00413



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

June 13, 2016