

BOROUGH OF RIDGEFIELD

**Financial Statements With
Supplementary Information**

December 31, 2016

(With Independent Auditors' Reports Thereon)

BOROUGH OF RIDGEFIELD

TABLE OF CONTENTS

PART I

<u>Exhibit</u>		<u>Page</u>
	Independent Auditor's Report	1
	<u>CURRENT FUND</u>	
A	Comparative Balance Sheet - Regulatory Basis	4
A-1	Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	6
A-2	Statement of Revenues - Regulatory Basis	7
A-3	Statement of Expenditures - Regulatory Basis	9
	<u>TRUST FUNDS</u>	
B	Comparative Balance Sheet - Regulatory Basis	18
	<u>GENERAL CAPITAL FUND</u>	
C	Comparative Balance Sheet - Regulatory Basis	20
C-1	Statement of Changes in Fund Balance - Regulatory Basis	21
	<u>SWIMMING POOL UTILITY FUND</u>	
D	Comparative Balance Sheet - Regulatory Basis	22
D-1	Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	23
D-2	Statement of Changes in Capital Fund Balance - Regulatory Basis	24
D-3	Statement of Revenues - Regulatory Basis	25
D-4	Statement of Expenditures - Regulatory Basis	26
	<u>PUBLIC ASSISTANCE FUND</u>	
E	Comparative Balance Sheet - Regulatory Basis	27
	<u>PAYROLL ACCOUNT</u>	
F	Comparative Statement of Net Payroll and Withholdings Payable	28
	<u>GENERAL FIXED ASSETS</u>	
G	Comparative Statement of General Fixed Assets - Regulatory Basis	29
	Notes to Financial Statements	30
	Supplementary Data	65

BOROUGH OF RIDGEFIELD

TABLE OF CONTENTS, CONTINUED

PART I (CONTINUED)

<u>Exhibit</u>		<u>Page</u>
	<u>SUPPLEMENTARY SCHEDULES</u>	
	<u>CURRENT FUND</u>	
A-4	Schedule of Cash - Collector/Treasurer	71
A-5	Schedule of Cash - Change Fund	72
A-6	Schedule of Amount Due from State of New Jersey for Senior Citizens' and Veterans' Deductions - Ch. 73 P.L. 1976	73
A-7	Schedule of Taxes Receivable and Analysis of Property Tax Levy	74
A-8	Schedule of Tax Title Liens	75
A-9	Schedule of Property Acquired for Taxes	76
A-10	Schedule of Revenue Accounts Receivable	77
A-11	Schedule of Interfunds Due from/(to) Other Funds	78
A-12	Schedule of Deferred Charges - N.J.S. 40A:4-53 Special Emergency	79
A-13	Schedule of Deferred Charges	80
A-14	Schedule of Appropriation Reserves	81
A-15	Schedule of Reserve for Encumbrances	85
A-16	Schedule of Tax Overpayments	85
A-17	Schedule of Prepaid Taxes	86
A-18	Schedule of Accounts Payable	86
A-19	Schedule of Amount Due to the State of New Jersey	87
A-20	Schedule of Local District School Taxes Payable	88
A-21	Schedule of County Taxes Payable	88
A-22	Schedule of Due County for Added and Omitted Taxes	89
A-23	Schedule of Various Reserves	90
A-24	Schedule of Interfunds Due from/(to) Other Funds - Federal and State Grant Fund	91
A-25	Schedule of Grants Receivable - Federal and State Grant Fund	92
A-26	Schedule of Appropriated Grant Reserves - Federal and State Grant Fund	93
A-27	Schedule of Encumbrances Payable - Federal and State Grant Fund	94
A-28	Schedule of Unappropriated Grant Reserves - Federal and State Grant Fund	95
	<u>TRUST FUNDS</u>	
B-1	Schedule of Cash - Treasurer	96
B-2	Schedule of Reserve for Expenditures - Animal License Fund	97
B-3	Schedule of Due to State of New Jersey - Animal License Fund	98
B-4	Schedule of Interfunds	99
B-5	Schedule of Miscellaneous Reserves	100
B-6	Schedule of Accounts Receivable - Unemployment Compensation Trust	101
B-7	Schedule of Due to State of New Jersey - Unemployment Compensation Trust Fund	102
B-8	Schedule of Reserve for Unemployment Compensation Insurance - Unemployment Insurance Compensation Trust	103

BOROUGH OF RIDGEFIELD

TABLE OF CONTENTS, CONTINUED

PART I (CONTINUED)

<u>Exhibit</u>		<u>Page</u>
	<u>GENERAL CAPITAL FUND</u>	
C-2	Schedule of Cash - Treasurer	104
C-3	Schedule of General Capital Fund Cash	105
C-4	Schedule of Deferred Charges to Future Taxation - Funded	106
C-5	Schedule of Deferred Charges to Future Taxation - Unfunded	107
C-6	Schedule of Interfunds	108
C-7	Schedule of Grants Receivable	109
C-8	Schedule of Serial Bonds	110
C-9	Schedule of New Jersey Infrastructure Trust Loan	111
C-10	Schedule of Bond Anticipation Notes Payable	112
C-11	Schedule of Capital Improvement Fund	113
C-12	Schedule of Reserve for Payment of Debt	114
C-13	Schedule of Reserve for Capital Projects	114
C-14	Schedule of Overexpenditure of Improvement Authorization	115
C-15	Schedule of Improvement Authorizations	116
C-16	Schedule of Bonds and Notes Authorized but not Issued	117
	<u>SWIMMING POOL UTILITY FUND</u>	
D-5	Schedule of Cash - Collector - Treasurer	118
D-6	Schedule of Analysis of Cash - Swimming Pool Utility Capital Fund	119
D-7	Schedule of 2015 Reserves - Operating Fund	120
D-8	Schedule of Interfund Receivables/(Payable) - Swimming Pool Utility - Operating Fund	121
D-9	Schedule of Interfund Receivables/(Payable) - Swimming Pool Utility - Capital Fund	122
D-10	Schedule of Fixed Capital	123
D-11	Schedule of Fixed Capital Authorized and Uncomplete	123
D-12	Schedule of Improvement Authorizations	124
D-13	Schedule of Reserve for Amortization	125
D-14	Schedule of Reserve for Capital Outlay	125
D-15	Schedule of Deferred Reserve for Amortization	126
D-16	Schedule of Bonds and Notes Authorized but not Issued	127
	<u>PUBLIC ASSISTANCE TRUST FUND</u>	
E-1	Schedule of Cash - Treasurer	128
E-2	Schedule of Due from/(to) Current Fund	129
E-3	Schedule of Reserve for Public Assistance	130

BOROUGH OF RIDGEFIELD

TABLE OF CONTENTS, CONTINUED

PART II

<u>Exhibit</u>	<u>Page</u>
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	131
General Comments	133
Comments and Recommendations	136
Status of Prior Year's Audit Findings/Recommendations	138
Acknowledgement	138

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

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkottz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

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, 2016 and 2015, 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, 2016, 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, 2016 and 2015, 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, 2016 and 2015, 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, 2016 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.



Other Matters

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2017 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

July 10, 2017



BOROUGH OF RIDGEFIELD

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2016 and 2015

<u>Assets</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Current Fund:			
Cash	A-4	\$ 5,500,570	5,359,615
Change Fund	A-5	450	450
Due from State of New Jersey:			
Senior Citizens' and Veterans' Deductions	A-6	71,592	71,292
Grants Receivable	A-25	<u> </u>	<u>76,902</u>
		<u>5,572,612</u>	<u>5,508,259</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	545,984	514,105
Tax Title Liens	A-8	102,495	89,886
Property Acquired for Taxes			
Assessed Valuations	A-9	81,180	81,180
Revenue Accounts Receivable	A-10	23,161	21,152
Interfunds Receivable:			
Animal License Trust Fund	A-11	6,951	
Payroll Agency Account	A-11	33	1,195
Public Assistance	A-11	141	73
General Capital Fund	A-11		718,410
Swim Pool Utility Operating Fund	A-11	<u>11,437</u>	<u> </u>
		<u>771,382</u>	<u>1,426,001</u>
Deferred Charges:			
Special Emergency	A-12		18,000
Over-expenditure of Budget Appropriations	A-13	10,828	
Emergency Authorization	A-13	<u>2,469</u>	<u> </u>
		<u>13,297</u>	<u>18,000</u>
 Total Current Fund		 <u>6,357,291</u>	 <u>6,952,260</u>
Federal and State Grant Fund:			
Interfunds Receivable	A-24	118,950	
Grants Receivable	A-25	<u>167,271</u>	<u> </u>
 Total Federal and State Grant Fund		 <u>286,221</u>	 <u> </u>
 Total Assets		 <u>\$ 6,643,512</u>	 <u>6,952,260</u>

BOROUGH OF RIDGEFIELD
Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2016 and 2015

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Current Fund:			
Appropriation Reserves	A-3, A-14	\$ 558,599	1,286,389
Encumbrances Payable	A-15	470,958	296,031
Tax Overpayments	A-16	80,227	25,423
Prepaid Taxes	A-17	130,543	174,976
Accounts Payable	A-18	23,654	3,000
Due to State of New Jersey	A-19	14,676	15,659
Local School District Taxes Payable	A-20	251,196	84,511
Due to County of Bergen	A-22	7,890	1,087
Interfunds Payable:			
Unemployment Compensation Trust Fund	A-11	2,660	
General Capital Fund	A-11	56,792	
Federal and State Grant Fund	A-11	118,950	
Appropriated Reserves	A-26		17,131
Unappropriated Reserves	A-28		33,449
Reserve for:			
Tax Appeals	A-23		106,936
Re-Assessment	A-23	2,000	2,000
Miscellaneous	A-23	50	50
Tax Title Lien Redemptions	A-23	25,453	
Sale of Property	A-23	576,002	576,002
		<u>2,319,650</u>	<u>2,622,644</u>
Reserve for Receivables and Other Assets	A	771,382	1,426,001
Fund Balance	A-1	<u>3,266,259</u>	<u>2,903,615</u>
		<u>4,037,641</u>	<u>4,329,616</u>
Total Current Fund		<u>6,357,291</u>	<u>6,952,260</u>
Federal and State Grant Fund:			
Appropriated Federal and State Grants	A-26	148,690	
Reserve for Encumbrances	A-27	112,381	
Unappropriated Federal and State Grants	A-28	25,150	
		<u>286,221</u>	
Total Federal and State Grant Fund		<u>286,221</u>	
Total Liabilities, Reserves and Fund Balance	\$	<u><u>6,643,512</u></u>	<u><u>6,952,260</u></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, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Revenue and other income realized:		
Fund balance utilized	\$ 700,000	1,031,318
Miscellaneous revenue anticipated	9,838,710	9,710,452
Receipts from delinquent taxes	514,105	559,372
Receipts from current taxes	33,980,087	32,941,953
Nonbudget revenues	212,211	150,168
Other credits to income:		
Accounts Payable Cancelled		1,621
Unexpended balance of appropriation reserves	839,687	662,664
Interfunds Returned	21,131	
	<u>46,105,931</u>	<u>45,057,548</u>
Total revenue		
Expenditures:		
Budget and emergency appropriations:		
Operations:		
Salaries and wages	6,852,432	6,894,740
Other expenses	10,468,292	9,955,917
Deferred charges and statutory expenditures	1,667,817	1,643,888
Capital improvements	50,000	50,000
Municipal debt service	1,547,351	1,654,376
County taxes	4,202,860	4,198,342
Due county for added taxes	7,890	8,894
Local district school taxes	20,200,894	19,333,721
Various reserves	2,310	
Interfunds advanced		720,278
Refunds	56,738	2,916
	<u>45,056,584</u>	<u>44,463,072</u>
Total expenditures		
Excess in Revenue	1,049,347	594,476
Adjustments to income before fund balance-		
expenditures which are by statute deferred		
charges to budget of succeeding year		
Overexpenditure of Budget	10,828	
Emergency Authorization	2,469	
	<u>13,297</u>	
Statutory excess to fund balance	1,062,644	594,476
Fund balance - January 1,	2,903,615	3,340,457
Decreased by utilization as anticipated revenue	<u>700,000</u>	<u>1,031,318</u>
Fund balance	<u>\$ 3,266,259</u>	<u>\$ 2,903,615</u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2016

	Budget	Realized	Excess (deficit)
Surplus anticipated	\$ 700,000	700,000	
Miscellaneous revenues:			
Licenses:			
Alcoholic beverages	32,000	33,188	1,188
Other	43,000	52,833	9,833
Fees and permits:			
Other	277,077	277,077	
Fines and costs municipal court	320,000	281,159	(38,841)
Interest and costs on taxes	80,000	77,908	(2,092)
Interest on investments and deposits	300	1,383	1,083
Hackensack Meadowlands Adjustment to Tax Sharing	1,117,736	527,783	(589,953)
Energy Receipts Tax	5,242,420	5,242,420	
Supplemental Energy Receipts Tax	255,930	255,930	
Uniform Construction Code Fees	450,000	604,256	154,256
Palisades Park-Health Officer	45,000	46,200	1,200
Drunk Driving Enforcement Fund	8,387	8,387	
Clean Communities Grant	39,724	39,724	
Alcohol Education and Rehabilitation Fund	1,929	1,929	
Municipal Alliance on Alcoholism and Drug Abuse	19,752	19,752	
NJDMV	900	900	
Emergency Management Assistance Program	5,000	5,000	
Body Armor Replacement	3,826	3,826	
Green Communities	3,000	3,000	
Bullet Proof Vest	1,770	1,770	
Forest Station Tree Planting	22,600	22,600	
Bergen County Open Space	52,474	52,474	
Uniform Fire Safety Act	32,514	47,407	14,893
Rental of Borough Property - Shaler Lease	150,000	150,000	
Rental of Borough Property - Shaler Lease - Debt Service Payments	371,600	433,900	62,300
Sewer Charges	120,800	50,000	(70,800)
Sewer Charges - Additional - Tier II User Charges	350,000	372,766	22,766
Reserve for Payment of Debt - 2006 Bonds	215,000	215,000	
Capital Fund Balance	36,150	36,150	
Due from General Capital Fund	700,000	718,410	18,410
EMS Medical Transport	95,000	107,854	12,854
Reserve for Payment of Debt - Ord. 2108	26,000	26,000	
Cable TV Franchise Fee	122,739	121,724	(1,015)
Total miscellaneous revenues	10,242,628	9,838,710	(403,918)
Receipts from delinquent taxes	514,000	514,105	105
Amount to be raised by taxes for support of municipal budget	10,114,618	10,389,327	274,709
Budget total	\$ 21,571,246	21,442,142	(129,104)
Nonbudget revenue		212,211	
		\$ 21,654,353	

BOROUGH OF RIDGEFIELD
Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2016

Analysis of Realized Revenue

Allocation of current tax collections;	
Revenue from collections	\$ <u>33,980,087</u>
Allocated to:	
Local district school tax	20,200,894
County taxes	<u>4,210,750</u>
	<u>24,411,644</u>
Balance for support of municipal budget appropriations	9,875,327
Reserve for uncollected taxes	<u>514,000</u>
	\$ <u><u>10,389,327</u></u>
Receipts from:	
Delinquent tax collections	<u>514,105</u>
	\$ <u><u>514,105</u></u>

Analysis of Miscellaneous Revenue Not Anticipated

Donations \$	
BCUA	1,513
Poll Rental	100
Police Outside Detail	100,467
Damages Reimbursement	50,000
FEMA	12,266
BOE Willis Field	3,000
Refunds	8,634
Hotel Tax	4,452
Flu Shots	6,219
Restitution	558
Other	<u>25,002</u>
	\$ <u><u>212,211</u></u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2016

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>	<u>Overexpended</u>
Operations-within "CAPS"						
Administrative and executive:						
Salaries and wages	\$ 97,000	97,000	94,962	2,038		
Other expenses	45,000	45,000	44,584	416		
Rent Leveling:						
Salaries and wages	6,000	6,000	6,500			500
Other expenses	2,000	2,000	231	1,769		
Mayor and Council:						
Salaries and wages	40,750	40,750	43,562			
Other expenses	8,500	8,500	7,740	760		
Municipal Clerk:						
Salaries and wages	131,313	130,773	122,421	8,352		2,812
Other expenses	30,000	30,000	28,728	1,272		
Financial Administration:						
Salaries and wages	150,000	161,600	161,587	13		
Annual Audit	29,000	23,000	21,500	1,500		
Miscellaneous Other expenses	50,000	100,300	93,655	6,645		
Grant Writer	36,000	36,000	36,000			
Collection of taxes:						
Salaries and wages	105,000	93,000	87,712	5,288		
Other expenses	24,000	14,000	12,325	1,675		
Assessment of Taxes:						
Salaries and wages	18,500	18,920	18,918	2		
Other expenses	4,050	4,050	2,400	1,650		
Professional Services	20,800	8,871	4,825	4,046		

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2016

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>	<u>Overexpended</u>
Legal services and costs:						
Retainer	46,000	46,000	45,600	400		
Other expenses	170,000	210,000	178,464	31,536		
Engineering:						
Other expenses	110,000	110,000	102,926	7,074		
Municipal Land Use Law (NJSA 40:55D-1):						
Planning Board:						
Salaries and wages	7,500	8,048	8,880			832
Other expenses	10,000	11,500	8,254	3,246		
Insurance:						
Unemployment Insurance	40,000	40,000	34,480	5,520		
Liability	550,000	550,000	543,748	6,252		
Workers Compensation	450,000	463,539	463,539			
Group Insurance for Employees	2,550,000	2,647,000	2,642,149	4,851		
PUBLIC SAFETY:						
Fire:						
Clothing Allowance	175,000	175,000	130,661	44,339		
Fire hydrant service	119,000	119,000	117,942	1,058		
Miscellaneous	150,000	150,000	148,944	1,056		
Fire Prevention Bureau:						
Salaries and wages	80,000	92,000	87,433	4,567		
Other expenses	30,000	30,000	29,965	35		
Police:						
Salaries and wages	3,999,606	3,845,598	3,714,844	130,754		
Other expenses	134,659	134,659	125,637	9,022		
Purchase of Police Vehicles	78,990	78,990	77,826	1,164		
Police Dispatching/911:						

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2016

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance</u>	
					<u>Canceled</u>	<u>Overexpended</u>
911 Service Agreement	208,000	208,000	204,000	4,000		
First Aid Organization:						
Clothing Allowance	40,000	104,700	104,651	49		
Miscellaneous	22,000	22,000	20,528	1,472		
Community Service Officer						
Salaries and wages	137,544	137,544	125,717	11,827		
Other expenses	21,000	21,000	20,767	233		
Emergency Management Services:						
Salaries and wages	19,000	20,370	19,641	729		
Other expenses	3,000	3,000	2,863	137		
Municipal Prosecutor:						
Salaries and wages	13,000	13,000	13,542			542
Streets and Roads:						
Road Repairs and Maintenance:						
Salaries and wages	1,230,500	1,100,500	1,106,430			5,930
Other expenses	152,000	152,000	150,514	1,486		
Maintenance of Borough Vehicles:						
Streets and Roads	85,000	85,000	81,561	3,439		
Fire	40,200	36,000	32,378	3,622		
Police	43,000	37,200	35,722	1,478		
Ambulance	7,500	3,500	1,697	1,803		
Garage	35,000	20,000	19,042	958		
Building	1,000	1,000		1,000		
Health	1,000	1,000	215	785		

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2016

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>	<u>Overexpended</u>
Sanitation:						
Garbage and Trash Removal:						
Salaries and wages	240,636	270,636	258,429	12,207		
Other expenses	75,700	65,700	62,017	3,683		
Sanitary Landfill - Contractual Recycling Program:	300,000	309,000	281,204	27,796		
Salaries and wages	18,250	18,250	15,503	2,747		
Public Building and Grounds:						
Other Expenses - Maintenance & Repair	183,000	183,000	180,291	2,709		
Health and Welfare:						
Board of Health:						
Salaries and wages	212,422	172,422	167,565	4,857		
Other expenses	52,481	52,481	44,236	8,245		
Bergen County Animal Shelter	5,000	5,000	5,000			
Environmental Commission (NJSA 40:56A-1):						
Other expenses - miscellaneous	3,000	3,000	2,944	56		
Other expenses - arborist	3,000	3,000	3,000			
Administration of Public Assistance:						
Miscellaneous Other expenses	1,000	1,000		1,000		
Recreation and Education:						
Parks and Recreation:						
Salaries and wages	210,000	240,200	240,412			212
Other expenses	160,500	160,500	160,177	323		
Youth Commission						
Salaries and wages	14,000	15,200	15,180	20		
Other expenses	1,200	1,200	762	438		

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2016

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>	<u>Overexpended</u>
Celebration of Public Events:						
Other expenses	28,000	28,000	24,684	3,316		
Uniform Construction Code-Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)						
Uniform construction code official:						
Salaries and wages	162,058	147,058	146,893	165		
Other expenses	12,000	12,000	9,400	2,600		
Property Maintenance						
Salaries and wages	7,000	7,600	6,963	637		
Other expenses	4,000	4,000	3,716	284		
Municipal Court:						
Salaries and wages	160,135	160,135	146,045	14,090		
Other expenses	30,000	30,000	28,536	1,464		
Public Defender:						
Other expenses	2,500	2,500	2,400	100		
UNCLASSIFIED:						
Utilities:						
Street lighting	120,000	176,000	157,357	18,643		
Electric & Gas	300,000	300,000	275,322	24,678		
Telephone	108,000	112,000	104,399	7,601		
Water	19,000	23,500	19,284	4,216		
Gasoline	185,000	165,000	94,706	70,294		
Accumulated Absences	5,000	5,000	5,000			
Other Expenses	4,000	4,000	690	3,310		
Snow Removal Trust	5,000	5,000	5,000			
Total Operations within "CAPS"	14,189,294	14,179,294	13,655,325	534,797		10,828

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2016

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled	Overexpended
Contingent	5,000	5,000	4,676	324		
Total Operations Including Contingent-within "CAPS"	14,194,294	14,184,294	13,660,001	535,121		10,828
Detail:						
Salaries & Wages	7,060,214	6,796,604	6,609,139	198,293		10,828
Other Expenses (Including Contingent)	7,134,080	7,387,690	7,050,862	336,828		
	14,194,294	14,184,294	13,660,001	535,121		10,828
Deferred Charges and Statutory Expenditures-Municipal within "CAPS"						
DEFERRED CHARGES						
Anticipated Deficit in Swim Pool Utility	73,386	83,386	83,386			
STATUTORY EXPENDITURES:						
Contribution to:						
Social Security System (O.A.S.I.)	350,000	370,000	353,060	16,940		
Pension of Widow Volunteer Firemen	8,000	8,000	7,760	240		
Volunteer Fireman's Pension	16,000	16,000	16,000			
Volunteer Fireman's Over Age Burial Fund	10,500	500		500		
Defined Contribution Retirement Program	3,000	3,000	1,932	1,068		
Public Employees Retirement system	361,536	361,536	361,531	5		
Police and Firemans Retirement System of N.J.	807,395	807,395	807,395			
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	1,629,817	1,649,817	1,631,064	18,753		

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2016

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>	<u>Overexpended</u>
Total General Appropriations for Municipal Purposes within "CAPS"	15,824,111	15,834,111	15,291,065	553,874		10,828
Operations-Excluded from "CAPS"						
Bergen County Utilities Authority:						
Sewage Processing and Disposal	2,282,674	2,282,674	2,282,673	1		
Maintenance of Free Public Library:						
Contribution to Library	568,628	568,628	568,628			
Recycling Tax	15,000	15,000	13,446	1,554		
Reserve for tax appeals	50,000	50,000	46,830	3,170		
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	18,535	18,535	18,535			
Alcohol Education and Rehabilitation	1,929	1,929	1,929			
Emergency Management Assistance	5,000	5,000	5,000			
Body Armor Grant	3,826	3,826	3,826			
Clean Communities Program - 2016	21,189	21,189	21,189			
NJ Department of Motor Vehicle	900	900	900			
Drunk Driving Enforcement Fund	8,387	8,387	8,387			
Municipal Alliance	19,752	19,752	19,752			
Municipal Alliance - Matching Funds	2,469	4,938	4,938			
Bullet Proof Vest	1,770	1,770	1,770			
Reforestation/Tree Planting	22,600	22,600	22,600			
Green Community	3,000	3,000	3,000			

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2016

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled	Overexpended
Bergen County Open Space	52,474	52,474	52,474			
Total Operations-Excluded from "CAPS"	3,123,133	3,125,602	3,120,877	4,725		
Detail:						
Salaries and Wages	45,000	45,000	45,000			
Other Expenses	3,078,133	3,080,602	3,075,877	4,725		
	3,123,133	3,125,602	3,120,877	4,725		
Capital Improvements - Excluded from CAPS						
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	1,100,000	1,220,000	1,220,000			
Payment of Bond Anticipation Notes	38,925	38,925	38,925			
Interest on Bonds	430,000	310,000	212,615		97,385	
Interest on Notes	16,000	16,000	15,351		649	
Infrastructure Trust Loan	68,000	68,000	60,460		7,540	
Total Municipal Debt Service-Excluded from "CAPS"	1,652,925	1,652,925	1,547,351		105,574	
Deferred Charges- Municipal Excluded from "CAPS"						
Special Emergency Authorizations - 5 years (N.J.S. 40A:4-55)	18,000	18,000	18,000			
Total Deferred Charges-Municipal-Excluded from "CAPS"	18,000	18,000	18,000			

BOROUGH OF RIDGEFIELD

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2016

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>	<u>Overexpended</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	4,844,058	4,846,527	4,736,228	4,725	105,574	
Subtotal General Appropriations	20,668,169	20,680,638	20,027,293	558,599	105,574	10,828
Reserve for Uncollected Taxes	836,000	836,000	836,000			
Total General Appropriations	<u>\$ 21,504,169</u>	<u>21,516,638</u>	<u>20,863,293</u>	<u>558,599</u>	<u>105,574</u>	<u>10,828</u>
Adopted Budget		21,419,321				
Added by N.J.S.A. 40A:4-87		94,848				
Special Emergency Authorization		2,469				
		<u>\$ 21,516,638</u>				
Analysis of Paid or Charged						
Reserve for Uncollected Taxes			836,000			
Interfunds			56,791			
Federal and State Grants			164,300			
Reserve for Encumbrances			470,958			
Deferred Charges			18,000			
Cash			19,317,244			
			<u>\$ 20,863,293</u>			

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD
Comparative Balance Sheet-Regulatory Basis
Trust Funds
December 31, 2016 and 2015

<u>Assets</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Animal License Fund:			
Cash	B-1	\$ <u>19,087</u>	<u>13,739</u>
		<u>19,087</u>	<u>13,739</u>
Unemployment Compensation Trust Fund:			
Cash	B-1	15,015	39,098
Accounts Receivable	B-6	1,523	1,452
Interfunds Receivable	B-4	<u>2,660</u>	<u> </u>
		<u>19,198</u>	<u>40,550</u>
Other Trust Funds:			
Cash	B-1	1,949,517	2,001,745
Interfunds Receivable	B-4	<u>35,000</u>	<u> </u>
		<u>1,984,517</u>	<u>2,001,745</u>
		<u>\$ 2,022,802</u>	<u>2,056,034</u>

BOROUGH OF RIDGEFIELD

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2016 and 2015

<u>Liabilities and Reserves</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Animal License Fund:			
Reserve for Dog License Fund expenditures	B-2	12,095	13,668
Due to State of New Jersey	B-3	41	71
Interfunds Payable	B-4	6,951	
		<u>19,087</u>	<u>13,739</u>
Unemployment Compensation Trust Fund:			
Unemployment Claims Payable	B-7	1,598	16,051
Reserve for Expenditures	B-8	17,600	24,499
		<u>19,198</u>	<u>40,550</u>
Other Trust Funds:			
Reserve for:			
Other Trust Deposits	B-5	1,984,517	2,001,745
		<u>1,984,517</u>	<u>2,001,745</u>
		<u>\$ 2,022,802</u>	<u>2,056,034</u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

Comparative Balance Sheet-Regulatory Basis

General Capital Fund

December 31, 2016 and 2015

<u>Assets</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Cash:			
Checking	C-2,C-3	\$ 1,234,491	2,298,392
Grants Receivable	C-7	479,982	546,430
Deferred charges to future taxation:			
Funded	C-4	8,127,849	10,268,338
Unfunded	C-5	5,470,208	2,723,980
Interfund Receivable	C-6	56,792	
Overexpenditure of Improvement Authorizations	C-14	261	
		\$ 15,369,583	15,837,140
		\$ 15,369,583	15,837,140
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds	C-8	7,880,000	9,966,000
NJ Environmental Infrastructure Trust Loan	C-9	247,849	302,338
Bond Anticipation Notes	C-10	3,358,261	2,009,165
Capital Improvement Fund	C-11	87,478	109,378
Reserve for:			
Payment of Debt	C-12	349,905	590,905
Capital Projects	C-13	6,650	6,650
Interfund Payable	C-6		718,410
Improvement authorizations:			
Funded	C-15	374,439	867,990
Unfunded	C-15	3,065,001	1,230,154
Fund Balance	C-1		36,150
		\$ 15,369,583	15,837,140
		\$ 15,369,583	15,837,140

There were bonds and notes authorized but not issued at December 31, 2016 and 2015 of \$2,182,199 and \$767,829 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>2016</u>	<u>2015</u>
Balance - December 31,	\$ 36,150	2,269
Increased by :		
Funded Improvement Authorizations cancelled	<u>152,514</u>	<u>36,150</u>
	188,664	38,419
Decreased by:		
Budgeted Revenue	36,150	2,269
Interfund	<u>152,514</u>	<u> </u>
	<u>188,664</u>	<u>2,269</u>
Balance - December 31,	<u>\$ <u> </u></u>	<u>36,150</u>

See Accompanying Notes to Financial Statements

BOROUGH OF RIDGEFIELD

Comparative Balance Sheet - Regulatory Basis

Swimming Pool Utility Fund

December 31, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>Assets</u>			
Operating Fund:			
Cash	D-5	\$ 956	4,237
Petty Cash		200	200
Interfunds Receivable:			
Due from Swimming Pool Utility Capital Fund	D-8	13,630	13,630
		<u>14,786</u>	<u>18,067</u>
Deferred Charges-			
Operating Deficit	D-1	25,447	10,333
		<u>40,233</u>	<u>28,400</u>
Total Operating Fund			
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
		<u>1,822,714</u>	<u>1,822,714</u>
		<u>\$ 1,862,947</u>	<u>1,851,114</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves	D-4,D-7	\$ 8,980	3,912
Encumbrances Payable	D-4,D-7	463	5,135
Due to Current Fund	D-8	11,437	
Fund Balance	D-1	19,353	19,353
		<u>40,233</u>	<u>28,400</u>
Total Operating Fund			
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
		<u>1,822,714</u>	<u>1,822,714</u>
		<u>\$ 1,862,947</u>	<u>1,851,114</u>

There were bonds and notes authorized but not issued on December 31, 2016 and 2015 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, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Revenue and other income realized:		
Membership fees	\$ 157,885	172,050
Miscellaneous revenues	32,540	48,419
Other credits to income:		
Unexpended balance of appropriation reserves	4,576	198
Total income	<u>195,001</u>	<u>220,667</u>
Expenditures:		
Operations:		
Salaries and wages	177,901	165,661
Other expenses	102,100	110,000
Statutory Expenditures & Deferred Charges	13,500	13,500
Deficit in Operations in Prior Years	10,333	4,339
Total expenditures	<u>303,834</u>	<u>293,500</u>
Excess (Deficit)	(108,833)	(72,833)
Adjustments to income before fund balance-		
Realized from General Fund Budget for		
Anticipated Deficit	<u>83,386</u>	<u>62,500</u>
	<u>(25,447)</u>	<u>(10,333)</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, 2016 and 2015

	<u>2016</u>	<u>2015</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, 2016

	<u>Anticipated</u>	<u>Realized</u>	Excess (deficit)
Membership fees	\$ 172,030	157,885	(14,145)
Miscellaneous revenues	48,418	32,540	(15,878)
	<u>220,448</u>	<u>190,425</u>	<u>(30,023)</u>
Deficit (General Budget)	<u>83,386</u>	<u>83,386</u>	
Total Swim Pool Utility Revenue	\$ <u>303,834</u>	<u>273,811</u>	<u>(30,023)</u>

Analysis of Miscellaneous Revenues

Snack Bar Contract	\$ 6,000
Chair Rental	270
Guest Fees	22,760
Miscellaneous	<u>3,510</u>
	<u>\$ 32,540</u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD
Statement of Expenditures-Regulatory Basis

Swimming Pool Utility Fund

Year Ended December 31, 2016

	<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	\$ 170,001	177,901	177,814	87
Other expenses	<u>110,000</u>	<u>102,100</u>	<u>93,207</u>	<u>8,893</u>
Total Operating	280,001	280,001	271,021	8,980
Statutory Expenditures:				
Contribution To:				
Social Security System (O.A.S.I.)	<u>13,500</u>	<u>13,500</u>	<u>13,500</u>	
Total Statutory Expenditures	<u>13,500</u>	<u>13,500</u>	<u>13,500</u>	
Deficit in Operations in Prior Years	<u>10,333</u>	<u>10,333</u>	<u>10,333</u>	
	<u>\$ 303,834</u>	<u>303,834</u>	<u>294,854</u>	<u>8,980</u>
		Encumbrances	463	
		Deficit in Operations in Prior Years	10,333	
		Cash Disbursed	<u>284,058</u>	
			<u>\$ 294,854</u>	

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD
Comparative Balance Sheet - Regulatory Basis
Public Assistance Fund
December 31, 2016 and 2015

	<u>Ref.</u>	<u>Dec. 31</u> <u>2016</u>	<u>Dec. 31,</u> <u>2015</u>
<u>Assets</u>			
Cash	E-1	\$ <u>12,431</u>	<u>12,363</u>
		\$ <u><u>12,431</u></u>	<u><u>12,363</u></u>
 <u>Liabilities</u>			
Due to Current Fund	E-2	\$ 141	73
Reserve for Public Assistance	E-3	<u>12,290</u>	<u>1,290</u>
		\$ <u><u>12,431</u></u>	<u><u>1,363</u></u>

See accompanying notes to the financial statements.

BOROUGH OF RIDGEFIELD

Statement of Net Payroll and Withholdings Payable

December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>Assets</u>		
Cash		
Payroll Agency	\$ 29,304	1,195
Deficit in Payroll Account	<u>5,729</u>	<u>840</u>
	<u>\$ 35,033</u>	<u>2,035</u>
 <u>Liabilities:</u>		
Cash Deficit	\$	840
Due to Other Trust Fund	35,000	
Due to Current Fund	<u>33</u>	<u>1,195</u>
	<u>\$ 35,033</u>	<u>2,035</u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD

Statement of General Fixed Assets-Regulatory Basis

General Fixed Assets Account Group

December 31, 2016 and 2015

	Dec. 31, <u>2016</u>	Dec. 31, <u>2015</u>
Land	\$ 19,927,700	19,927,700
Land Improvements	973,088	761,702
Buildings and Improvements	11,708,374	11,109,990
Automobiles and Vehicles	2,050,370	6,870,468
Machinery and Equipment	<u>7,193,101</u>	<u>1,722,333</u>
	<u>\$ 41,852,633</u>	<u>40,392,193</u>

See accompanying notes to financial statements.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

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, 2016 AND 2015
(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, 2016 AND 2015
(CONTINUED)

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

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

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

Basis of Accounting

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

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

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(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, 2016 AND 2015
(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, 2016 and 2015, the Governing Body approved additional revenues and appropriations of \$94,848 and \$-0-, respectively, in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were approved by the governing body in 2016 and 2015. The Mayor and Council approved Current Fund Emergency appropriations of \$2,469 and \$-0-, respectively, in 2016 and 2015 for grant matching requirements.

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

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

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

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

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(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, 2016 AND 2015
(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 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.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(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. 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.

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.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

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

Recent Accounting Pronouncements, (continued)

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.

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.

In January 2016, the Government Accounting Standards Board issued GASB Statement No. 80, *Blending Requirements for Certain Component Units*, which provides clarity about how certain component units incorporated as not-for-profit corporations should be presented in the financial statements of the primary state or local government. The Borough does not believe this Statement will have any effect on future financial statements.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

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

Recent Accounting Pronouncements, (continued)

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 81, Irrevocable Split-Interest Agreements. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Borough does not believe this Statement will have any effect on future financial statements.

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 82, Pension Issues - an Amendment of GASB Statements No. 67, No. 68 and No. 73. The objective of this Statement is to address certain issues that have been raised with respect to Statement No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and 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 reporting periods beginning after June 15, 2016. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice.

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, 2016 AND 2015
(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, 2016 and 2015, \$-0- of the Borough's bank balance of \$8,794,457 and \$9,833,457, 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, 2016 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable:					
Obligation Debt	\$9,966,000	\$7,070,000	\$9,156,000	\$7,880,000	\$1,085,000
Other Liabilities:					
General Capital:					
NJ Infrastructure Trust					
Loans Payable	302,338		54,489	247,849	61,655
Compensated Absences	<u>590,955</u>	<u>123,120</u>	<u> </u>	<u>714,075</u>	<u> </u>
	<u>\$10,859,293</u>	<u>\$7,193,120</u>	<u>\$9,210,489</u>	<u>\$8,841,924</u>	<u>\$1,146,655</u>

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(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 2016</u>	<u>Year 2015</u>	<u>Year 2014</u>
<u>Issued</u>			
General - Bonds, Notes and Loans	\$11,486,110	\$12,277,503	\$12,122,199
<u>Authorized But Not Issued</u>			
General - Bonds and Notes	2,182,199	767,829	1,479,379
Swimming Pool Utility - Bonds and Notes	<u>37,000</u>	<u>37,000</u>	<u>37,000</u>
	<u>2,219,199</u>	<u>804,829</u>	<u>1,516,379</u>
Total Bonds, Notes and Loans Issued and Authorized But Not Issued	13,705,309	13,082,332	13,638,578
Less: Deductions	<u>420,157</u>	<u>643,919</u>	<u>884,920</u>
Net Debt	<u>\$13,285,152</u>	<u>\$12,438,413</u>	<u>\$12,753,658</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 .751% for 2016.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School District Debt	\$8,107,000	\$8,107,000	\$0
Swimming Pool Utility Debt	37,000		37,000
General Debt	<u>13,668,309</u>	<u>420,157</u>	<u>13,248,152</u>
	<u>\$21,812,309</u>	<u>\$8,527,157</u>	<u>\$13,285,152</u>

Net Debt \$13,355,404 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended of \$1,768,021,954 equals .751% for 2016.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(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 .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.

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

	<u>2016</u>	<u>2015</u>
3 ½% of equalized valuation basis (municipal)	\$61,880,768	\$61,560,172
Net Debt	<u>13,285,152</u>	<u>12,438,413</u>
Remaining borrowing power	<u>\$48,595,616</u>	<u>\$49,121,759</u>

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

	<u>2016</u>	<u>2015</u>
Cash receipts from fees, rents or other charges for year	\$273,811	\$282,969
Deductions:	<u>293,501</u>	<u>289,161</u>
Operating and Maintenance Cost		
Deficit in Revenue - Not Self Liquidating	<u>(\$19,690)</u>	<u>(\$6,192)</u>

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

NOTE 3. MUNICIPAL DEBT, (continued)

The Borough's long term debt consisted of the following at December 31, 2016:

Paid by Current Fund:

General Serial Bonds:

	Amount Outstanding	
	2016	2015
\$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
\$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	600,000	5,656,000
\$2,780,000 Refunding Bonds - with an interest rate of 2.00% to 4.00% issued December 29, 2011, due through August 1, 2017	575,000	1,130,000
\$7,070,000 Refunding Bonds - with an interest rate of 2.00% to 5.00% issued March 17, 2016, due through August 15, 2026	6,705,000	
Total General Serial Bonds	<u>\$7,880,000</u>	<u>\$9,966,000</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	
	2016	2015
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>\$247,849</u>	<u>\$302,340</u>

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

NOTE 3. MUNICIPAL DEBT, (continued)

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

	<u>General Capital Bonds</u>			<u>General Capital Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$1,085,000	\$362,263	\$1,447,263	\$61,655	\$7,613	\$69,268
2018	520,000	317,550	837,550	60,505	5,775	66,280
2019	810,000	302,000	1,112,000	59,356	3,938	63,294
2020	835,000	261,500	1,096,500	66,333	2,100	68,433
2021	845,000	219,750	1,064,750			
2022-2026	<u>3,785,000</u>	<u>462,000</u>	<u>4,247,000</u>			
	<u>\$7,880,000</u>	<u>\$1,925,063</u>	<u>\$9,805,063</u>	<u>\$247,849</u>	<u>\$19,426</u>	<u>\$267,275</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, 2016 and 2015, the Borough had authorized but not issued debt as follows:

	<u>2016</u>	<u>2015</u>
General Capital Fund	\$2,182,199	\$767,829
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, 2016 AND 2015
(CONTINUED)**

NOTE 4. BOND ANTICIPATION NOTES, (continued)

On December 31, 2016 and 2015, the Borough had \$3,358,261 and \$2,009,165, respectively, in outstanding General Capital bond anticipation notes.

The following activity related to bond anticipation notes occurred during the periods ended December 31, 2016 and 2015:

<u>2016</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	\$
TD Bank, N.A.		<u>3,358,261</u>		<u>3,358,261</u>
	<u>\$2,009,165</u>	<u>\$3,358,261</u>	<u>\$2,009,165</u>	<u>\$3,358,261</u>

<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>

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, 2016, the following deferred charges are shown on the balance sheet of the Current Fund:

	Balance December 31, <u>2016</u>	2017 Budget <u>Appropriation</u>	Balance to <u>Succeeding Years</u>
<u>Current Fund</u>			
Special Emergency	\$2,469	\$2,469	\$
Overexpenditure of Appropriations	10,828	10,828	
<u>Capital Fund</u>			
Overexpenditure of Improvement Authorization	261	261	
<u>Swimming Pool Utility - Operating</u>			
Operating Deficit	<u>25,447</u>	<u>25,447</u>	_____
	<u>\$39,005</u>	<u>\$39,005</u>	<u>\$</u> _____

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

NOTE 6. PENSION PLANS

Description of Plans:

Borough employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employees' Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60^a of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)**

NOTE 6. PENSION PLANS, (continued)

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

Benefits Provided, (continued)

members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Police and Firemens' Retirement System (PFRS)

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the "Division"). For additional information about the PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service. The following represents the membership tiers for PFRS:

Tier	Definition
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (Tiers 1 and 2

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

NOTE 6. PENSION PLANS, (continued)

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

Benefits Provided, (continued)

members) and 60% (Tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)**

NOTE 6. PENSION PLANS, (continued)

Contribution Requirements, (continued)

compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

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>
2016	\$352,344	\$807,395	\$1,392
2015	338,705	852,183	882
2014	316,359	713,013	3,440

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

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

Public Employees Retirement System (PERS)

At December 31, 2016, the Borough had a liability of \$12,678,730 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016, 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, 2016, the Borough's proportion was 0.0428087702 percent, which was an increase/(decrease) of 0.00182576 percent from its proportion measured as of June 30, 2015.

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)**

NOTE 6. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

For the year ended December 31, 2016, the Borough recognized pension expense of \$352,344. At December 31, 2016, 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	\$235,786	\$
Changes of assumptions	2,626,356	
Net difference between projected and actual earnings on pension plan investments	483,452	
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>297,538</u>	<u>104,810</u>
Total	<u>\$3,643,132</u>	<u>\$104,810</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2016) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$753,230
2018	753,230
2019	872,642
2020	733,147
2021	233,343

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)**

NOTE 6. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.57, 5.72 and 6.44 years for 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances at June 30, 2016 and June 30, 2015 are as follows:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Collective deferred outflows of resources	\$8,685,338,380	\$3,578,755,666
Collective deferred inflows of resources	870,133,595	993,410,455
Collective net pension liability	29,617,131,759	22,447,996,119
Borough's Proportion	0.0428087702%	0.040983013%

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which rolled forward to June 30, 2016. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.08 Percent
Salary Increases:	
Through 2016	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.65 Percent

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

NOTE 6. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Actuarial Assumptions, (continued)

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plans actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(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, (continued)

(expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 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%	.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Markets	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Returns	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate

The discount rate used to measure the total pension liability was 3.98% and 4.90% as of June 30, 2016 and 2015, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015, 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

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(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, (continued)

cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, 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, 2016, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2016		
	1% Decrease	At Current Discount Rate	1% Increase
Borough's proportionate share of the pension liability	<u>2.98%</u> \$15,536,304	<u>3.98%</u> \$12,678,730	<u>4.98%</u> \$10,319,555

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.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(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 (PFRS)

At December 31, 2016, the Borough had a liability of \$16,505,752 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2016, 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, 2016, the Borough's proportion was 0.0864059764 percent, which was an increase/(decrease) of (0.01292282) percent from its proportion measured as of June 30, 2015.

For the year ended December 31, 2016, the Borough recognized pension expense of \$807,395. At December 31, 2016, 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	\$	\$108,198
Changes of assumptions	2,286,182	
Net difference between projected and actual earnings on pension plan investments	1,156,525	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>734,562</u>	<u>2,479,994</u>
Total	<u>\$4,177,269</u>	<u>\$2,588,192</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2016) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(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)

Year ended June 30:	
2017	\$798,201
2018	798,201
2019	1,075,489
2020	635,973
2021	26,644

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.58, 5.53 and 6.17 years for 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances at June 30, 2016 and June 30, 2015 are as follows:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Collective deferred outflows of resources	\$4,547,316,543	\$3,512,729,953
Collective deferred inflows of resources	688,197,590	871,083,367
Collective net pension liability	20,706,699,056	16,656,514,197
Borough's Proportion	0.0864059764%	0.0993288013%

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(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, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which rolled forward to June 30, 2016. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.08 Percent
Salary Increases:	
Through 2026	2.10-8.98 Percent (based on age)
Thereafter	3.10-9.98 Percent (based on age)
Investment Rate of Return	7.65 Percent

Mortality Rates

Pre-retirement mortality rates were based on the RP-2000 Pre-retirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for female service retirements and beneficiaries are based on the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)**

NOTE 6. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System, (continued)

Long-Term Rate of Return, (continued)

building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2016 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%	.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Markets	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Returns	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)**

NOTE 6. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System, (continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.55% and 5.79% as of June 30, 2016 and 2015, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015, 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 and the non-employer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050, 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:

	June 30, 2016		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>4.55%</u>	<u>5.55%</u>	<u>6.55%</u>
Borough's proportionate share of the pension liability	\$21,684,123	\$16,505,752	\$12,283,101

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(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)

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.

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-july2015.pdf>.

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)**

NOTE 7. OTHER POST EMPLOYMENT BENEFITS, (continued)

Plan Coverage

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

Funding Policy

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

Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Borough of Ridgefield on a monthly basis. The Borough contributions to SHBP for post-retirement benefits for the years ended December 31, 2016 and December 31, 2015 were \$1,101,427 and \$958,208, which equaled the required contribution for each year.

NOTE 8. FUND BALANCES

Fund balances as of December 31, 2016 that have been anticipated as revenue in the 2017 budget is as follows:

Current Fund	\$1,100,000
Swimming Pool Operating Fund	

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 \$714,075 and \$590,955 at December 31, 2016 and 2015, respectively. This amount which is considered material to the financial statements, is not reported either as an expenditure or liability.

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

NOTE 10. FIXED ASSETS

The following is a summary of changes in the General Fixed Assets Account Group as of December 31, 2016 and 2015:

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Land	\$19,927,700	\$	\$	\$19,927,700
Land Improvements	761,702	211,386		973,088
Buildings and Improvements	11,109,990	598,384		11,708,374
Automobiles and Vehicles	6,870,468	322,633		7,193,101
Machinery and Equipment	<u>1,716,426</u>	<u>350,397</u>	<u>16,453</u>	<u>2,050,370</u>
	<u>\$40,386,286</u>	<u>\$1,482,800</u>	<u>\$16,453</u>	<u>\$41,852,633</u>

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 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>60,991</u>	<u> </u>	<u>1,716,426</u>
	<u>\$40,143,755</u>	<u>\$242,531</u>	<u>\$ </u>	<u>\$40,386,286</u>

NOTE 11. DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at December 31, 2016 consist of the following:

\$33	Due to the Current Fund from the Payroll Agency Account for excess funds in the account.
141	Due to the Current Fund from the Public Assistance Trust Fund for interest earnings not turned over.
6,951	Due to the Current Fund from the Animal License Trust Fund for statutory excess.
11,437	Due to the Current Fund from the Swim Pool Utility Operating Fund for deposits made.
118,950	Due to the Federal and State Grant Fund from the Current Fund for receipts not turned over.
35,000	Due to the Other Trust Fund from the Net Payroll Account for reimbursement of cash advance.
56,792	Due to the General Capital Fund from the Current 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>\$242,934</u>	

BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)

NOTE 12. LEASES

Capital Leases Payable

The Borough had not entered into any Capital Leases as of December 31, 2016.

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.

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.

**BOROUGH OF RIDGEFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(CONTINUED)**

NOTE 14. TAXES COLLECTED IN ADVANCES

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

	<u>Balance Dec 31, 2016</u>	<u>Balance Dec. 31, 2015</u>
Prepaid Taxes	<u>\$130,543</u>	<u>\$174,976</u>
Cash Liability for Taxes Collected in Advance	<u>\$130,543</u>	<u>\$174,976</u>

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, 2016. The Borough's tax appeal attorney is rigorously defending the Borough's interest in those appeals. Any successful appeals would be raised through future taxation.

NOTE 17. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events through July 10, 2017, the date which the financial statements were available to be issued and no other items were noted for disclosure.

SUPPLEMENTARY DATA AND SCHEDULES

BOROUGH OF RIDGEFIELD

Supplementary Data

Official in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of bond</u>	<u>Name of corporate surety</u>
Anthony Suarez	Mayor		
Russell Castelli	Council President		
Javier Acosta	Councilman		
Angus Todd	Councilman		
Warren Vincentz	Councilman		
Ray Penabad	Councilman		
Dennis Shim	Councilman		
Linda Silvestri	Borough Clerk	(A)	
Ray Ramirez	Borough Administrator	(A)	
Diane Sherry	Chief Financial Officer	(A)	
Frank Berardo	Tax Collector	(A)	
Isabelle Meurer	Payroll/Finance Clerk	(A)	
Joan Gallagher	Assistant to Tax Assessor/Tax Clerk	(A)	
Jennifer Kees	Tax Clerk/Tax Search Officer	(A)	
Stephen Pellino	Borough Attorney	(A)	
David Lafferty (1/1/16-7/27/16)	Magistrate	(A)	
Kevin P. Kelly (7/28/16-12/31/16)	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

Supplementary Data

Comparative Schedule of Tax Rate Information

	December 31, <u>2016</u>	December 31, <u>2015</u>	December 31, <u>2014</u>
Tax rate	2.238	2.167	2.099
Apportionment of tax rate:			
Local school	1.309	1.252	1.197
County	0.273	0.273	0.273
Municipal	0.656	0.642	0.629
Assessed valuation:			
2016	\$ 1,542,703,508		
2015		1,544,089,115	
2014			1,574,907,515

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>	Cash <u>Collections</u>	Percentage of <u>Collections</u>
2016	\$	34,590,967	33,980,087	98.23%
2015		33,522,053	32,941,953	98.27%
2014		33,112,454	32,296,472	97.54%

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>
2016	102,495	545,984	648,479	1.87%
2015	89,886	514,105	603,991	1.80%
2014	77,678	771,445	849,123	2.56%

Property Acquired By Tax Title Lien Liquidation

No properties have been acquired in 2016 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>
2016	\$ 81,180
2015	81,180
2014	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 2016	\$ 3,266,259	1,100,000
	FY 2015	2,903,615	700,000
	FY 2014	3,340,457	1,031,318
	FY 2013	3,490,355	1,000,000
	FY 2012	3,026,378	880,000
Swim Pool Utility Operating Fund	FY 2016	19,353	
	FY 2015	19,353	
	FY 2014	19,353	
	FY 2013	19,353	
	FY 2012	19,353	

BOROUGH OF RIDGEFIELD

Schedule of Expenditures of Federal Awards

Year ended December 31, 2016

<u>Federal grantor</u>	<u>Program</u>	<u>CFDA Number</u>	<u>FAIN Number</u>	<u>Grant or State Project Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Cash Received</u>	<u>Expenditures</u>	<u>(MEMO) Cumulative Expenditures</u>
Department of Environmental Protection	Emergency Management Assistance	97.042	EMN2016EP00002	01CPX1603800855	2016	5,000	5,000	*	*
	Emergency Management Assistance	97.042	EMN2015EP00002	01CPX1603800855	2015	5,000		*	1,723
	Emergency Management Assistance	97.042	EMN2012EP00002	01CPX1603800855	2012	5,000		1,408	5,000
	Emergency Management Assistance	97.042	EMN2011EP00002	01CPX1603800855	2011	5,000	5,000	90	5,000
							1,498	*	*
U.S. Department of Justice	Bulletproof Vest Partnership Program	16.607			2016	1,770		1,770	1,770
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
	Lloyd and Hillside Street Impr.	14.219			Ord. 2275	76,180		*	48,783
Department of Homeland Security	FEMA - Hazard Mitigation	97.036	4086DRNIP0000001	01CPX1600179798	2015	75,000		*	*
<i>Total Federal Financial Assistance</i>						\$ 5,000		3,268	*

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, 2016

State grantor	Program	Grant Number	Grant Period	Award Amount	Cash Received	Budgetary Expenditures	(MEMO) Cumulative Expenditures	
Department of Environmental Protection	Recycling Tonnage Grant	4900-752-178840-60	2016	20,150 \$	20,150		*	
	Recycling Tonnage Grant	4900-752-178840-60	2014	19,351	4,543		* 18,586	
	Recycling Tonnage Grant	4900-752-178840-60	2013	16,486	84		* 16,486	
	Recycling Tonnage Grant	4900-752-178840-60	2010	12,480	113		* 12,480	
			2009	13,437	3,199		* 13,437	
				<u>20,150</u>	<u>7,939</u>		*	
Department of Environmental Protection	Clean Communities Program	4900-765-178900	2016	21,189	21,189		*	
	Clean Communities Program	4900-765-178900	2015	18,535	7,307		* 7,307	
	Clean Communities Program	4900-765-178900	2014	15,247	4,093		* 15,247	
	Clean Communities Program	4900-765-178900	2013	18,324	46		* 18,324	
	Clean Communities Program	4900-765-178900	2012	14,116	60		* 14,116	
	Clean Communities Program	4900-765-178900	2011	14,075	89		* 14,075	
	Clean Communities Program	4900-765-178900	2010	14,970	1,828		* 14,970	
				<u>21,189</u>	<u>13,423</u>		*	
	Department of Law and Public Safety	Body Armor Grant	1020-718-066-1020-001-YCJS	2016	2,826	2,826	1,204	* 1,204
		Body Armor Grant	1020-718-066-1020-001-YCJS	2015	1,000	1,000		* 1,000
Body Armor Grant		1020-718-066-1020-001-YCJS	2014	2,777	51		* 2,777	
Body Armor Grant		1020-718-066-1020-001-YCJS	2013	3,811	2,041		* 3,811	
Body Armor Grant		1020-718-066-1020-001-YCJS	2011	2,801	180		* 2,801	
Body Armor Grant		1020-718-066-1020-001-YCJS	2010	2,629	535		* 2,629	
				<u>2,826</u>	<u>5,011</u>		*	
Department of Law and Public Safety	Drunk Driving Enforcement Fund	6400-100-078-6400	2015	8,387	550		* 550	
					<u>550</u>		*	
Department of Transportation	NJDMV	098-9735-760-001	2016	550			*	
	NJDMV	098-9735-760-001	2015	350			* 350	
	NJDMV	098-9735-760-001	2014	1,450			* 1,450	
	NJDMV	098-9735-760-001	2011	5,061	1,444		* 3,536	
				<u>1,444</u>		*		
				<u>1,444</u>		*		
Administrative Offices of the Courts	Alcohol Education and Rehabilitation	4250-700-05000-063	2016	1,753	1,753		* 1,753	
	Alcohol Education and Rehabilitation	4250-700-05000-063	2015	177			* 177	
	Alcohol Education and Rehabilitation	4250-700-05000-063	2014	591			* 591	
	Alcohol Education and Rehabilitation	4250-700-05000-063	2012	1,403			* 1,403	
	Alcohol Education and Rehabilitation	4250-700-05000-063	PY	377			* 377	
				<u>1,753</u>			*	

BOROUGH OF RIDGEFIELD

Schedule of Expenditures of State Awards and Other Financial Assistance

Year ended December 31, 2016

State grantor	Program	Grant Number	Grant Period	Award Amount	Cash Received	Budgetary Expenditures	(MEMO) Cumulative Expenditures
County of Bergen	Municipal Alliance Grant Fund	100-082-2000-044	2016	19,752	12,813	9,303	8,945
	Municipal Alliance Grant Fund	100-082-2000-044	2015	9,876	1,902	931	9,876
	Municipal Alliance Grant Fund	100-082-2000-044	2014	8,473		73	8,473
	Municipal Alliance Grant Fund	100-082-2000-044	2013	12,345		25	12,345
	Municipal Alliance Grant Fund	100-082-2000-044	2012	13,856		442	13,856
	Municipal Alliance Grant Fund	100-082-2000-044	2010	20,712	14,715	152	20,712
				<u>14,715</u>		<u>10,926</u>	*
General Capital Fund: New Jersey Department of Transportation	Elm Ave Improvements, Section 2	6320-480-601385-61	Ord. 2235	150,000			*
	Abbott Avenue Improvements, Section 3	6320-480-601385-61	Ord. 2287	149,000			*
							*
							*
County of Bergen Open Space Trust Fund	Nature Center Fence Improvements	N/A	Ord. 2260	44,000		44,000	*
	Nature Center Fence Improvements	N/A	Ord. 2285	72,250		57,493	*
					<u>101,493</u>		*
Swim Pool Utility Capital Fund: New Jersey Department of Transportation	ADA Improvement Swim Pool	022-99-8030-100-652	Ord. 1835	50,000			48,656
							*
							*
<i>Total State Financial Assistance</i>					<u>\$ 60,633</u>	<u>140,786</u>	*

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, 2016

	Regular <u>Fund</u>
Balance - December 31, 2015	\$ 5,359,615
Increased by Receipts:	
Revenue Accounts Receivable	9,679,348
Miscellaneous Revenues Not Anticipated	212,211
Taxes Receivable	34,270,466
Senior Citizens and Veterans Deductions	48,450
Prepaid Taxes	130,543
Interfunds	210,295
Tax Overpayments	73,202
Due to State of NJ	37,244
Various Reserves	168,045
Grants Receivable	35,544
Unappropriated Reserves	<u>25,150</u>
	44,890,498
	<u>50,250,113</u>
Decreased by Disbursements:	
2016 Budget Appropriations	19,317,244
2015 Appropriation Reserves	592,978
Tax Overpayment Refunds	18,398
Local District School Tax	20,034,209
County Taxes	4,203,947
Interfunds	186,503
Various Reserves	251,838
Due to State of NJ	38,227
Appropriated Reserves	49,461
Refunds	<u>56,738</u>
	44,749,543
Balance - December 31, 2016	\$ <u><u>5,500,570</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Cash - Change Fund

Current Fund

Year Ended December 31, 2016

Balance - December 31, 2015	\$ <u>450</u>
Balance - December 31, 2016	\$ <u><u>450</u></u>

BOROUGH OF RIDGEFIELD

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

Current Fund

Year Ended December 31, 2016

Balance - December 31, 2015		\$	71,292
Increased by:			
Senior Citizens' and Veterans' Deductions per Tax Billings	\$	47,750	
Senior Citizens' and Veterans' Allowed		<u>1,000</u>	
			<u>48,750</u>
			120,042
Decreased by:			
Cash Received			<u>48,450</u>
Balance - December 31, 2016		\$	<u><u>71,592</u></u>

BOROUGH OF RIDGERFIELD

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2016

Year	Balance, Dec. 31, 2015	2016 Levy	Added 2016 Levy	Collected		Senior & Veteran's Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2016
				2015	2016				
2015	\$ 514,105				514,105				
2016		34,525,704	65,263	174,976	33,756,361	48,750	12,609	52,287	545,984
	\$ 514,105	34,525,704	65,263	174,976	34,270,466	48,750	12,609	52,287	545,984

Analysis of 2016 Tax Levy

Tax yield:

General property tax	\$ 34,525,704
Added tax (R.S.54-4-63.1 et seq.)	65,263
	<u>\$ 34,590,967</u>

Tax Levy:

Local District School Tax	
County Tax	\$ 4,159,969
County Open Space Preservation	42,891
County Added and Omitted Taxes	7,890
	<u>4,210,750</u>

Local Tax for Municipal Purposes	\$ 10,114,618
Add: Additional Taxes Levied	64,705
	<u>10,179,323</u>

Local Tax for Municipal Purposes

	\$ 34,590,967
--	---------------

BOROUGH OF RIDGEFIELD

Schedule of Tax Title Liens

Current Fund

Year Ended December 31, 2016

Balance - December 31, 2015	\$	89,886
Increased by:		
Transferred from taxes receivable		<u>12,609</u>
Balance - December 31, 2016	\$	<u><u>102,495</u></u>

BOROUGH OF RIDGEFIELD
Schedule of Property Aquired for Taxes
Current Fund
Year Ended December 31, 2016

Balance - December 31, 2015	\$ <u>81,180</u>
Balance - December 31, 2016	\$ <u><u>81,180</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2016

	Balance, Dec. 31, <u>2015</u>	Accrued in <u>2016</u>	<u>Collected</u>	Balance, Dec. 31, <u>2016</u>
Clerk:				
Licenses:				
Alcoholic beverages	\$	33,188	33,188	
Other		52,833	52,833	
Fees and permits		277,077	277,077	
Municipal Court fines and costs	21,152	283,168	281,159	23,161
Interest and cost on taxes		77,908	77,908	
Interest on investments		1,383	1,383	
Hackensack Meadowlands Adjustment to Tax Sharing		527,783	527,783	
Energy Receipts Tax		5,242,420	5,242,420	
Supplemental Energy Receipts Tax		255,930	255,930	
Uniform Construction Code Fees		604,256	604,256	
Palisades Park-Health Officer		46,200	46,200	
Uniform Fire Safety Act		47,407	47,407	
Rental of Borough Property - Shaler Lease		150,000	150,000	
Rental of Borough Property - Shaler Lease - Debt Service Payments		433,900	433,900	
Sewer Charges		50,000	50,000	
Sewer Charges - Additional - Tier II User Charges		372,766	372,766	
Reserve for Payment of Debt - 2006 Bonds		215,000	215,000	
Capital Fund Balance		36,150	36,150	
Due from General Capital Fund		718,410	718,410	
EMS Medical Transport		107,854	107,854	
Reserve for Payment of Debt - Ord. 2108		26,000	26,000	
Cable TV Franchise Fee		121,724	121,724	
	<u>\$ 21,152</u>	<u>9,681,357</u>	<u>9,679,348</u>	<u>23,161</u>

BOROUGH OF RIDGEFIELD

Schedule of Interfunds Due from/(to) Other Funds

Current Fund

Year Ended December 31, 2016

	Balance Dec. 31, <u>2015</u>	<u>Increased</u>	<u>Decreased</u>	Balance Dec. 31, <u>2016</u>
Federal and State Grant Fund	\$	285,725	404,675	(118,950)
Trust Funds:				
Animal License Fund		6,951		6,951
Payroll Agency	1,195		1,162	33
Unemployment Trust Fund		33,989	36,649	(2,660)
General Capital Fund	718,410	152,514	927,716	(56,792)
Swim Pool Utility Operating Fund		11,437		11,437
Public Assistance Trust Fund	<u>73</u>	<u>68</u>		<u>141</u>
	<u>\$ 719,678</u>	<u>490,684</u>	<u>1,370,202</u>	<u>(159,840)</u>
Due to Current Fund	719,678	18,456	719,572	18,562
Due from Current Fund		<u>472,228</u>	<u>650,630</u>	<u>(178,402)</u>
	<u>\$ 719,678</u>	<u>490,684</u>	<u>1,370,202</u>	<u>(159,840)</u>
Cash Receipts	\$		210,295	
Cash Disbursement		186,503		
Statutory Excess		6,951		
Reimbursement for Expenditures Paid			2,833	
Grants Receivable			35,544	
Prior Year Grants Receivable		76,902		
Prior Year Unappropriated Reserves			33,449	
Prior Year Appropriated Reserves			17,131	
Appropriation Reserves			129,101	
Appropriated Grant Reserves		49,461		
Budget Revenue		159,362	718,410	
Budget Appropriations			193,351	
Budget Appropriations - Match			4,938	
Unappropriated Reserves			25,150	
Deposits in Error		11,437		
Interest Earned		<u>68</u>		
		<u>\$ 490,684</u>	<u>1,370,202</u>	

BOROUGH OF RIDGEFIELD

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

Current Fund

Year Ended December 31, 2016

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

BOROUGH OF RIDGEFIELD

Schedule of Deferred Charges

Current Fund

Year Ended December 31, 2016

	<u>Added in 2016</u>	<u>Balance, Dec. 31, 2016</u>
Overexpenditure of		
Current Budget Appropriations	\$ 10,828	10,828
Emergency Authorization	<u>2,469</u>	<u>2,469</u>
	<u>\$ 13,297</u>	<u>13,297</u>

BOROUGH OF RIDGEFIELD

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2016

	Balance, Dec. 31, <u>2015</u>	Balance after <u>Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Salaries and Wages Within "CAPS":				
General Administration	\$ 1,032	1,032		1,032
Rent Leveling	19	19		19
Municipal Clerk's Office	7,039	7,039	4,181	2,858
Financial Administration	12,478	12,478	5,153	7,325
Collection of Taxes	1,886	1,886		1,886
Assessment of Taxes	158	158		158
Fire Prevention Bureau	91	91		91
Police	185,697	134,197	116,127	18,070
Community Service Officers	9,133	9,133	4,344	4,789
Emergency Management Services	1,890	1,890	525	1,365
Road Repairs and Maintenance	38,248	38,248	7,016	31,232
Garbage and Trash Removal	43,688	43,688	11,028	32,660
Recycling Program	8,878	8,878	517	8,361
Board of Health	46,297	46,297	8,736	37,561
Parks and Recreation	471	471		471
Youth Commission	865	865		865
Municipal Court	8,269	8,269	5,997	2,272
Construction Code Official	12,903	12,903	7,352	5,551
Property Maintenance	642	642	244	398
Total Salaries and Wages Within "CAPS"	379,684	328,184	171,220	156,964
Other Expenses Within "CAPS":				
General Administration	412	7,498	3,086	4,412
Rent Leveling	1,804	1,836	31	1,805
Mayor and Council	19	949	930	19
Municipal Clerk's Office	22,558	23,866	1,308	22,558
Financial Administration	7,429	21,257	16,119	5,138
Auditing and Accounting Services	28,000	28,000	500	27,500
Collection of Taxes	4,797	5,814	1,017	4,797
Assessment of Taxes:				
Other Expenses	1,882	1,882		1,882
Professional Services	2,532	7,832	5,300	2,532
Legal Services:				
Retainer	400	400		400
Other Expenses	4,320	9,376	8,744	632
Engineering	20,450	29,318	8,868	20,450
Planning Board:				

BOROUGH OF RIDGEFIELD

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2016

	Balance, Dec. 31, <u>2015</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Other Expenses	3,927	4,092	3,034	1,058
Professional Services				
Board of Adjustment				
Insurance:				
Unemployment	15,000	15,000		15,000
Liability	4,129	10,740	6,611	4,129
Workers Compensation	2,532	2,532		2,532
Employee Group Health	195,596	196,226	20,915	175,311
Fire:				
Clothing Allowance	64,840	64,840		64,840
Fire Hydrant Service	2,163	2,163		2,163
Miscellaneous	5,400	48,475	42,830	5,645
Fire Prevention Bureau	935	2,988	2,036	952
Police:				
Other Expenses	31,872	41,563	27,467	14,096
Purchase of Police Vehicles	835	2,000	1,165	835
Police Dispatching/Communications	4,000	4,000		4,000
First Aid Organization:				
Clothing Allowance	53,326	53,326	42,250	11,076
Miscellaneous	302	2,884	2,581	303
Community Service Officers	1,341	2,218	1,236	982
Emergency Management Services	920	1,022	506	516
Road Repairs and Maintenance	14,472	33,820	26,064	7,756
Maintenance of Borough Vehicles:				
Streets and Roads	1,367	33,631	27,392	6,239
Fire	9,079	15,249	6,386	8,863
Police	7,561	11,843	4,810	7,033
Ambulance	5,753	5,753		5,753
Garbage	469	3,446	3,109	337
Building	970	970		970
Health	1,000	1,000		1,000
Sanitation:				
Garbage and Trash Removal	14,480	32,431	24,567	7,864
Sanitary Landfill Disposal Costs - Contractual	51,282	95,123	43,841	51,282
Public Buildings and Grounds	9,602	43,085	40,432	2,653
Health and Welfare:				
Board of Health	119	1,470	1,051	419
Bergen County Animal Shelter	10,500	10,500		10,500
Environmental Commission:				

BOROUGH OF RIDGEFIELD

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2016

	Balance, Dec. 31, <u>2015</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Miscellaneous	2,127	2,127		2,127
Arborist	3,000	3,000		3,000
Administration of Public Assistance:				
Other Expenses	500	500		500
Parks and Recreation	818	39,222	37,607	1,615
Youth Commission	1,025	1,200	175	1,025
Public Library Contribution		10,000	10,000	
Celebration of Public Events	3,019	3,937	1,148	2,789
Municipal Court	6,124	9,354	3,330	6,024
Public Defender	600	1,000	400	600
Construction Code Official	10,784	12,809	2,167	10,642
Property Maintenance	1,395	1,395	173	1,222
Utilities:				
Street Lighting	55,278	55,278		55,278
Electricity	4,652	4,652	770	3,882
Telephone	16,996	17,429	434	16,995
Water	2,029	2,029		2,029
Gasoline	38,208	38,208	8,757	29,451
Other Expenses	1,395	1,395		1,395
Contingent	4,580	4,580		4,580
Total Other expenses Within "CAPS"	<u>760,905</u>	<u>1,088,533</u>	<u>439,147</u>	<u>649,386</u>
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security (O.A.S.I.)	3,992	3,992		3,992
Pension of Widow Volunteer Firemen	150	240	90	150
Public Employees Retirement System	344	344		344
Volunteer Fireman's Pension	100	1,000	1,000	
Volunteer Fireman's Over Age Burial Fund	10,500	10,500		10,500
Defined Contribution Retirement Program	2,118	2,118	159	1,959
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>17,204</u>	<u>18,194</u>	<u>1,249</u>	<u>16,945</u>
Total Reserves Within "CAPS"	<u>1,157,793</u>	<u>1,434,911</u>	<u>611,616</u>	<u>823,295</u>
Operations - Excluded from "CAPS"				
Public and Private Programs Offset by Revenues:				
Clean Communities Program	2,253	4,093	4,093	
Alcohol Education and Rehabilitation	119	119	119	

BOROUGH OF RIDGEFIELD

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2016

	Balance, Dec. 31, <u>2015</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Body Armor Grant	51	4,076	4,076	
Bullet Proof Vest, Federal				
NJ Department of Motor Vehicle	1,450	1,450	1,450	
Municipal Alliance	931	931	931	
Municipal Alliance - Matching Funds				
FEMA - Hazard Mitigation	75,000	75,000	75,000	
FEMA - Hazard Mitigation - Local Share	31,224	38,124	38,124	
Recycling Tonnage Grant	1,176	5,308	5,308	
	<u>112,204</u>	<u>129,101</u>	<u>129,101</u>	
Total Public and Private Programs Offset by Revenues				
Other Expenses Excluded From "CAPS":				
Bergen County Utility Authority				
Sewarge Processing and Disposal	12,618	12,618		12,618
Recycling Tax	3,774	5,790	2,016	3,774
Total Other Expenses Excluded from "CAPS"	<u>16,392</u>	<u>18,408</u>	<u>2,016</u>	<u>16,392</u>
Total Reserves Excluded from "CAPS"	<u>128,596</u>	<u>147,509</u>	<u>131,117</u>	<u>16,392</u>
Total Reserves	<u>\$ 1,286,389</u>	<u>1,582,420</u>	<u>742,733</u>	<u>839,687</u>
		Appropriation reserves 1,286,389		
		Encumbrances 296,031		
		<u>\$ 1,582,420</u>		
		Cash Disbursements 592,978		
		Transferred to Appropriated Grant Reserves 129,101		
		Transferred to Accounts Payable 20,654		
		<u>\$ 742,733</u>		

BOROUGH OF RIDGEFIELD
Schedule of Reserve for Encumbrances
Current Fund
Year Ended December 31, 2016

Balance - December 31, 2015	\$	296,031
Increased by:		
2016 Encumbrances		470,958
		766,989
Decreased by:		
Transferred to Appropriation Reserves		296,031
Balance - December 31, 2016	\$	470,958

Schedule of Tax Overpayments
Current Fund
Year Ended December 31, 2016

Balance - December 31, 2015	\$	25,423
Increased by:		
Cash Receipts		73,202
		98,625
Decreased by:		
Cash Disbursements		18,398
Balance - December 31, 2016	\$	80,227

BOROUGH OF RIDGEFIELD

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2016

Balance - December 31, 2015	\$ 174,976
Increased by:	
2017 Prepaid Taxes Collected	<u>130,543</u>
	305,519
Decreased by:	
Taxes Realized as Revenue	<u>174,976</u>
Balance - December 31, 2016	<u><u>\$ 130,543</u></u>

Schedule of Accounts Payable

Current Fund

Year Ended December 31, 2016

Balance - December 31, 2015	\$ 3,000
Increased by:	
Transferred from Appropriation Reserves	<u>20,654</u>
Balance - December 31, 2016	<u><u>\$ 23,654</u></u>

BOROUGH OF RIDGEFIELD

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

Current Fund

Year Ended December 31, 2016

	<u>Marriage License Fee</u>	<u>Burial Permit Fee</u>	<u>Construction Training Fee</u>	<u>Total</u>
Balance - December 31, 2015	\$ 175		15,484	\$ 15,659
Increased by:				
Collections	<u>1,175</u>	<u>5</u>	<u>36,064</u>	<u>37,244</u>
	1,350	5	51,548	52,903
Decreased by:				
Payments	<u>1,125</u>	<u>5</u>	<u>37,097</u>	<u>38,227</u>
	<u>1,125</u>	<u>5</u>	<u>37,097</u>	<u>38,227</u>
Balance - December 31, 2016	<u>\$ 225</u>		<u>14,451</u>	<u>\$ 14,676</u>

BOROUGH OF RIDGEFIELD
Schedule of Local District School Taxes Payable
Current Fund
Year Ended December 31, 2016

Balance - December 31, 2015	\$	84,511
Increased by:		
2016 Levy		<u>20,200,894</u>
		20,285,405
Decreased by:		
Cash Disbursed		<u>20,034,209</u>
Balance - December 31, 2016	\$	<u><u>251,196</u></u>

Schedule of County Taxes Payable
Current Fund
Year Ended December 31, 2016

Increased by:		
County Tax Levy	\$	4,159,969
County Open Space Tax Levy		<u>42,891</u>
		\$ <u>4,202,860</u>
Decreased by:		
Cash Disbursed	\$	<u><u>4,202,860</u></u>

BOROUGH OF RIDGEFIELD
Schedule of Due County for Added
and Omitted Taxes
Current Fund
Year Ended December 31, 2016

Balance - December 31, 2015	\$	1,087
Increased by:		
2016 Added Levy		7,890
		8,977
Decreased by:		
Cash Disbursed		1,087
Balance - December 31, 2016	\$	7,890

BOROUGH OF RIDGEFIELD

Schedule of Various Reserves

Current Fund

Year Ended December 31, 2016

	Balance, Dec. 31, <u>2015</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2016</u>
Reserve for:				
Sale of Property	\$ 576,002			576,002
Tax Appeals	106,936	2,310	109,246	
Tax Title Lien Redemptions		168,045	142,592	25,453
Re-Assessment	2,000			2,000
Miscellaneous	50			50
	<u>\$ 684,988</u>	<u>170,355</u>	<u>251,838</u>	<u>603,505</u>
		Cash Receipts \$ 168,045		
		Cash Disbursements	251,838	
		Fund Balance	2,310	
		<u>\$ 170,355</u>	<u>251,838</u>	

BOROUGH OF RIDGEFIELD

Schedule of Interfunds Due from/(to) Other Funds

Federal and State Grant Fund

Year Ended December 31, 2016

	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2016</u>
Current Fund	404,675	285,725	118,950
	\$ 404,675	285,725	118,950
Grants Receivable \$	35,544		
Prior Year Grants Receivable		76,902	
Prior Year Unappropriated Reserves	33,449		
Prior Year Appropriated Reserves	17,131		
Appropriation Reserves	129,101		
Appropriated Grant Reserves		49,461	
Budget Revenue		159,362	
Budget Appropriations	159,362		
Budget Appropriations - Match	4,938		
Unappropriated Reserves	25,150		
	\$ 404,675	285,725	

BOROUGH OF RIDGEFIELD

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2016

<u>Purpose</u>	Balance, Dec. 31, 2015	2016 Budget Revenue <u>Realized</u>	<u>Received</u>	Balance, Dec. 31, 2016
Municipal Alliance	\$ 1,902	19,752	9,777	11,877
Clean Communities		39,724	39,724	
Hazard Mitigation	75,000			75,000
Body Armor Replacement		3,826	3,826	
DMV		900	350	550
Alcohol Education Rehabilitation		1,929	1,929	
Drunk Driving Enforcement Fund		8,387	8,387	
Emergency Management Assistance Program		5,000	5,000	
Green Communities		3,000		3,000
Bullet Proof Vest		1,770		1,770
Forest Station Tree Planting		22,600		22,600
Bergen County Open Space		52,474		52,474
	<u>\$ 76,902</u>	<u>159,362</u>	<u>68,993</u>	<u>167,271</u>
			Cash receipts \$ 35,544	
			Unappropriated Reserves <u>33,449</u>	
			<u>\$ 68,993</u>	

BOROUGH OF RIDGEFIELD

Schedule of Appropriated Grant Reserves

Federal and State Grant Fund

Year Ended December 31, 2016

<u>Purpose</u>	<u>Balance, Dec. 31, 2015</u>	<u>Transferred from Budget Appropriations</u>	<u>Transferred from Appropriation Reserves</u>	<u>Expended</u>	<u>Balance, Dec. 31, 2016</u>
Clean Communities Program	\$ 2,023	39,724	4,093	17,580	28,260
Municipal Alliance	692	24,690	931	10,926	15,387
Body Armor Grant	2,757	3,826	4,076	5,011	5,648
Emergency Management Grant	4,775	5,000		3,498	6,277
Drunk Driving Enforcement Fund		8,387		550	7,837
NJ Recycling Tonnage Grant	3,396		5,308	7,939	765
Alcohol Education Rehabilitation	519	1,929	119		2,567
Municipal Court DMV	2,969	900	1,450	1,444	3,875
Green Communities Program		3,000			3,000
Forest Station Tree Planting		22,600			22,600
Bullet Proof Vests		1,770		1,770	
FEMA - Hazard Mitigation			75,000	75,000	
FEMA - Hazard Mitigation - Local			38,124	38,124	
Bergen County Open Space		52,474			52,474
	<u>\$ 17,131</u>	<u>164,300</u>	<u>129,101</u>	<u>161,842</u>	<u>148,690</u>
			Cash Disbursements	\$ 49,461	
			Encumbrances Payable	<u>112,381</u>	
				<u>\$ 161,842</u>	

BOROUGH OF RIDGEFIELD
Schedule of Encumbrances Payable
Federal and State Grant Fund
Year Ended December 31, 2016

Increased by:	
Transferred from Appropriated Reserves	\$ <u>112,381</u>
Balance - December 31, 2016	\$ <u><u>112,381</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Unappropriated Grant Reserves

Federal and State Grant Fund

Year Ended December 31, 2016

<u>Purpose</u>	Balance, Dec. 31, <u>2015</u>	<u>Received</u>	Appropriated in 2016 <u>Budget</u>	Balance, Dec. 31, <u>2016</u>
Body Armor Grant	\$ 1,000		1,000	
NJ Department of Motor Vehicles - Drunk	350		350	
Drunk Driving Enforcement Fund	8,387		8,387	
Recycling Tonnage Grant		20,150		20,150
Clean Communities Program	18,535		18,535	
Alcohol Education and Rehab. Fund	177		177	
Emergency Management Assistance	5,000	5,000	5,000	5,000
	<u>\$ 33,449</u>	<u>25,150</u>	<u>33,449</u>	<u>25,150</u>

BOROUGH OF RIDGEFIELD

Schedule of Cash - Treasurer

Trust Funds

Year Ended December 31, 2016

	Animal License Fund	Unemployment Compensation Fund	Other Trust Funds
Balance - December 31, 2015	\$ <u>13,739</u>	<u>39,098</u>	<u>2,001,745</u>
Increased by:			
Employee payroll deductions		9,712	
Dog License Fees	6,254		
State Fees	825		
Miscellaneous Reserves			1,151,816
	<u>7,079</u>	<u>9,712</u>	<u>1,151,816</u>
	<u>20,818</u>	<u>48,810</u>	<u>3,153,561</u>
Decreased by:			
State Fees	855		
Interfunds			35,000
Animal license expenditures	876		
Unemployment Claims payable		33,795	
Miscellaneous Reserves			1,169,044
	<u>1,731</u>	<u>33,795</u>	<u>1,204,044</u>
Balance - December 31, 2016	\$ <u><u>19,087</u></u>	<u><u>15,015</u></u>	<u><u>1,949,517</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Reserve for Expenditures

Animal License Fund

Year Ended December 31, 2016

Balance - December 31, 2015		\$	13,668
Increased by:			
Dog license fees	\$	5,192	
Cat license fees		362	
Late fees		700	
			<u>6,254</u>
			19,922
Decreased by:			
Statutory Excess Due to Current Fund		6,951	
Disbursements		876	
			<u>7,827</u>
Balance - December 31, 2016		\$	<u><u>12,095</u></u>

Dog License Fees Collected

2014	6,611
2015	<u>5,484</u>
	\$ <u><u>12,095</u></u>

BOROUGH OF RIDGEFIELD

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

Animal License Trust Fund

Year Ended December 31, 2016

Balance - December 31, 2015	\$	71
Increased by:		
2016 fees collected		825
		<hr/>
		896
Decreased by:		
Paid to State Treasurer		855
		<hr/>
Balance - December 31, 2016	\$	<u>41</u>

BOROUGH OF RIDGEFIELD

Schedule of Interfunds

Trust Funds

Year Ended December 31, 2016

	<u>Increased</u>	<u>Decreased</u>	Balance, from/(to) Dec. 31, <u>2016</u>
Animal License Fund:			
Current Fund	\$	6,951	(6,951)
Unemployment Trust Fund:			
Current Fund	36,649	33,989	2,660
Other Trust Fund:			
Net Payroll Account	<u>35,000</u>	<u> </u>	<u>35,000</u>
	<u>\$ 71,649</u>	<u>40,940</u>	<u>30,709</u>
Cash Disbursements	\$ 35,000		
Unemployment Insurance Payroll Deductions	2,660		
Unemployment Insurance Claims Payable		33,989	
Budget Appropriations	33,989		
Statutory Excess	<u> </u>	<u>6,951</u>	
	<u>\$ 71,649</u>	<u>40,940</u>	

BOROUGH OF RIDGEFIELD

Schedule of Miscellaneous Reserves

Other Trust Funds

Year Ended December 31, 2016

	Balance, Dec. 31, <u>2015</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2016</u>
Reserve for:				
P.O.A.A.	\$ 12,171	3,212		15,383
Fire Prevention	25,372	11,034	17,149	19,257
Tax Sale Premiums	177,600	76,300	141,200	112,700
Recycling Program	64,499	16,303	15,826	64,976
Community Gardens	1,492	720		2,212
Shade Tree Commission	40,898	485		41,383
Recreation Fees	36,413	51,598	66,320	21,691
Public Defender	11,834	2,800	1,800	12,834
Library Donation	2,250			2,250
Anti Bullying Committee	1,982	400	994	1,388
Police Outside Duty	148,051	722,956	776,175	94,832
Accumulated Unused Sick Leave	166,041	5,000		171,041
Snow Removal	66,898	29,160		96,058
Youth Commission	39,395	20,326	31,066	28,655
Marriage Ceremony Fees	150	2,300	1,650	800
Road Opening Deposits	95	2,640		2,735
Miscellaneous Deposits	6,395		2,400	3,995
Escrow	174,580	205,484	108,832	271,232
COAH	906,086	2,282	953	907,415
Landlord Security and Maintenance	61,068	101		61,169
Rehab Revolving Loan	58,475		7,164	51,311
Police Vests		1,200		1,200
	<u>\$ 2,001,745</u>	<u>1,154,301</u>	<u>1,171,529</u>	<u>1,984,517</u>
		Cash Receipts 1,151,816		
		Cash Disbursements	1,169,044	
		Reclassification 2,485	2,485	
		<u>\$ 1,154,301</u>	<u>1,171,529</u>	

BOROUGH OF RIDGEFIELD
Schedule of Accounts Receivable
Unemployment Compensation Trust Fund
Year Ended December 31, 2016

Balance - December 31, 2015		\$	1,452
Increased by:			
Unemployment Insurance Payroll Deductions			12,443
			13,895
Decreased by:			
Interfunds	\$	2,660	
Cash Receipts		9,712	
			12,372
Balance - December 31, 2016		\$	1,523
Analysis of Balance:			
			1,523
		\$	1,523

BOROUGH OF RIDGEFIELD
Schedule of Due to State of New Jersey
Unemployment Compensation Trust Fund
Year Ended December 31, 2016

Balance - December 31, 2015	\$	16,051
Increased by:		
Quarterly Billings		53,331
		69,382
Decreased by:		
Interfunds	\$	33,989
Disbursements		33,795
		67,784
Balance - December 31, 2016	\$	1,598

BOROUGH OF RIDGEFIELD

**Schedule of Reserve for Unemployment
Compensation Insurance**

Unemployment Insurance Compensation Trust

Year Ended December 31, 2016

Balance - December 31, 2015		\$	24,499
Increased by:			
Unemployment Insurance Payroll Deductions	\$	12,443	
Budget Appropriations		<u>33,989</u>	
		\$	<u>46,432</u>
			70,931
Decreased by:			
Unemployment Insurance Claims Payable		<u>53,331</u>	
Balance - December 31, 2016		\$	<u><u>17,600</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Cash - Treasurer

General Capital Fund

Year Ended December 31, 2016

Balance - December 31, 2015		\$	2,298,392
Increased by Receipts:			
Bond Anticipation Notes Issued	\$	1,387,391	
Excess Down Payment on Notes		630	
Capital Improvement Fund		<u>50,000</u>	
			<u>1,438,021</u>
			3,736,413
Decreased by Disbursements:			
Reserve for Payment of Debt		241,000	
Interfunds		927,716	
Fund Balance		36,150	
Overexpenditure of Improvement			
Authorizations		261	
Improvement Authorizations		<u>1,296,795</u>	
			<u>2,501,922</u>
Balance - December 31, 2016		\$	<u><u>1,234,491</u></u>

BOROUGH OF RIDGEFIELD

Schedule of General Capital Fund Cash

General Capital Fund

Year Ended December 31, 2016

Capital Improvement Fund	\$	87,478
Grant Receivable		(479,982)
Due from Current Fund		(56,792)
Reserve for Payment of Debt		349,905
Reserve for Capital Projects		6,650
Excess Proceeds from Note Sale		70,252
Overexpenditure of Improvement Authorization		(261)

Improvement Description

2116	Acquisition of Pumper Ladder	(84,699)
2207	Various Public Improvements at Intersections Along Bergen County Roads	465
2235	Elm Avenue Improvements	160,642
2251	Interior Improvements to the Community Center	11,002
2264	Community Center Kitchen Improvements	5,593
2265	Various Capital Improvements	444,455
2283	Renovations to Truss System and Installation of Fire Protection System for Community Center	(229,937)
2285	Nature Center Fence Improvements	29,514
2287	Abbott Avenue Improvements, Section 3	167,688
2307	Various Capital Improvements	752,518
		<u>\$ 1,234,491</u>

BOROUGH OF RIDGEFIELD

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

General Capital Fund

Year Ended December 31, 2016

Balance - December 31, 2015		\$ 10,268,338
Increased by:		
Refunding Bond Issued		<u>7,070,000</u>
		17,338,338
Decreased by:		
Budget appropriations:		
Bond Principal	\$ 2,086,000	
Bond Refunding	7,070,000	
NJ Environmental Infrastructure Trust Loan	<u>54,489</u>	
		<u>9,210,489</u>
Balance - December 31, 2016		\$ <u><u>8,127,849</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2016

Ordinance number	Improvement description	Balance, Dec. 31, 2015	2016 Authorizations	Decreased by:	Balance, Dec. 31, 2016	Analysis of Balance - December 31, 2016	
						Funded by Bond Anticipation Notes	Unexpended Improvement Authorization
1952	Various Road Improvements	\$ 65,000		43,709	21,291	21,291	
2108	Synthetic Turf Athletic Field, Willis Field	370,986		26,000	344,986	398,000	
2116	Acquisition of Pumper Ladder	341,444		12,925	328,519	243,820	84,699
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	229,938	387,562
2293	Refunding Bond Ordinance		1,480,000		1,480,000		1,480,000
2306	Replacement of Storm Sewer Line along River Street		52,250	17,238	35,012	52,250	
2307	Various Capital Improvements		1,313,850		1,313,850	1,313,850	
		<u>\$ 2,723,980</u>	<u>2,846,100</u>	<u>99,872</u>	<u>5,470,208</u>	<u>3,358,261</u>	<u>1,867,562</u>
			Cancelled \$ 60,947				
			Excess Down Payment Raised 630				
			Paydown on Notes \$ 38,295				
			<u>\$ 99,872</u>				
			Less: Excess Note Proceeds				
			Ord. 2306 (17,238)				
			Ord. 2108 (53,014)				
			<u>3,288,009</u>				
			Improvement Authorizations - Unfunded \$ 3,065,001				
			Less: Unexpended note proceeds:				
			Ord. 2207 465				
			Ord. 2265 444,455				
			Ord. 2307 752,519				
			<u>\$ 1,867,562</u>				

BOROUGH OF RIDGEFIELD

Schedule of Interfunds

General Capital Fund

Year Ended December 31, 2016

	Balance Due from/(to) Dec. 31, <u>2015</u>	<u>Increased</u>	<u>Decreased</u>	Balance, from/(to) Dec. 31, <u>2016</u>
Current Fund	\$ (718,410)	152,514	927,716	56,792
	<u>\$ (718,410)</u>	<u>152,514</u>	<u>927,716</u>	<u>56,792</u>
Cash Disbursements \$			927,716	
Fund Balance		<u>152,514</u>		
		<u>\$ 152,514</u>	<u>927,716</u>	

BOROUGH OF RIDGEFIELD

Schedule of Serial Bonds

General Capital Fund

Year Ended December 31, 2016

Purpose	Date of issue	Original issue	Maturities of bonds outstanding		Interest rate	Balance, Dec. 31, 2015	Issued	Decreased	Balance, Dec. 31, 2016
			Date	Amount					
General Obligation Bonds of 2006	October 15, 2006	4,950,000	October 15, 2017	255,000	4.000% \$	3,180,000		3,180,000	
			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, 2017	300,000	4.375%	5,656,000		5,056,000	600,000
			April 15, 2018	300,000	4.500%				
Refunding Bonds of 2011	December 31, 2011	2,780,000	April 1, 2017	575,000	4.000%	1,130,000	7,070,000	555,000	575,000
Refunding Bonds of 2016	March 17, 2016	7,070,000	August 15, 2017	210,000	4.000%				
			August 15, 2018	220,000	4.000%				
			August 15, 2019	810,000	5.000%				
			August 15, 2020	835,000	5.000%				
			August 15, 2021	845,000	5.000%				
			August 15, 2022	855,000	5.000%				
			August 15, 2023	860,000	5.000%				
			August 15, 2024	895,000	5.000%				
			August 15, 2025	900,000	4.000%				
			August 15, 2026	275,000	4.000%				
						\$ 9,966,000	7,070,000	9,156,000	7,880,000
							Refunding \$ 7,070,000		
							Budget Appropriations 2,086,000		
						\$	\$ 9,156,000		\$ 9,156,000

BOROUGH OF RIDGEFIELD

Schedule of New Jersey Infrastructure Trust Loan

General Capital Fund

Year Ended December 31, 2016

Purpose	Date of issue	Original issue	Maturities of bonds outstanding		Interest rate	Balance, Dec. 31, 2015	Decreased	Balance, Dec. 31, 2016
			Date	Amount				
NJ Environmental Infrastructure Trust Loan	November 9, 2000	990,000	February 1, 2017	2,381	5%-5.25%	302,338	54,489	247,849
			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>\$ 302,338</u>	<u>54,489</u>	<u>247,849</u>

BOROUGH OF RIDGEFIELD

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2016

<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, 2015</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2016</u>
2108	Synthetic Turf Willis Field	December 10, 2010	Oct. 20, 2016	Oct. 19, 2017	1.140%	424,000	398,000	424,000	398,000
2116	Acquisition of Pump Ladder	December 10, 2010	Oct. 20, 2016	Oct. 19, 2017	1.140%	256,115	243,820	256,115	243,820
1952	Various Road Improvements	October 20, 2016	Oct. 20, 2016	Oct. 19, 2017	1.140%		21,291		21,291
2306	Replacement of Storm Sewer Line along River Street	October 20, 2016	Oct. 20, 2016	Oct. 19, 2017	1.140%		52,250		52,250
2307	Various Capital Improvements	October 20, 2016	Oct. 20, 2016	Oct. 19, 2017	1.140%		1,313,850		1,313,850
2207	Various Capital Improvements	July 1, 2015	June 21, 2016	June 28, 2017	1.190%	477,850	477,850	477,850	477,850
2222	Sanitary Sewer Imps. at Hoyt and Edgewater Avenues	July 1, 2015	June 21, 2016	June 28, 2017	1.190%	161,500	161,500	161,500	161,500
2265	Various Capital Improvements	July 1, 2015	June 21, 2016	June 28, 2017	1.190%	689,700	689,700	689,700	689,700
						<u>\$ 2,009,165</u>	<u>3,358,261</u>	<u>2,009,165</u>	<u>3,358,261</u>

Cash \$	1,387,391
Budget Appropriation	38,295
Renewed	<u>1,970,870</u>
	<u>\$ 3,358,261</u>

BOROUGH OF RIDGEFIELD
Schedule of Capital Improvement Fund
General Capital Fund
Year Ended December 31, 2016

Balance - December 31, 2015	\$ 109,378
Increased by:	
Budget Appropriation	<u>50,000</u>
	159,378
Decreased by:	
Appropriated to Finance	
Improvement Authorizations	<u>71,900</u>
Balance - December 31, 2016	<u><u>\$ 87,478</u></u>

BOROUGH OF RIDGEFIELD
Schedule of Reserve for Payment of Debt
General Capital Fund
Year Ended December 31, 2016

Balance - December 31, 2015	\$	590,905
Decreased by:		
Current Fund Budgeted Revenue		241,000
Balance - December 31, 2016	\$	349,905
	Ord. 2108	152,240
	2006 Bonds	197,665
		349,905

Schedule of Reserve for Capital Projects
General Capital Fund
Year Ended December 31, 2016

Balance - December 31, 2015	\$	6,650
Balance - December 31, 2016	\$	6,650

BOROUGH OF RIDGEFIELD

Schedule of Overexpenditure of Improvement Authorization

General Capital Fund

Year Ended December 31, 2016

Increased by:	
Overexpenditure of Ord. 2005/2012	\$ <u> 261</u>
Balance - December 31, 2016	\$ <u> 261</u>

BOROUGH OF RIDGEFIELD

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2016

Ordinance number	Improvement description	Ordinance Date	Amount	Balance, Dec. 31, 2015		Authorized	Expended	Canceled	Balance, Dec. 31, 2016	
				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		20,722		25,730		
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	47,144		47,144				465
2207	Various Public Improvements	6/25/2012	699,000		20,078					
2210	Design of ADA Compliance Requirements at Intersections Along Bergen County Roads	10/22/2012	55,000	49,946				49,946		
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	11,002					11,002	
2260	Nature Center Fence Improvements	8/18/2014	88,000	88,000		88,000				
2264	Community Center Kitchen Improvements	10/27/2014	110,000	5,593					5,593	
2265	Various Capital Improvements	10/27/2014	726,000		642,130					444,455
2275	Lloyd and Hillside Street Improvements	10/27/2014	76,189	27,397				27,397		
2283	Renovations to the Truss Roof and Installation of a Fire Protection System for Community Center	4/13/2015								
		6/22/2015	650,000		524,237					387,563
2285	Nature Center Fence Improvements	9/14/2015	144,500	144,500					29,514	
2287	Abbott Avenue Improvements, Section 3	9/28/2015	175,000	171,425					167,688	
2293	Refunding Bond Ordinance	11/23/2015	8,550,000			8,550,000				1,480,000
2306	Replacement of Storm Sewer Line along River Street	6/1/2016	55,000			55,000		17,238		
2307	Various Capital Improvements	7/6/2016	1,383,000			1,383,000				752,518
			\$	867,990	1,230,154	9,988,000	8,366,795	279,909	374,439	3,065,001

Capital Improvement Fund \$ 71,900

Deferred Charges Unfunded 9,916,100

\$ 9,988,000

Grants Receivable \$ 66,448

Deferred Charges Unfunded 60,947

Fund Balance 152,514

\$ 279,909

BOROUGH OF RIDGEFIELD

Schedule of Bonds and Notes Authorized but not Issued

General Capital Fund

Year Ended December 31, 2016

<u>Ordinance number</u>	<u>Improvement description</u>	Balance, Dec. 31, <u>2015</u>	<u>Authorized</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2016</u>
1952	Various Road Improvements	\$ 65,000		65,000	
2116	Acquisition of a Pump Ladder Truck	85,329		630	84,699
2283	Renovations to Truss System and Installation of Fire Protection System for Community Center	617,500			617,500
2293	Refunding Bond Ordinance		8,550,000	7,070,000	1,480,000
2306	Replacement of Storm Sewer Line along River Street		52,250	52,250	
2307	Various Capital Improvements		1,313,850	1,313,850	
		<u>\$ 767,829</u>	<u>9,916,100</u>	<u>8,501,730</u>	<u>2,182,199</u>
			Cancelled \$	60,947	
			Refunding Bonds Issued	7,070,000	
			Bond Anticipation Notes Issued	1,387,391	
			Overborrowed	(17,238)	
			Excess Down Payment Raised	630	

BOROUGH OF RIDGEFIELD

Schedule of Cash - Collector-Treasurer

Swimming Pool Utility Fund

Year Ended December 31, 2016

	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2015	\$ <u>4,237</u>	<u>1,136</u>
Increased by receipts:		
Membership Fees	157,885	
Miscellaneous	32,540	
Deficit (General Budget)	83,386	
Interfund	<u>11,437</u>	
	<u>285,248</u>	
	289,485	1,136
Decreased by disbursements:		
2016 Appropriations	284,058	
Appropriation Reserve	<u>4,471</u>	
	<u>288,529</u>	
Balance - December 31, 2016	\$ <u><u>956</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, 2016

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 2015 Reserves - Operating Fund

Swimming Pool Utility Fund

Year Ended December 31, 2016

	Balance, Dec. 31, <u>2015</u>	Balance after <u>transfers</u>	Paid or <u>charged</u>	Balance <u>lapsed</u>
Other expenses	\$ <u>3,618</u>	<u>8,753</u>	<u>4,471</u>	<u>4,282</u>
Total Operating	3,618	8,753	4,471	4,282
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	<u>294</u>	<u>294</u>	<u> </u>	<u>294</u>
Total Deferred Charges and Statutory Expenditures	<u>294</u>	<u>294</u>	<u> </u>	<u>294</u>
	<u>\$ 3,912</u>	<u>9,047</u>	<u>4,471</u>	<u>4,576</u>
Appropriation Reserves		3,912		
Encumbrances		<u>5,135</u>		
		<u>\$ 9,047</u>		

BOROUGH OF RIDGEFIELD

Schedule of Interfund Receivables/(Payable)

Swimming Pool Utility - Operating Fund

Year Ended December 31, 2016

	Balance Dec. 31, <u>2015</u>	<u>Decreased</u>	Balance Dec. 31, <u>2016</u>
Swim Pool Utility Capital Fund	\$ 13,630		13,630
Current Fund	<u> </u>	<u>11,437</u>	<u>(11,437)</u>
	<u>\$ 13,630</u>	<u>11,437</u>	<u>2,193</u>

BOROUGH OF RIDGEFIELD

Schedule of Interfund Receivables/(Payable)

Swimming Pool Utility - Capital Fund

Year Ended December 31, 2016

	Balance Dec. 31, <u>2015</u>	Balance Dec. 31, <u>2016</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, 2016

Balance - December 31, 2015	\$ <u>1,820,236</u>
Balance - December 31, 2016	\$ <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, 2016

Balance - December 31, 2015	\$ <u>1,342</u>
Balance - December 31, 2016	\$ <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, 2016

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance</u>	
				<u>December 31, 2015</u>	<u>December 31, 2016</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, 2016

Balance - December 31, 2015	\$ <u>1,783,236</u>
Balance - December 31, 2016	\$ <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, 2016

Balance - December 31, 2015	\$ <u>21,355</u>
Balance - December 31, 2016	\$ <u><u>21,355</u></u>

BOROUGH OF RIDGEFIELD
Schedule of Deferred Reserve for Amortization
Swimming Pool Utility Capital Fund
Year Ended December 31, 2016

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2015</u>	<u>Balance Dec. 31, 2016</u>
1835	ADA Improvements	Sept. 8, 2003	\$ 1,342	1,342
			\$ 1,342	1,342

BOROUGH OF RIDGEFIELD

Schedule of Bonds and Notes Authorized but not Issued

Swimming Pool Utility Capital Fund

Year Ended December 31, 2016

<u>Ordinance number</u>	<u>Improvement description</u>	Balance Dec. 31, <u>2015</u>	Balance Dec. 31, <u>2016</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, 2016

	<u>Total</u>	<u>P.A.T.F. Account #1/ Petty Cash</u>	<u>Relocation Account</u>
Balance - December 31, 2015	\$ 12,296	6,850	5,513
Increased by:			
Due to Current Fund	<u>68</u>	<u>38</u>	<u>30</u>
Balance - December 31, 2016	<u>\$ 12,431</u>	<u>6,888</u>	<u>5,543</u>

BOROUGH OF RIDGEFIELD
Schedule of Due from/(to) Current Fund
Public Assistance Fund
Year Ended December 31, 2016

Balance - December 31, 2015	\$	(73)
Increased by:		
Interest Earned		<u>68</u>
Balance - December 31, 2016	\$	<u><u>(141)</u></u>

BOROUGH OF RIDGEFIELD

Schedule of Reserve for Public Assistance

Public Assistance Fund

Year Ended December 31, 2016

	<u>Total</u>	<u>P.A.T.F. Account #1/ Petty Cash</u>	<u>Relocation Account</u>
Balance - December 31, 2015	\$ <u>12,290</u>	<u>6,585</u>	<u>5,705</u>
Balance - December 31, 2016	\$ <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, 2016

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

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkottz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

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, 2016 and the related notes to the financial statements, and have issued our report thereon dated July 10, 2017, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

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

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



Honorable Mayor and
Members of the Borough Council
Page 2.

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

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

Compliance and Other Matters

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

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

Purpose of this Report

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



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



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

July 10, 2017



BOROUGH OF RIDGEFIELD

GENERAL COMMENTS

Contracts and Agreements

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

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

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

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

BOROUGH OF RIDGEFIELD

GENERAL COMMENTS, (continued)

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

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

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

- Abbott Avenue Improvements - Banta Place to Slocum Avenue
- Dual Engine Four Cubic Yard Broom Street Sweeper
- Emergency Generators for Community Center and Department of Public Works
- Mason Dump Truck with Plow and Spreader
- Construction of the Parks Pavilion Project

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

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

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

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 6, 2016 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 July 6, 2016 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, 2016	2
December 31, 2015	2
December 31, 2014	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 & RECOMMENDATIONS
DECEMBER 31, 2016**

COMMENTS:

Finance:

1. *Not all transactions for Net Payroll and Payroll Agency are not posted to the general ledger for the entire year as required by Technical Directive #3.
2. *There were tax overpayments from prior years that were not refunded nor applied.
3. *There are unfunded improvement authorizations in the General Capital Fund greater than five years old.
4. There were over-expenditures of Improvement Authorizations in the amount of \$261.
5. There were over-expenditures of Budget Appropriations in the amount of \$10,828.
6. There are stale dated checks being carried as outstanding checks on the Net Payroll bank reconciliation.
7. The portion of employees' unemployment withholdings for state unemployment insurance that are to be retained by the Town are not being received and/or deposited into the Unemployment Trust Fund as required under the Benefit Reimbursement Method.
8. There was an instance where a required employee did not properly file a financial disclosure statement as required by N.J.S.A. 40A:9-22.6.
9. There were instances in which amounts paid per the vendor history exceeded the amounts reported on Form 1099.
10. Collections of interest on delinquent taxes is not being charged and allocated properly.
11. Deposits are not always made within 48 hours of receipt as required by N.J.S.A. 40A:5-15.
12. The Munidex System does not accurately reflect the true outside lien balances as of 12/31/2016.

Purchasing:

1. There were instances in which accounts encumbered on the purchase order did not agree to actual accounts charged.
2. There were instances where the incorrect budget year was charged as required by the Division of Local Government Services, Requirements of Audit for Expenditures and Disbursements.
3. An analysis of accounts payable revealed an outstanding payable from prior years that have not been paid.

Payroll:

1. * There were instances in which enrolled employees health benefit deductions were not being calculated in accordance with Chapter 78, P.L. 2011.
2. Changes in tiers for Health Benefits were not implanted in accordance with Chapter 78, P.L. 2011.
3. There is a deficit in the reserve for Net Payroll in the amount of \$5,729 resulting from amounts being transferred to the net payroll account which did not agree to the payroll registers.

**BOROUGH OF RIDGEFIELD
COMMENTS & RECOMMENDATIONS
(CONTINUED)
DECEMBER 31, 2016**

RECOMMENDATIONS:

Finance:

1. *That all transactions be recorded in the general ledger for all funds.
2. *That tax overpayments be refunded or applied in a timely manner in accordance with N.J.S.A. 54:49-15-16.
3. *That all ordinances with cash deficits over five years old should be funded through a valid funding source.
4. That more care be taken to ensure that Improvement Authorizations are not over-expended.
5. That more care be taken to ensure that Budget Appropriations are not over-expended.
6. That outstanding checks that are considered stale dated be cancelled by resolution and the funds be disbursed to the proper agencies.
7. The percentage portion of the employees' unemployment withholdings due to the Unemployment Trust Fund be recouped from the payroll service provider and deposited in the Unemployment Trust Fund.
8. That all required employees file an annual financial disclosure statement as required by N.J.S.A. 40A:9-22.6.
9. That all eligible payments are reported on Form 1099 as required by IRS Rev. Rul. 2003-66.
10. That interest on delinquent taxes be charged and applied consistently in accordance with the resolution adopted by Mayor and Council.
11. Deposits should be made within 48 hours of receipt as required by N.J.S.A. 40A:5-15.
12. The outside lien balances per the system should be compared to actual liens outstanding to ensure they are in agreement.

Purchasing:

1. That more care be taken to ensure that the encumbrance is made to the proper account.
2. That more care be taken to ensure all items are charged to the correct budget year.
3. The detail listing of outstanding accounts payable should be reviewed monthly and old payables cancelled, if necessary.

Payroll:

1. *That all enrolled employee health benefit deductions be calculated in accordance with Chapter 78, P.L. 2011.
2. That changes in tiers for Health Benefits be implanted in accordance with Chapter 78, P.L. 2011.
3. That more care be taken to ensure amounts being transferred to the net payroll account agree to the payroll registers.

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

July 10, 2017