

VILLAGE OF RIDGEFIELD PARK, N.J.
EMERGENCY SERVICES VOLUNTEER
LENGTH OF SERVICE AWARDS PROGRAM
YEAR ENDED DECEMBER 31, 2018

VILLAGE OF RIDGEFIELD PARK

TABLE OF CONTENTS

	<u>Page</u>
Accountants' Review Report	1
Statement of Net Assets Available for Benefits	3
Statement of Changes in Net Assets Available for Benefits	4
Notes to Financial Statements	5
Comments and Recommendations	9

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ACCOUNTANTS' REVIEW REPORT

August 21, 2019

Honorable Mayor and Members of the Village Committee
Village of Ridgefield Park
Ridgefield Park, New Jersey 07660

We have reviewed the accompanying Statements of Net Assets Available for Benefits for the Village of Ridgefield Park Emergency Services Volunteer Length of Service Awards Program as of December 31, 2018, and the related Statement of Changes in Net Assets Available for Benefits for the year then ended and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the plan administrator. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.



Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United State of America.

Ferraioli, Wielkatz, Cerullo & Cusa, P.A.

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Certified Public Accountants
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Village of Ridgefield Park, N.J.

Emergency Services Volunteer Length of Service Award Program

Statement of Net Assets Available for Benefits

December 31, 2018

	<u>2018</u>
<u>Assets</u>	
Investments	\$ 2,486,247
Contributions Receivable	<u>97,750</u>
	<u>\$ 2,583,997</u>
 Net Assets Available for Benefits	 <u>\$ 2,583,997</u>

See Accompanying Notes and Accountants' Review Report

Village of Ridgefield Park, N.J.

Emergency Services Volunteer Length of Service Award Program

Statement of Changes in Net Assets Available for Benefits

for the Year Ended December 31, 2018

	<u>2018</u>
ADDITIONS:	
Municipal Contributions	\$ 203,550
Increase (Decrease) in Investment Value	<u>(75,373)</u>
TOTAL ADDITIONS	<u>128,177</u>
DEDUCTIONS:	
Withdrawals	63,459
Administrative Expenses	<u>4,838</u>
TOTAL DEDUCTIONS	<u>68,297</u>
NET INCREASE	59,880
NET ASSETS AVAILABLE FOR BENEFITS	
Beginning of Year	<u>2,524,117</u>
End of Year	<u><u>2,583,997</u></u>

See Accompanying Notes and Accountants' Review Report

VILLAGE OF RIDGEFIELD PARK, N.J.
LENGTH OF SERVICE AWARDS PROGRAM

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 1 - DESCRIPTION OF THE PLAN

The Village of Ridgefield Park Length of Service Awards Program (LOSAP) was created by a Village Ordinance adopted on August 8, 2000, pursuant to P.L. 1997, c.388 and Section 457 (e)(11)(B) of the Internal Service Code of 1986, as amended, except for provisions added by Reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Village of Ridgefield Park approved the adoption of the Plan at the general election held on November 7, 2000.

The first year of eligibility for entrance into the Plan was calendar year 2001. The tax deferred income benefits for emergency services volunteers, consisting of the Volunteer Fire Department and the Volunteer Rescue Squad, come from contributions made solely by the governing body of the municipality, on behalf of those volunteers who meet the criteria of a plan created by that governing body.

If an active member meets the year of active service requirement, a LOSAP must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services will issue the permitted maximum annually.

The Village of Ridgefield Park has elected to contribute \$1,150 for 2018 per eligible volunteer into the Plan. In addition, the program does not provide contributions for prior years' service.

All amounts awarded under a length of service award plan shall remain the asset of the sponsoring agency; the obligation of the sponsoring agency to participating volunteers shall be contractual only; and no preferred or special interest in the awards shall accrue to such participants. Such monies shall be subject to the claims of the sponsoring agency's general creditors until distributed to any or all participants.

Lincoln National Life Insurance Company is the administrator of the plan. The Borough's practical involvement in administering the plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the plan administrator.

VILLAGE OF RIDGEFIELD PARK, N.J.
LENGTH OF SERVICE AWARDS PROGRAM

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, which recognizes increases and decreases in economic resources as soon as the underlying event or transaction occurs.

The accrual basis of accounting is used for measuring financial position and changes in fiduciary net assets of pension and other employee benefit trust funds. Under this method, revenues are recorded in the accounting period in which they are earned and deductions are recorded at the time the liabilities are incurred, regardless of the timing of related cash flows.

Assets, Liabilities and Net Assets

1. **Investments**

Investments are reported at fair value.

2. **Receivables and Payables**

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to remain uncollectible. Contributions due from the Village of Ridgefield Park are recognized when due, since the Borough has a legal requirement to make the contribution.

Liabilities are recognized when due. A liability for benefits payable is recognized when the employee's rights to receive such benefits have vested and the employee notifies the plan of his or her intent to retire.

3. **Net Assets**

The difference between plan assets and plan liabilities is reported as *net assets available for benefits*.

VILLAGE OF RIDGEFIELD PARK, N.J.
LENGTH OF SERVICE AWARDS PROGRAM

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(continued)

NOTE 3 - INVESTMENTS

An investment agreement was entered into at the inception of the plan between the Borough and Lincoln National Life Insurance Company, whereby Lincoln National Life Insurance Company would have custody of the securities of the plan and also advise the plan participants as to investment alternatives.

The investments consist of multi-fund variable annuities. Each participant may choose his/her allocation from among these investments. The investments are made by Lincoln National Life Insurance Company for benefit of plan participants. The investments are valued at market value at the end of each year and the applicable gains or losses are posted to the individual's account.

As of December 31, 2018, the value of the plan's investments were \$2,486,247.

Custodial Credit Risk - Investments - Custodial credit risk for investment is the risk that, in the event of a failure of the counterparty to a transaction, the entity will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

The following investments represent 5% or more of the total invested with Lincoln National Life Insurance Company on December 31, 2018:

	<u>2018</u>
Fixed Income	\$859,947
Growth Funds	171,281
Index Funds	1,238,858
All Others	<u>216,161</u>
Total	<u>\$2,486,247</u>

VILLAGE OF RIDGEFIELD PARK, N.J.
LENGTH OF SERVICE AWARDS PROGRAM

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(continued)

NOTE 4 - RECEIVABLES

Receivables as of December 31, 2018, including the applicable allowance for uncollectible accounts are as follows:

	<u>2018</u>
Municipal Contribution Receivable - Village of Ridgefield Park	\$97,750.00
Less: Allowance for Uncollectibles	
Net Total Receivables	<u>\$97,750.00</u>

NOTE 5 - VESTING AND BENEFIT PROVISIONS

Benefits vest after five (5) years of consecutive service.

NOTE 6. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events through August 21, 2019, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

VILLAGE OF RIDGEFIELD PARK, N.J.
LENGTH OF SERVICE AWARDS PROGRAM
COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2018

General Comments

NONE