

REPORT OF AUDIT
VILLAGE OF RIDGEFIELD PARK
COUNTY OF BERGEN
DECEMBER 31, 2019

VILLAGE OF RIDGEFIELD PARK

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VILLAGE OF RIDGEFIELD PARK

PART I

REPORT OF AUDIT ON FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2019



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Village of Ridgefield Park in the County of Bergen, as of December 31, 2019 and 2018, 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, 2019, 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 opinions 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.



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 Village of Ridgefield Park 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 Village of Ridgefield Park as of December 31, 2019, or changes in financial position for the year then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Note 12 of the financial statements, the Village participates in a Length of Service Award Program (LOSAP) for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$3,024,439 and \$2,583,997 for 2019 and 2018, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2019 and 2018, the regulatory basis statements of operations for the year then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2019 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 Village of Ridgefield Park’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 16, 2020 on our consideration of the Village of Ridgefield Park’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

The Honorable Mayor and
Members of the Village Committee
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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 Village of Ridgefield Park's internal control over financial reporting and compliance.

Paul J. Cuva

Paul J. Cuva, C.P.A.
Registered Municipal Accountant
No. 394

Wielkatz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

July 16, 2020

Village of Ridgefield Park, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

<u>Assets</u>	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
Current Fund:			
Cash	A-4	17,104,578	17,267,272
Change Fund	A-5	225	225
Petty Cash	A-6	750	50
Due from State of New Jersey:			
Senior Citizen and Veteran Deductions	A-7	166	1,416
		<u>17,105,719</u>	<u>17,268,963</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-8	526,354	500,202
Tax Title Liens	A-9	1,135	45,469
Property Acquired for Taxes -			
Assessed Valuation	A-10	135,040	69,840
Revenue Accounts Receivable	A-11	18,103	18,340
Due from:			
Other Trust Fund - General	A-12	1,392	4,401
Other Trust Fund - COAH	A-12	2,263	797
Other Trust - Escrow	A-12	18,497	51
Other Trust - Payroll	A-12	2,535	
Animal Control Trust Fund	A-12	733	5,375
Swimming Pool Utility Operating Fund	A-12	6,047	8,007
Public Assistance Trust Fund	A-12	238	238
		<u>712,337</u>	<u>652,720</u>
		<u>17,818,056</u>	<u>17,921,683</u>
Federal and State Grant Fund:			
Cash	A-4	76,910	41,993
Grants Receivable	A-20	94,975	95,277
		<u>171,885</u>	<u>137,270</u>
		<u>17,989,941</u>	<u>18,058,953</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Village of Ridgefield Park, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-13	1,397,707	1,208,453
Due to:			
General Capital Fund	A-12	1,704,856	1,584,966
Swimming Pool Utility Capital Fund	A-12		69,948
Encumbrances Payable	A-14	449,866	392,773
Accounts Payable	A-15	94,668	53,376
Prepaid Taxes	A-16	302,682	225,227
Local School Tax Payable	A-17	4,062,066	3,934,060
County Tax Payable	A-18	2,919	16,289
Tax Overpayments	A-19		3,164
Due to State of New Jersey:			
Construction Code Surcharge	A-19	3,699	8,545
Marriage License Surcharge	A-19	350	450
Reserve for:			
Sale of Municipal Assets	A-19	2,865,459	4,365,459
Outside Liens	A-19	6,842	9,997
		<u>10,891,114</u>	<u>11,872,707</u>
Reserve for Receivables	Contra	712,337	652,720
Fund Balance	A-1	<u>6,214,605</u>	<u>5,396,256</u>
		<u>17,818,056</u>	<u>17,921,683</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-21	99,222	89,612
Unappropriated Reserve for Grants	A-22	72,663	47,658
		<u>171,885</u>	<u>137,270</u>
		<u>17,989,941</u>	<u>18,058,953</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Village of Ridgefield Park, N.J.

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

Current Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	1,000,000	600,000
Miscellaneous Revenue Anticipated	A-2	4,543,366	5,175,700
Receipts from Delinquent Taxes	A-2	478,134	447,759
Receipts from Current Taxes	A-2	46,625,630	45,453,863
Non-Budget Revenue	A-2	647,862	1,311,844
Other Credits to Income:			
Audit Adjustment			52,084
Interfunds Returned	A-12	18,869	25,530
Canceled Grant Reserves			141,992
Canceled Due to Library			837
Unexpended Balance of Appropriation Reserves	A-13	866,994	936,672
Canceled Tax Overpayments	A-19	290	
Total Revenues and Other Income		<u>54,181,145</u>	<u>54,146,281</u>
Expenditures:			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	9,020,286	8,770,995
Other Expenses	A-3	8,896,057	9,237,314
Capital Improvement Fund	A-3	325,000	
Municipal Debt Service	A-3	1,828,246	1,863,081
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	1,979,125	1,922,966
Refund of Prior Year's Revenue	A-4	39,551	1,595
Interfund Advances	A-12	31,705	18,869
Canceled Grants Receivable			53,275
Local District School Tax	A-17	26,345,253	26,089,241
County Taxes including Added Taxes	A-18	3,897,573	3,355,101
Total Expenditures		<u>52,362,796</u>	<u>51,312,437</u>

Village of Ridgefield Park, N.J.

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

Current Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
Excess (Deficit) Revenue Over Expenditures		1,818,349	2,833,844
Adjustment to Income Before Fund Balance - Expenditures Included above Which are by Statute Deferred Charges to Budget of Succeeding Year			
Statutory Excess to Fund Balance		1,818,349	2,833,844
Fund Balance, January 1,	A	<u>5,396,256</u>	<u>3,162,412</u>
		7,214,605	5,996,256
Decreased by:			
Fund Balance Utilized as Budget Revenue		<u>1,000,000</u>	<u>600,000</u>
Fund Balance, December 31,	A	<u><u>6,214,605</u></u>	<u><u>5,396,256</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Village of Ridgefield Park, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2019

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	1,000,000	1,000,000	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-11	5,000	5,015	15
Other	A-2	10,000	12,440	2,440
Fees and Permits	A-2	62,000	70,690	8,690
Fines and Costs:				
Municipal Court	A-11	280,000	267,976	(12,024)
Interest and Costs on Taxes	A-4	110,000	133,023	23,023
Interest on Investments and Deposits	A-11	50,000	318,200	268,200
Parking Meters	A-11	70,000	81,585	11,585
Energy Receipts Tax	A-11	1,200,464	1,200,464	
Consolidated Municipal Property Tax Relief Aid	A-11	16,161	16,161	
Uniform Construction Code Fees	A-11	300,000	286,733	(13,267)
Public and Private Revenues:				
Drunk Driving Enforcement Fund	A-20	8,483	8,483	
Clean Communities	A-20	20,423	20,423	
Alcohol Education and Rehab Grant	A-20	4,930	4,930	
BCUA Recycling Enhancement Grant	A-20	3,000	3,000	
Sustainable Jersey Grant	A-20	8,177	8,177	
Other Special Items:				
Uniform Fire Safety Act	A-11	19,000	23,478	4,478
Cell Phone Tower Leases	A-11	47,000	51,477	4,477
Sale of Municipal Assets	A-19	1,500,000	1,500,000	
Hotel Occupancy Fees	A-11	250,000	239,213	(10,787)
Movie Theater Rent and Concession	A-11	123,000	140,303	17,303
Cable Television Franchise Fees	A-11	156,000	151,595	(4,405)
Total Miscellaneous Revenues	A-1	4,243,638	4,543,366	299,728
Receipts from Delinquent Taxes	A-1/A-2	480,000	478,134	(1,866)
Subtotal General Revenues		5,723,638	6,021,500	297,862
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	16,955,647	16,994,804	39,157
Budget Totals		22,679,285	23,016,304	337,019
Non-Budget Revenue	A-1/A-2		647,862	647,862
		22,679,285	23,664,166	984,881
	A-3			
Adopted Budget	A-3	22,668,108		
Appropriated by (N.J.S. 40A:4-87)	A-3	11,177		
		22,679,285		

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Village of Ridgefield Park, N.J.
Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2019

<u>Analysis of Realized Revenues</u>		
	<u>Ref.</u>	
Revenue from Collections	A-1/A-8	46,625,630
Allocated to School and County Taxes	A-8	<u>30,242,826</u>
Balance for Support of Municipal Budget Appropriations		16,382,804
 Add : Appropriation - Reserve for Uncollected Taxes	 A-3	 <u>612,000</u>
 Amount for Support of Municipal Budget Appropriations	 A-2	 <u><u>16,994,804</u></u>
 Receipts from Delinquent Taxes:		
Delinquent Taxes	A-8	<u>478,134</u>
	A-2	<u><u>478,134</u></u>
 Licenses - Other:		
Clerk	A-11	11,965
Board of Health	A-11	<u>475</u>
	A-2	<u><u>12,440</u></u>
 Fees and Permits - Other:		
DPW	A-11	6,535
Clerk	A-11	480
Board of Health	A-11	5,825
Recreation	A-11	10,498
Fire Prevention	A-11	36,257
Registrar	A-11	<u>11,095</u>
	A-2	<u><u>70,690</u></u>

Analysis of Non-budget Revenues

	<u>Ref.</u>	
Miscellaneous Revenues Not Anticipated:		
Return Check Fee		400
Hartz Mountain Lease Rent		18,000
Insurance Dividend		256,466
Refund of Prior Year Expenditures		115,926
Senior Citizens Building Tax		21,000
Senior Citizens & Veterans Administration Fee		1,095
85 Challenger Road Ground Lease		100,000
Canceled Tax Sale Premium		15,000
Police Miscellaneous		2,325
Copies		42
Fire Department Meeting		10,800
Miscellaneous Refunds and Reimbursements		20,405
Outside Police Duty		11,319
Planning Board / Board of Adjustment		10,910
Tax Miscellaneous		506
Recreation Registrations		<u>63,668</u>
	A-2, A-4	<u><u>647,862</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Village of Ridgefield Park, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Operations - within "CAPS"						
GENERAL GOVERNMENT:						
Mayor and Board of Commissioners						
Salaries and Wages		18,564	18,564	18,199	365	
Municipal Clerk						
Salaries and Wages		100,459	100,459	98,653	1,806	
Other Expenses		135,300	135,300	70,315	64,985	
Elections						
Salaries and Wages		4,080	4,080	796	3,284	
Other Expenses		22,000	22,000	8,315	13,685	
Revision of Ordinances						
Other Expenses		2,000	2,000	1,755	245	
Codification of Ordinances						
Other Expenses		4,000	4,000	3,362	638	
Financial Administration						
Salaries and Wages		30,172	30,172	29,583	589	
Other Expenses		40,000	40,000	13,825	26,175	
Audit Services						
Other Expenses		40,000	40,595	40,595		
Central Equipment and Data Processing						
Other Expenses		2,500	2,500		2,500	
Revenue Administration						
Salaries and Wages		182,549	182,549	150,338	32,211	
Other Expenses		35,100	35,100	26,272	8,828	

Village of Ridgefield Park, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Tax Assessment Administration						
Salaries and Wages		74,577	81,227	81,227		
Other Expenses		11,750	11,750	492	11,258	
Other Expenses - Tax Appeals		100,000	100,000		100,000	
Legal Services						
Salaries and Wages		54,677	54,956	54,956		
Other Expenses		90,000	182,160	182,160		
Other Expenses - Labor		50,000	50,000		50,000	
Other Expenses - Meadowlands		75,000	75,000	37,064	37,936	
Other Expenses - New Ordinances		5,000	5,000	1,520	3,480	
Other Expenses - Tax Appeals		125,000	132,481	132,481		
Engineering Services						
Other Expenses		20,000	20,000	18,672	1,328	
LAND USE ADMINISTRATION:						
Planning Board						
Salaries and Wages		10,445	10,450	10,450		
Other Expenses		12,350	44,780	44,780		
Planning Board (Land Use)						
Salaries and Wages		2,320	2,319	2,319		
Other Expenses		1,500	1,500	1,064	436	
Zoning Board						
Salaries and Wages		10,568	10,568	10,567	1	
Other Expenses		12,500	18,289	18,289		

Village of Ridgefield Park, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Citizens Advisory Committee						
Salaries and Wages		17,908	17,908	17,908		
Other Expenses		188,500	188,500	108,863	79,637	
Rent Control						
Salaries and Wages		2,774	2,774	2,773	1	
Other Expenses		750	750	750		
INSURANCE:						
Other Insurance Premiums		60,465	60,465	19,702	40,763	
Liability Insurance		280,523	280,523	280,523		
Workers Compensation Insurance		364,444	97,610	75,000	22,610	
Holy Name Medical Center		8,600	8,600	4,643	3,957	
Employee Group Insurance		2,270,000	2,270,000	2,117,011	152,989	
Health Benefit Waivers		15,000	15,000	15,000		
PUBLIC SAFETY:						
Police Department						
Salaries and Wages		5,109,000	5,109,000	4,977,535	131,465	
Other Expenses		455,000	455,000	417,100	37,900	
Other Expenses - Meter Enforcement		25,000	26,628	26,628		
Office of Emergency Management						
Salaries and Wages		12,750	12,750	9,241	3,509	
Other Expenses		10,500	10,500	9,806	694	
Rescue Squad						
Other Expenses		25,000	25,000	18,408	6,592	

Village of Ridgefield Park, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Fire Department						
Other Expenses		222,585	222,585	201,476	21,109	
Ambulance Corps						
Other Expenses		74,525	74,525	68,403	6,122	
Uniform Fire Safety Act						
Salaries and Wages		54,289	69,787	69,787		
Other Expenses		15,000	15,000	13,077	1,923	
PUBLIC WORKS						
Street and Road Maintenance						
Salaries and Wages		276,453	276,453	274,636	1,817	
Other Expenses		36,000	36,000	35,957	43	
Snow Removal		130,000	130,000	112,108	17,892	
Sewer Maintenance						
Salaries and Wages		145,999	145,999	145,638	361	
Other Expenses		70,000	70,000	69,356	644	
Solid Waste Collection						
Salaries and Wages		745,251	745,251	698,956	46,295	
Other Expenses		115,000	115,000	113,718	1,282	
Recycling						
Salaries and Wages		155,763	155,763	150,918	4,845	
Other Expenses		60,000	60,000	59,933	67	
Buildings and Grounds						
Salaries and Wages		68,360	68,360	60,019	8,341	
Other Expenses		235,800	215,800	154,011	61,789	

Village of Ridgefield Park, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Vehicle Maintenance						
Salaries and Wages		688,406	688,406	687,973	433	
Other Expenses		120,000	120,000	99,158	20,842	
HEALTH AND HUMAN SERVICES:						
Public Health Services						
Salaries and Wages		104,288	104,288	89,488	14,800	
Other Expenses		11,375	11,375	6,240	5,135	
Other Expenses		30,000	32,648	32,648		
Animal Control						
Other Expenses		19,000	19,000	18,457	543	
Administration of Public Assistance						
Salaries and Wages (Dial-A-Ride)		18,332	18,438	18,438		
Other Expenses		1,500	1,500	1,346	154	
PARKS AND RECREATION:						
Recreation Services and Programs						
Salaries and Wages		95,234	95,234	89,204	6,030	
Other Expenses		46,500	96,500		96,500	
Parks						
Salaries and Wages		397,105	397,105	396,666	439	
Other Expenses		145,000	165,775	157,598	8,177	
Celebration of Public Events		69,500	69,500	60,407	9,093	
Salary & Wage Adjustment		20,000	20,000		20,000	

Village of Ridgefield Park, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
UTILITIES AND BULK PURCHASES:						
Street Lighting		115,000	115,000	79,667	35,333	
Telephone		1,500	1,500		1,500	
Fire Hydrant Service		135,000	135,000	110,744	24,256	
LANDFILL/ SOLID WASTE DISPOSAL						
Other Expenses		550,000	550,000	549,980	20	
MUNICIPAL COURT:						
Municipal Court Administration						
Salaries and Wages		242,760	247,516	247,516		
Other Expenses		28,300	28,300	27,351	949	
Public Defender						
Salaries and Wages		18,360	18,360	17,663	697	
Municipal Prosecutor						
Salaries and Wages		25,500	25,500	24,009	1,491	
UNIFORM CONSTRUCTION CODE:						
Uniform Construction Code Enforcement Functions						
Salaries and Wages		295,237	306,050	306,050		
Other Expenses		83,500	83,500	45,573	37,927	
Contingent		25,000	25,000	19,357	5,643	
Total Operations within "CAPS"		15,810,047	15,774,825	14,472,466	1,302,359	
Detail:						
Salaries and Wages	A-1	8,982,180	9,020,286	8,741,506	278,780	
Other Expenses	A-1	6,827,867	6,754,539	5,730,960	1,023,579	

Village of Ridgefield Park, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
Deferred Charges						
Deficit in Utility Fund		41,000	41,000	34,953		6,047
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System		530,416	530,416	530,416		
Social Security System (O.A.S.I.)		433,500	458,500	447,002	11,498	
Police and Firemen's Retirement System of N.J.		940,256	940,256	940,256		
Pension Adjustment		15,000	15,000		15,000	
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	1,960,172	1,985,172	1,952,627	26,498	6,047
Total General Appropriations for Municipal Purposes within "CAPS"		17,770,219	17,759,997	16,425,093	1,328,857	6,047

Village of Ridgefield Park, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Operations - Excluded from "CAPS"						
UTILITIES AND BULK PURCHASES:						
Sewerage Processing and Disposal						
Other Expenses - Operations & Maintenance		1,410,135	1,410,135	1,410,134	1	
EDUCATION:						
Maintenance of Free Public Library						
Other Expenses		526,843	536,370	519,771	16,599	
PUBLIC SAFETY:						
Police 911						
Other Expenses		10,000	10,000		10,000	
STATUTORY EXPENSES:						
LOSAP						
Other Expenses		140,000	140,000	97,750	42,250	
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES:						
NJ Drunk Driving Enforcement Fund		8,483	8,483	8,483		
Alcohol Education and Rehabilitation Grant		4,930	4,930	4,930		
Sustainable Jersey Grant		8,177	8,177	8,177		
BCUA - Recycling Enhancement Grant		3,000	3,000	3,000		
Clean Communities Grant		20,423	20,423	20,423		
Total Operations - Excluded from "CAPS"		2,131,991	2,141,518	2,072,668	68,850	
Detail:						
Other Expenses	A-1	2,131,991	2,141,518	2,072,668	68,850	

Village of Ridgefield Park, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Capital Improvements:						
Road Resurfacing - Asphalt		200,000	200,000	200,000		
Road Resurfacing - Concrete		90,000	90,000	90,000		
Acquisition of Fire Breathing Apparatus		35,000	35,000	35,000		
Total Capital Improvements Excluded from "CAPS"	A-1	325,000	325,000	325,000		
Municipal Debt Service:						
Payment of Bond Principal		1,045,000	1,045,000	1,045,000		
Payment of Bond Anticipation Notes and Capital Notes		450,000	450,000	450,000		
Payment of Green Trust Loan Principal		148,036	148,036	148,036		
Interest on Bonds		119,675	120,100	120,100		
Interest on Notes		66,000	66,000	53,476		12,524
Interest on Green Trust Loan		11,364	11,634	11,634		
Total Municipal Debt Service-Excluded from "CAPS"	A-1	1,840,075	1,840,770	1,828,246		12,524
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		4,297,066	4,307,288	4,225,914	68,850	12,524

Village of Ridgefield Park, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Subtotal General Appropriations		22,067,285	22,067,285	20,651,007	1,397,707	18,571
Reserve for Uncollected Taxes		612,000	612,000	612,000		
Total General Appropriations		22,679,285	22,679,285	21,263,007	1,397,707	18,571
			A-2		A	
Adopted Budget	A-2		22,668,108			
Appropriated by (N.J.S.A. 40A:4-87)	A-2		11,177			
			22,679,285			
<u>Analysis of Paid or Charged</u>						
Reserve for Uncollected Taxes	A-2			612,000		
Cash Disbursed	A-4			20,156,128		
Encumbrances Payable	A-14			449,866		
Reserve for Federal and State Grants	A-21			45,013		
				21,263,007		

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Village of Ridgefield Park, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Assets</u>			
Animal Control Trust Fund:			
Cash	B-1	<u>37,385</u>	<u>36,261</u>
		<u>37,385</u>	<u>36,261</u>
Other Trust Funds:			
Cash	B-1	1,002,314	967,177
Interfund - Pool Operating	B-6	<u> </u>	<u>12,000</u>
		<u>1,002,314</u>	<u>979,177</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Cash in Plan	B-1	2,934,739	2,486,247
Contributions Receivable	B-9	<u>89,700</u>	<u>97,750</u>
		<u>3,024,439</u>	<u>2,583,997</u>
		<u>4,064,139</u>	<u>3,599,435</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Village of Ridgefield Park, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Liabilities, Reserves & Fund Balance</u>			
Animal Control Trust Fund:			
Reserve for Animal Control Expenditures	B-2	36,651	30,661
Due to State Department of Health	B-3	1	
Prepaid Licenses	B-4		225
Interfund - Current Fund	B-5	733	5,375
		<u>37,385</u>	<u>36,261</u>
Other Trust Fund:			
Interfund Current Fund:			
Other Trust Fund - General	B-5	1,392	4,401
Other Trust Fund - COAH	B-5	2,263	797
Other Trust - Escrow	B-5	18,497	51
Other Trust - Payroll	B-5	2,535	
Various Reserves	B-7	977,627	973,928
		<u>1,002,314</u>	<u>979,177</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Net Assets Available for Benefits	B-10	3,024,439	2,583,997
		<u>3,024,439</u>	<u>2,583,997</u>
		<u>4,064,139</u>	<u>3,599,435</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Village of Ridgefield Park, N.J.

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31,

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Assets</u>			
Cash	C-2/C-3	131,290	163,343
Various Grants Receivable	C-4	231,378	307,841
Deferred Charges to Future Taxation:			
Funded	C-5	3,098,356	4,291,393
Deferred Charges to Future Taxation:			
Unfunded	C-6	5,055,000	5,030,000
Interfund - Current Fund	C-15	1,704,856	1,584,966
Interfund - Swimming Pool Utility Capital Fund	C-15		70,000
Total Assets		<u>10,220,880</u>	<u>11,447,543</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-7	2,800,000	3,845,000
Bond Anticipation Notes	C-8	3,200,000	1,950,000
Loan Payable - Green Acres	C-9	298,356	335,089
Loan Payable - NJIB	C-10		111,304
Improvement Authorizations:			
Funded	C-11	405,290	429,300
Unfunded	C-11	1,695,894	2,174,952
Reserve for Encumbrances	C-12	35,958	1,297,352
Capital Improvement Fund	C-13	940,928	965,928
Reserve for:			
Various Reserves	C-14	610,470	124,220
Fund Balance	C-1	<u>233,984</u>	<u>214,398</u>
Total Liabilities, Reserves and Fund Balance		<u>10,220,880</u>	<u>11,447,543</u>

Footnote: There was Authorized but not Issued Debt at December 31, 2019 and 2018 of \$1,855,000 and \$3,080,000 respectively per Exhibit C-16.

Village of Ridgefield Park, N.J.

Comparative Schedule of Fund Balance - Regulatory Basis

General Capital Fund

December 31,

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
Balance - January 1,	C	214,398	214,398
Increased by:			
Premium on Sale of Bond Anticipation Notes	C-2	<u>19,586</u>	<u> </u>
Balance - December 31,	C,C-3	<u><u>233,984</u></u>	<u><u>214,398</u></u>

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statements

Village of Ridgefield Park, N.J.

Comparative Balance Sheet - Regulatory Basis

Swimming Pool Utility Fund - Operating and Capital

December 31,

	<u>Ref</u>	<u>2019</u>	<u>2018</u>
<u>Assets</u>			
Operating Fund:			
Cash	D-5	43,206	59,405
Interfund Receivable:			
Pool Capital Fund	D-13	294	105
Total Operating Fund		<u>43,500</u>	<u>59,510</u>
Capital Fund:			
Cash	D-5/D-6	20,458	15,821
Fixed Capital	D-7	1,245,147	1,217,647
Fixed Capital Authorized and Uncompleted	D-8	1,658	21,658
Interfund Receivable:			
Current Fund	D-14		69,948
Total Capital Fund		<u>1,267,263</u>	<u>1,325,074</u>
Total Assets		<u>1,310,763</u>	<u>1,384,584</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserve	D-4/D-9		2,050
Interfund Payable:			
Current Fund	D-13	6,047	8,007
Trust Fund	D-13		12,000
		<u>6,047</u>	<u>22,057</u>
Fund Balance	D-1	37,453	37,453
Total Operating Fund		<u>43,500</u>	<u>59,510</u>
Capital Fund:			
Improvement Authorizations:			
Funded	D-10	1,658	14,000
Unfunded	D-10		1,658
Interfund Payable:			
Pool Operating Fund	D-14	294	105
General Capital Fund	D-14		70,000
Reserve for Amortization	D-11	1,245,147	1,217,647
Reserve for Deferred Amortization	D-12	1,658	21,658
Reserve for Capital Outlay	D-15	18,500	
Fund Balance	D-2	6	6
Total Capital Fund		<u>1,267,263</u>	<u>1,325,074</u>
Total Liabilities, Reserves and Fund Balances		<u>1,310,763</u>	<u>1,384,584</u>

There was no Authorized but not Issued Debt as of December 31, 2019 and 2018

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Village of Ridgefield Park, N.J.

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

Swimming Pool Operating Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
Revenue and Other Income Realized:			
Swimming Pool Fees	D-3	113,703	111,479
Miscellaneous	D-3	294	105
Other Credits to Income:			
Unexpended Balance of			
Appropriation Reserves	D-9	<u>2,050</u>	<u>8,093</u>
Total Income		<u>116,047</u>	<u>119,677</u>
Expenditures:			
Operating	D-4	125,000	127,597
Capital Outlay	D-4	<u>26,000</u>	<u>28,403</u>
Total Expenditures		<u>151,000</u>	<u>156,000</u>
Deficit in Revenue		34,953	36,323
Adjustment to Income Before Fund Balance:			
Realized from General Budget for Anticipated Deficit	D-3	<u>34,953</u>	<u>36,323</u>
Statutory Excess to Surplus			
Fund Balance - January 1,	D	<u>37,453</u>	<u>37,453</u>
		37,453	37,453
Decreased by:			
Utilized as Anticipated Revenue		<u> </u>	<u> </u>
Fund Balance - December 31,	D	<u><u>37,453</u></u>	<u><u>37,453</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Exhibit D-2**Village of Ridgefield Park, N.J.****Comparative Statement of Fund Balance - Regulatory Basis****Swimming Pool Capital Fund****Year Ended December 31, 2019**

	<u>Ref.</u>	2019	2018
Balance - January 1,	D	<u>6</u>	<u>6</u>
Balance - December 31,	D, D-6	<u>6</u>	<u>6</u>

Exhibit D-3**Statement of Revenues - Regulatory Basis****Swimming Pool Operating Fund****Year Ended December 31, 2019**

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Swimming Pool Fees	D-1, D-5	110,000	113,703	3,703
Deficit (General Budget)	D-1, D-5	41,000	34,953	(6,047)
Miscellaneous	D-1	<u> </u>	<u>294</u>	<u>294</u>
Budget Totals		<u>151,000</u>	<u>148,950</u>	<u>(2,050)</u>
		D-4		
<u>Analysis Realized Revenues</u>				
Interest on Investments	D-5		<u>294</u>	

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Village of Ridgefield Park, N.J.

Statement of Expenditures - Regulatory Basis

Swimming Pool Operating Fund

Year Ended December 31, 2019

	<u>Ref.</u>	<u>Appropriated</u>		<u>Expended</u>	
		<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Operating:					
Salaries and Wages		65,000	65,000	65,000	
Other Expenses		60,000	60,000	60,000	
Total Operating	D-1	125,000	125,000	125,000	
Capital Improvements:					
Capital Outlay		26,000	26,000	26,000	
Total Capital Improvements	D-1	26,000	26,000	26,000	
		<u>151,000</u>	<u>151,000</u>	<u>151,000</u>	<u>D</u>
			D-3	D-5	

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Exhibit E

Village of Ridgefield Park, N.J.

Comparative Statement of General Fixed Assets - Regulatory Basis

December 31,

	<u>2019</u>	<u>2018</u>
<u>General Fixed Assets:</u>		
Land	21,780,500	21,780,500
Land Improvements	1,667,317	1,667,317
Buildings and Improvements	4,861,875	4,861,875
Machinery and Equipment	1,568,968	1,550,083
Vehicles	<u>7,627,336</u>	<u>6,535,576</u>
	<u>37,505,996</u>	<u>36,395,351</u>
 Investment in Fixed Assets	 <u>37,505,996</u>	 <u>36,395,351</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Staten

Exhibit F**Village of Ridgefield Park, N.J.****Comparative Balance Sheet - Regulatory Basis****Public Assistance Fund****December 31,**

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Assets</u>			
Cash	F-1	<u>83,364</u>	<u>58,302</u>
Total Assets		<u><u>83,364</u></u>	<u><u>58,302</u></u>
<u>Liabilities</u>			
Reserve for Public Assistance		83,126	58,064
Interfund - Current Fund		<u>238</u>	<u>238</u>
Total Liabilities		<u><u>83,364</u></u>	<u><u>58,302</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Village of Ridgefield Park, N. J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018

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 generally accepted accounting principles (GAAP).

The financial statements of the Village of Ridgefield Park 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 a 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 Village accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The Village of Ridgefield Park (the "Village") operates under an elected Commission form of government. The Village's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB requires the financial reporting entity to include both the primary government and 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. The Village is not includable in any other reporting entity as a component unit.

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 Village do not include the Municipal 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.

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

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

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

The Village 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 Village 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 Village has the following funds and account groups:

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 Village as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

All Other Trust Funds - These funds are established to account for the assets and resources which are also held by the Village as a trustee or agent for individuals, private organizations, other governments and/or other funds.

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

Emergency Services Volunteer Length of Service Award Program - This fund is used to account for the cumulative payments to participant's in the emergency services volunteer length of service award program including any income, gains, losses or increases or decreases in market value attributable to the investment of the participant's length of service awards.

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.

Swimming Pool Operating and Swimming Pool Capital Funds - Account for the operations and acquisition of capital facilities for the Swimming Pool Enterprise Fund.

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

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

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Village pursuant to Title 44 of New Jersey Statutes.

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

Basis of Accounting

A modified accrual basis of accounting is followed by the Village of Ridgefield Park. 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 generally accepted accounting principles (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 Village. Any taxes that have not been paid by the 11th day of the 11th month in the fiscal year levied are subject to be included in the tax sale and the lien enforced by selling the property in accordance with N.J.S.A. 54:5 et seq. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Village. 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.

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(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 Village'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 Village'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 Village and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

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

- General Capital Fund
- Trust Funds
- Public Assistance Fund
- Swimming Pool 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. 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 2019, the Village Committee increased the original budget by \$11,177.00 for additional aid allotted the Village. In addition, several budget transfers were approved by the Village Committee.

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

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

Basis of Accounting, (continued)

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 and Post-Employment Benefits - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. Likewise, no accrual is made for post-employment benefits, if any, which are funded on a pay-as-you-go basis. 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.

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.

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

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

Basis of Accounting, (continued)

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 Village 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 Village may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Village 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 - In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, the Village of Ridgefield Park has developed a fixed assets accounting and reporting system.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. General fixed assets are defined as non-expendable personal property having a physical existence, a useful life of more than five years and an acquisition cost of \$5,000 or more per unit. 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.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available, except land which is valued at estimated market value.

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.

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

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

Basis of Accounting, (continued)

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 Village 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 those 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 Village's financial position and operations. However, comparative data have not been presented in all statements and notes to the financial statements because their inclusion would make certain statements and notes to the financial statements unduly complex and difficult to understand.

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

For the year ended December 31, 2018, the Village adopted Government Accounting Standards Board GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment 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. As a result of adopting this Statement, the Village was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their post-employment benefits other than pensions. As a result of the regulatory basis of accounting previously described in Note 1, the implementation of this Statement only required financial statement disclosure. There exists no impact on the financial statements of the Village.

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

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

Basis of Accounting, (continued)

For the year ended December 31, 2019, the Village adopted GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement*. The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt.

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 Village 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 Village's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2019, \$-0- of the Village's bank balance of \$18,911,951 was exposed to custodial credit risk. As of December 31, 2018, \$-0- of the Village's bank balance of \$19,048,111 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The Village 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.

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS

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

Unaudited Investments

As more fully described in Note 13, the Village has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et seq. except that all investments are retained in the name of the Village. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by VALIC, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2019 and 2018 amounted to \$2,934,739 and \$2,486,247, respectively.

The following investments represent 5% or more of the total invested with Lincoln Financial Group on December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Fixed Income	\$887,904	\$859,947
Index	1,540,841	1,238,858
Growth	196,708	171,281
All Others	<u>309,286</u>	<u>216,161</u>
Total	<u>\$2,934,739</u>	<u>\$2,486,247</u>

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 3: MUNICIPAL DEBT

Long-term debt as of December 31, 2019 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2018</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 - General Obligation					
Debt	\$3,845,000	\$	\$1,045,000	\$2,800,000	\$800,000
Green Acres Loan Payable	335,089		36,733	298,356	25,285
NJEIT Loan Payable	<u>111,304</u>	<u> </u>	<u>111,304</u>	<u> </u>	<u> </u>
	<u>\$4,291,393</u>	<u>\$</u>	<u>\$1,193,037</u>	<u>\$3,098,356</u>	<u>\$825,285</u>

The Local Bond Law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Village are general obligation bonds, backed by the full faith and credit of the Village. 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 Village's debt is summarized as follows:

	<u>Year 2019</u>	<u>Year 2018</u>	<u>Year 2017</u>
<u>Issued:</u>			
General:			
Bonds and Notes	\$6,000,000	\$5,795,000	\$7,260,000
Loans	<u>298,356</u>	<u>446,393</u>	<u>615,455</u>
Total Issued	6,298,356	6,241,393	7,875,455
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	<u>1,855,000</u>	<u>3,080,000</u>	<u> </u>
Net Bonds and Notes Issued and			
Authorized But Not Issued	<u>\$8,153,356</u>	<u>\$9,321,393</u>	<u>\$7,875,455</u>

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 3: MUNICIPAL DEBT, (continued)

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

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 .523%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ -0-	\$ -0-	\$ -0-
General Debt	<u>8,153,356</u>	<u>285,470</u>	<u>7,867,886</u>
	<u>\$8,153,356</u>	<u>\$285,470</u>	<u>\$7,867,886</u>

Net Debt \$7,867,886 divided by equalized valuation basis per N.J.S. 40A:2-2 as amended, \$1,505,601,549 = .523%.

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

3 ½% of Equalized Valuation Basis (Municipal)	\$52,696,054
Net Debt	<u>7,867,886</u>
Remaining Borrowing Power	<u>\$44,828,168</u>

The Village's long term debt consisted of the following at December 31, 2019:

Paid by the Current Fund:

	<u>Amount Outstanding</u>
General Improvement Bonds - \$5,355,000 issued March 15, 2004 due through March 15, 2021 with variable interest rates of 3.40% to 4.10%	\$900,000
General Improvement Bonds - \$3,720,000 issued August 15, 2010 due through August 15, 2024 with variable interest rates of 2.00% to 3.25%	<u>1,900,000</u>
Total	<u>\$2,800,000</u>

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 3: MUNICIPAL DEBT, (continued)

General Capital Serial Bonds are direct obligations of the Village for which its full faith and credit are pledged and are payable from taxes levied on all taxable property located within the Village.

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST BONDED DEBT ISSUED AND OUTSTANDING.

	<u>General</u>		
<u>Calendar</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$800,000	\$85,925	\$885,925
2021	825,000	57,200	882,200
2022	390,000	36,725	426,725
2023	390,000	25,025	415,025
2024	395,000	12,837	407,837
	<u>\$2,800,000</u>	<u>\$217,712</u>	<u>\$3,017,712</u>

At December 31, 2019, the Village had authorized but not issued debt of \$1,855,000.

The Village has been awarded Green Acres Loans from the New Jersey Department of Environmental Protection for various park improvements. The following is the schedule of annual debt service for principal and interest on the outstanding loans:

	<u>Green Acres Loans</u>		
<u>Calendar</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$25,285	\$5,841	\$31,126
2021	25,793	5,333	31,126
2022	26,311	4,815	31,126
2023	26,840	4,286	31,126
2024	27,380	3,746	31,126
2025	27,930	3,196	31,126
2026	28,491	2,635	31,126
2027	25,000	2,062	27,062
2028	21,398	1,600	22,998
2029	21,828	1,170	22,998
2030	15,379	731	16,110
2031	8,730	491	9,221
2032	8,906	316	9,222
2033	9,085	137	9,222
	<u>\$298,356</u>	<u>\$36,359</u>	<u>\$334,715</u>

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 4: BOND ANTICIPATION NOTES

The Village issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds, in addition, special emergency notes were issued to temporarily fund special emergency authorizations. 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.

On December 31, 2019, the Village had \$3,200,000 in outstanding general capital bond anticipation notes maturing on April 9, 2021 at an interest rate of 2.50%.

The following activity related to bond anticipation notes/special emergency notes occurred during the calendar year ended December 31, 2019.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
Oppenheimer & Co.	\$1,950,000	\$	\$1,950,000	\$
Jefferies LLC	<u> </u>	<u>3,200,000</u>	<u> </u>	<u>3,200,000</u>
	<u>\$1,950,000</u>	<u>\$3,200,000</u>	<u>\$1,950,000</u>	<u>\$3,200,000</u>

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

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, 2019, the Village had no deferred charges to be raised in succeeding budgets.

NOTE 6: SCHOOL TAXES

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Village of Ridgefield Park has elected to defer school taxes as follows:

	<u>Local School Taxes</u>	
	<u>Balance</u>	<u>Balance</u>
	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
Balance of Tax	\$13,169,546	\$13,041,540
Deferred	<u>9,107,480</u>	<u>9,107,480</u>
Tax Payable	<u>\$4,062,066</u>	<u>\$3,934,060</u>

NOTE 7: PENSION PLANS

Description of Plans:

Village 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.

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7: PENSION PLANS, (continued)

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

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 1/60th 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 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 55 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.

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7: PENSION PLANS, (continued)

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

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:

<u>Tier</u>	<u>Definition</u>
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 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.

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7: PENSION PLANS, (continued)

Defined Contribution Retirement Program, (continued)

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 compensation, as defined by law. Employers are required to contribute at an actuarially and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS.

The Village's contribution to the various plans, equal to the required contributions for each year, including long-term disability and ERI, were as follows:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2019	\$530,416	\$940,256	\$10,632
2018	501,379	937,140	-0-
2017	487,877	800,616	-0-

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.

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7: PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS)

At December 31, 2019, the Village had a liability of \$9,122,966 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Village's proportion of the net pension liability was based on a projection of the Village'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, 2019, the Village's proportion was .0506311553 percent, which was an increase of .0016805853 percent from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Village recognized pension expense of \$486,900. At December 31, 2019, 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	\$163,745	\$40,301
Changes of assumptions	910,962	3,166,553
Net difference between projected and actual earnings on pension plan investments		144,010
Changes in proportion and differences between the Village's contributions and proportionate share of contributions	<u>454,670</u>	<u>49,091</u>
Total	<u>\$1,529,377</u>	<u>\$3,399,955</u>

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2019) 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:	
2020	\$(263,430)
2021	(854,561)
2022	(763,073)
2023	(358,302)
2024	(36,791)

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 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2019 and June 30, 2018 are as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Collective deferred outflows of resources	\$3,149,522,616	\$4,684,852,302
Collective deferred inflows of resources	7,645,087,574	7,646,736,226
Collective net pension liability	18,018,482,972	19,689,501,539
Village's Proportion	.0506311553%	0.04895057%

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% (based on years of service)
Thereafter	3.00-7.00% (based on years of service)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. 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 Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement based on Scale MP-2019.

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) 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 (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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 70% 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 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, 2019 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, 2019		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>5.28%</u>	<u>6.28%</u>	<u>7.28%</u>
Village's proportionate share of the pension liability	\$11,603,956	\$9,122,966	\$7,149,325

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.

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

Police and Firemen's Retirement System (PFRS)

At December 31, 2019, the Village had a liability of \$12,848,145 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Village's proportion of the net pension liability was based on a projection of the Village'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, 2019, the Village's proportion was 104.9872167 percent, which was an increase/(decrease) of .0088118405 percent from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Village recognized pension expense of \$940,256. At December 31, 2019, 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	\$108,455	\$81,344
Changes of assumptions	440,247	4,152,403
Net difference between projected and actual earnings on pension plan investments		174,088
Changes in proportion and differences between Village contributions and proportionate share of contributions	<u>1,871,231</u>	<u>1,050,666</u>
Total	<u>\$2,419,933</u>	<u>\$5,458,501</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2019) 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:	
2020	(\$673,572)
2021	(1,413,935)
2022	(1,001,362)
2023	(493,603)
2024	(276,661)

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (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 5.92, 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances at June 30, 2019 and June 30, 2018 are as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Collective deferred outflows of resources	\$1,198,936,924	\$1,988,215,695
Collective deferred inflows of resources	4,874,748,912	4,286,994,294
Collective net pension liability	12,237,818,793	13,531,648,591
Village's Proportion	.1049872167%	0.0961753762%

Actuarial Assumptions

The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all Future Years	3.25-15.25% (based on years of service)
Investment Rate of Return	7.00%

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) 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 (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, 2019 are summarized in the following table:

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 6.51% as of June 30, 2019. The discount rate used to measure the total pension liability was 6.85% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 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 70% 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 June 30, 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2076, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

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, 2019 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, 2019		
	1% Decrease <u>5.85%</u>	At Current Discount Rate <u>6.85%</u>	1% Increase <u>7.85%</u>
Village's proportionate share of the pension liability	\$20,108,137	\$12,848,145	\$10,547,283

Special Funding Situation - PFRS

Under N.J.S.A. 43:16A-15, the Village is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the Village by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Accordingly, the Village's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

At December 31, 2019 and 2018, the State proportionate share of the net pension liability attributable to the Village for the PFRS special funding situation is \$2,028,747 and \$1,767,752, respectively. For the years ended December 31, 2019 and 2018, the pension system has determined the State's proportionate share of the pension expense attributable to the Village for the PFRS special funding situation is \$235,724 and \$209,387, respectively, which is more than the actual contributions the State made on behalf of the Village of \$136,695 and \$104,694, respectively. The State's proportionate share attributable to the Village was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Village's financial statements.

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 7. PENSION PLANS, (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 8. OTHER POST EMPLOYMENT BENEFITS (OPEB)

In addition to the pension described in Note 7, the Village provides post employment health care benefits in accordance with the provisions of Ch. 88, P.L. 1974 as amended by Chapter 436, 1981 at its cost.

General Information about the OPEB Plan

The Village's defined benefits OPEB plan provides OPEB for all eligible retirees and their spouses. The plan is a single-employer defined benefit OPEB plan administered by the Municipal Reinsurance Health Insurance Fund. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Employees Covered by Benefit Terms: At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	65
Active employees	<u>65</u>
	<u>130</u>

Total OPEB Liability

At December 31, 2018, the Village had a liability of \$45,382,031 for its OPEB liability. The OPEB liability was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date.

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 8. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

OPEB Expense

For the year ended December 31, 2018, the Village's OPEB expense under GASB 75 was \$2,283,955.

Actual Assumptions and Other Inputs

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Basis of Valuation

This valuation has been conducted as of December 31, 2018 based upon census, plan design and cost information provided by The Fund. Census includes 65 retirees and spouses currently receiving retiree benefits, and 65 active participants of whom 17 are eligible to retire as of the valuation date. The average age of the active population is 47 and the average age of the retiree population is 71.

Actuarial assumptions were selected with the intention of satisfying the requirements of New Jersey Local Finance Notice 2007-15 in addition to Statement of Government Accounting Standard Number 75.

Demographic assumptions were selected based on those used in by the State Division of Pensions and Benefits in calculating pension benefits taken from the July 1, 2017 report from Conduent. While some assumptions were simplified to reflect the smaller population, and to simplify the valuation process, the valuation results reasonably conform to the requirements of LFN 2007-15.

Health care (economic) assumptions were selected based on those used by the State Health Benefits Program in calculating SHBP member OPEB requirements taken from the July 1, 2017 GASB 75 report from Aon Consultants.

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 8. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

Key Actuarial Assumptions

<i>Mortality</i>	<i>RP 2000 Combined Health Male Mortality Rates Set Forward Three Years</i>
<i>Turnover</i>	<i>NJ State Pensions Ultimate Withdrawal Rates - prior to benefits eligibility</i>
<i>Assumed Retirement Age</i>	<i>At first eligibility after the completion of 25 years of service</i>
<i>Full Attribution Period</i>	<i>Service to Assumed Retirement Age</i>
<i>Annual Discount Rate</i>	<i>4.10% Based on the Bond Buyer 20 Index December 31, 2018</i>
<i>CPI Increase</i>	<i>2.5%</i>
<i>Rate of Salary Increase</i>	<i>2.5%</i>
<i>Medical Travel</i>	<i>Medical: 5.8% in 2018, reducing by 0.1% per annum, leveling at 5% per annum in 2026</i> <i>Drug: 10.0% in 2018, reducing by 0.5% per annum to 2022 and 1.0% per annum thereafter, leveling at 5% per annum in 2026</i> <i>Dental: 3.5% per annum</i>
<i>Medical Cost Aging Factor</i>	<i>NJ SHBP Medical Morbidity Rates</i>

- Attribution period – The attribution period begins with the date of hire and ends with full benefits eligibility date.
- Per capita cost methods – The valuation reflects per capita net premium costs based on actual 2018 medical, prescription drug and dental premiums and the plan option selected. Plan selections are assumed to remain unchanged in retirement. The age specific cost was derived based on per person costs at the average age of the active population (47) and scaled to each age based on the medical cost aging factors. At age 65, Medicare becomes the primary payor of medical benefits and consequentially, per capita plan costs are offset by Medicare payments. Thus, post 65 costs were decreased using the assumption that Medicare picks up 66.7% of medical costs.
- Retiree contributions – NJ Chapter 78 requires that certain future retirees contribute toward the cost of their benefits. Specifically, those who had retired prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.5% of their annual retirement allowance from the Public Employees Retirement System. For purposes of this valuation and for

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 8. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

conservatism, we have assumed that future retiree contributions percentage rates will not increase. Thus, we assumed that a future retiree will contribute his/her current employees contribution as reported by the Village increased annually by the rate of medical trend.

- Actuarial valuation method – Entry Age Normal Funding Method based on a level percentage of salary. 2018 salaries were reported as \$4.977 million.

Changes in Net OPEB Liability FYE 2018

Discount Rate (Proj.)	4.10% FYE 12/31/2018		
Investment Return Rate (Proj.)	N/A; Index will apply		
	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balances at 1/1/2018	\$43,992,592	\$	\$43,992,592
Change	<u>1,389,439</u>	<u> </u>	<u>1,389,439</u>
Balances at 12/31/2018	<u>\$45,382,031</u>	<u>\$</u>	<u>\$45,382,031</u>

TOTAL GASB #75 Expense for FYE 2018

A) GASB #75 Regular Expense

Service Cost	\$478,959
Interest Cost	1,804,996
Experience (Gain)/Loss Amort	-0-
Investment Loss Amort	<u>-0-</u>
GASB #75 Annual OPEB Cost <u>Regular</u> Expense	<u>2,283,955</u>

B) Prior Period Adjustment at 1/1/2018 (to Update to GASB #75)

Net OPEB Liability 1/1/2018	43,992,592
(Less) OPEB Obligations as of 12/31/2017 - GASB #45	<u>(14,244,359)</u>
Prior Period Adjustment at 1/1/2018	<u>29,748,233</u>

<u>C) TOTAL GASB #75 Expense for FYE 2018</u>	<u>\$32,032,188</u>
--	----------------------------

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 8. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

Sensitivity of Total OPEB Liability to Changes in the Discount Rate

The following presents the Village's total OPEB liability as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease <u>3.10%</u>	At Current Discount Rate <u>4.10%</u>	1% Increase <u>5.10%</u>
Village's Total OPEB Liability	\$49,911,880	\$45,382,031	\$41,578,012

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate:

The following presents the Village's total OPEB liability as well as what the Village's total OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease to <u>4.0%</u>	Healthcare Cost Trend Rate to <u>5.0%</u>	1% Increase to <u>6.0%</u>
Village's Total OPEB Liability	\$41,983,776	\$45,382,031	\$49,408,124

Special Funding Situations PFRS

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under chapter 271, P.L. 1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred inflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 8. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

At December 31, 2019, the State's proportionate share of the net OPEB liability attributable to the Village for the PFRS special funding situation is \$5,745,919 and the State's proportionate share of the OPEB expense for the PFRS special funding situation is \$76,164.

NOTE 9: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2019 and 2018 which were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Current Fund	<u>\$1,000,000</u>	<u>\$1,000,000</u>
Swimming Pool Utility	<u>\$30,000</u>	<u>\$ -0-</u>

NOTE 10: FIXED ASSETS

The following is a summary of changes in the general fixed asset account group for the year 2019.

	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
Land	\$21,780,500	\$	\$	21,780,500
Land Improvements	1,667,317			1,667,317
Vehicles	6,535,576	1,349,416	257,656	7,627,336
Building and Improvements	4,861,875			4,861,875
Machinery and Equipment	<u>1,550,083</u>	<u>18,885</u>	<u> </u>	<u>1,568,968</u>
	<u>\$36,395,351</u>	<u>\$1,368,301</u>	<u>\$257,656</u>	<u>\$37,505,996</u>

NOTE 11: COMPENSATED ABSENCES

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

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 11: COMPENSATED ABSENCES, (continued)

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$577,070 and \$573,641 at December 31, 2019 and 2018, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2019 and 2018, the Village has not reserved any funds in the Other Trust Fund to fund compensated absences in accordance with NJSA 40A:4-39.

NOTE 12: DUE TO/FROM OTHER FUNDS

As of December 31, 2019, interfund balances on the Village's various balance sheets were as follows:

	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$31,705	\$1,704,856
Grant Fund	-0-	-0-
Animal Control Trust Fund	-0-	733
Public Assistance Fund	-0-	238
Trust Fund	-0-	24,687
General Capital Fund	1,704,856	-0-
Swimming Pool Utility Operating Fund	294	6,047
Swimming Pool Capital Fund	<u> </u>	<u>294</u>
	<u>\$1,736,855</u>	<u>\$1,736,855</u>

Interfund balances are comprised of the following:

Interfund balances are primarily carryover balances from prior years and/or transfers for short-term loans. It is anticipated that all interfunds will be liquidated during the subsequent fiscal year.

NOTE 13: EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP)

On November 7, 2000, the voters of the Village approved the Village's LOSAP plan, provided by Lincoln Financial Group. The purpose of this plan is to enhance the Village's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 13: EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP), (continued)

The Lincoln Financial Group will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plan shall provide for a fixed annual contribution of \$1,150 to each eligible volunteer who accumulates a minimum of amount of service points based on criteria established by Village ordinance. In addition, the ordinance does not provide for prior years service credit. The amount of the LOSAP award cannot exceed \$1,150 annually, subject to periodic increases as permitted by N.J.A.C. 5:30-14.9. The Village's contribution shall be included in the current years budget.

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 made shall accrue to such participants. Such money shall be subject to the claims of the sponsoring agency's general creditors until distributed to any or all participants.

We have reviewed the plan for the year ended December 31, 2019 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

NOTE 14: RISK MANAGEMENT

The Village 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 Village has obtained insurance coverage to guard against these events which will provide minimum exposure to the Village should they occur. During the 2019 calendar year, the Village did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Village of Ridgefield Park is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Village of Ridgefield Park is a member of the South Bergen Municipal Joint Insurance Fund (the "JIF"). The JIF is a self-administered group of municipalities established for the purpose of providing certain low-cost general liability, automobile liability and workers' compensation insurance coverage for member municipalities. The Village of Ridgefield Park pays an annual assessment to the JIF and should it be determined that payments received by the JIF are deficient, additional assessments may be levied.

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 14: RISK MANAGEMENT, (continued)

The JIF can declare and return excess surplus to members upon approval of the State of New Jersey Department of Insurance. These distributions would be divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions may be used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The Village of Ridgefield Park is also a member of the Municipal Excess Liability Joint Insurance Fund (the "MEL"). The MEL provides excess insurance coverage for claims for general liability, automobile liability and workers' compensation.

The JIF also provides Property coverage (i.e. Boiler and Machinery, Flood, Valuable Papers, etc.) to its members by participating in a state-wide joint purchase program arranged by the MEL acting as a lead agency.

In addition, the Village is also a member of the Bergen Municipal Employees Benefit Fund for employee health insurance.

Financial statements for the Funds are available at the office of the Funds' Executive Director, Public Entity Risk Management Services, 9 Campus Drive, Parsippany, NJ, 07054.

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

Year Ended	Interest Earnings/			
<u>Dec. 31,</u>	<u>Village</u>	<u>Employee</u>	<u>Amount</u>	<u>Ending</u>
	<u>Contributions</u>	<u>Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2019	\$2,949	\$12,252	\$46,412	\$132,618
2018	1,946	11,810	41,823	163,829
2017			37,487	191,896

The Village of Ridgefield Park continues to carry commercial insurance coverage for all other risks of loss, including employee health and accident insurance.

Village of Ridgefield Park, N.J.
Notes to Financial Statements
Years Ended December 31, 2019 and 2018
(continued)

NOTE 15: TAXES COLLECTED IN ADVANCE

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</u> <u>Dec 31, 2019</u>	<u>Balance</u> <u>Dec 31, 2018</u>
Prepaid Taxes	<u>\$302,682</u>	<u>\$225,227</u>
Cash Liability for Taxes Collected in Advance	<u>\$302,682</u>	<u>\$225,227</u>

NOTE 16: COMMITMENTS AND CONTINGENT LIABILITIES

The Village is a defendant in various legal proceedings. These cases, if decided against the Village, would either be funded by insurance or raised by future taxation. The Village's legal counsel estimates such amounts to be immaterial, except for the following:

There is currently a tax appeal pending against the Village. Due to the possibility of a sizable square footage discrepancy at the property, a tax refund of approximately \$550,000 could be owed if the discrepancy is resolved in the taxpayer's favor.

NOTE 17: SUBSEQUENT EVENTS

On March 9, 2020, Governor Phil Murphy signed Executive Order No. 103 that declared a State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. At the time of this report, the overall effects of the COVID-19 pandemic are unknown. In efforts to reduce the spread of the virus, many companies and organizations have either reduced staff or closed down, thus creating a potential financial dilemma among many of the taxpayers of the Village of Ridgefield Park. The Village has identified several risks as a result of this pandemic, including a possible delay in collection of real estate taxes and cash flow shortages as the result of these delayed collection. The Village will continue to monitor the situation closely.

The Village has evaluated subsequent events through July 16, 2020, the date which the financial statements were available to be issued and no other items were noted for disclosure.

SUPPLEMENTARY DATA

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	2019	2018	2017
<u>Tax Rate</u>	<u>3.939</u>	<u>3.848</u>	<u>3.723</u>

Apportionment of Tax Rate:

Municipal	1.415	1.374	1.292
County	.324	.281	.275
Local School	2.200	2.193	2.156

Assessed Valuations

2019	\$1,198,245,100		
2018		\$1,189,823,900	
2017			\$1,188,173,700

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	Currently
			Percentage of Collection
2019	\$47,234,359	\$46,625,630	98.71%
2018	46,007,459	45,453,863	98.80
2017	44,319,957	43,704,292	98.61

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>	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2019	\$1,135	\$526,355	\$527,490	1.12%
2018	45,469	500,202	545,671	1.19
2017	42,521	482,895	525,416	1.19

PROPERTY ACQUIRED BY TAX TITLE LIENS LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2019	\$135,040
2018	69,840
2017	69,840

COMPARISON OF SWIMMING POOL ENTERPRISE FEES

<u>Year</u>	<u>Collections</u>
2019	\$113,703
2018	111,479
2017	115,769

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund	2019	\$6,214,616	\$1,000,000
	2018	5,396,256	1,000,000
	2017	3,162,412	600,000
Swimming Pool Enterprise Fund	2019	\$37,453	\$30,000
	2018	37,453	
	2017	37,453	

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond*</u>
George Fosdick	Mayor	
John Anlian	Commissioner	
Theresa Kohles	Commissioner	
Adam MacNeill	Commissioner	
Hugo Poli	Commissioner	
Tara O'Grady	Village Clerk	
Vincent Buono	Chief Finance Officer/Tax Collector/Treasurer	
Phillip Boggia, Esq.	Attorney	
Boswell McClave	Engineer	
F. Terrance Perna, Esq.	Magistrate	
Susana Vargas	Court Administrator	
Arthur Carlson	Assessor	
Edward Rose	Police Chief	
Wielkotsz & Company, LLC	Auditor	

*Employees and officials were covered under the South Bergen Municipal Joint Insurance Fund.

Village of Ridgefield Park

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2019

Federal Grantor/Pass-Through Grantor/Program	Federal CFDA Number	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2019	Receipts/ Revenues	Expended	Canceled	Balance Dec. 31, 2019	Cumulative Expenditures
U.S. Department of Transportation: Pass Through NJ Department of Law & Public Safety: Distracted Driving	20.616	066-1160-100-158	2019	3,630		3,630			3,630	
Drive Sober or Get Pulled Over	20.616	066-1160-100-158	2018	8,837	8,837				8,837	
Click It or Tiek It	20.600	066-1160-100-119	2019 2018	3,883 4,985	4,985	3,883			3,883 4,985	
					4,985	3,883			8,868	
U.S. Department of Homeland Security Federal Emergency Management Agency Fire Department Equipment Grant	97.044		2016	75,000	(67,100)				(67,100)	67,100
U.S. Department of Agriculture Pass Through NJ Department of Environmental Protection Consolidated Forest Management	10.664	042-4870-100-038	2019	3,000		3,000			3,000	
Total Federal and State Grant Fund					(53,278)	10,513			(42,765)	

Village of Ridgefield Park

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2019

Federal Grantor/Pass-Through Grantor/Program	Federal CFDA Number	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2019	Receipts/ Revenues	Expended	Canceled	Balance Dec. 31, 2019	Cumulative Expenditures
General Capital Fund	14.218		2009	21,434	(21,434)				(21,434)	21,343
			2008	20,000	(20,000)				(20,000)	20,000
					(41,434)				(41,434)	
					(41,434)				(41,434)	
Total General Capital Fund										
Total Federal Awards					(94,712)	10,513			(84,199)	

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

Village of Ridgefield Park

Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2018

State Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2018	Receipts/ Revenues	Expended	Balance Dec. 31, 2018	MEMO Cumulative Expenditures
<u>Federal and State Grant Fund</u>								
<u>NJ Department of Environmental Protection:</u>								
Clean Communities	4900-765-004	2019	22,791		22,791		22,791	
		2018	20,423	20,423		19,650	773	19,650
		2013	14,887	(14,887)			(14,887)	14,887
				<u>5,536</u>	<u>22,791</u>	<u>19,650</u>	<u>8,677</u>	
Recycling Tonnage Grant	4910-100-224	2019	18,858		18,858		18,858	
<u>NJ Department of Health:</u>								
Alcohol Education Rehabilitation	9735-760-001	2018	952	952			952	
		2016/17	3,978	3,978			3,978	
		2015	1,473	1,473			1,473	
		2014	2,009	2,009		1,211	798	1,211
		2013	1,003	1,003		1,003		1,003
		2010	6,662	2,997		2,997		6,662
				<u>12,412</u>		<u>5,211</u>	<u>7,201</u>	
<u>NJ Division of Highway Traffic Safety:</u>								
Drunk Driving Enforcement Fund	6400-100-078	2019	5,631		5,631		5,631	
		2018	5,394	5,394			5,394	
		2011	34,884	31,212			31,212	
		2010	16,564	16,564			16,564	
		prior	37,631	10,332		4,843	5,489	32,142
				<u>63,502</u>	<u>5,631</u>	<u>4,843</u>	<u>64,290</u>	

Village of Ridgelyfield Park

Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2018

State Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2018	Receipts/ Revenues	Expended	Balance Dec. 31, 2018	MEMO Cumulative Expenditures
NJ Department of Law and Public Safety:								
Body Armor Replacement	066-1020-718-001	2019	3,321		3,321		3,321	
		2017	2,991	2,991			2,991	
		2015	3,066	3,066			3,066	
		2012	3,040	3,040			3,040	
		2011	2,971	344			344	2,627
		prior	5,363	727			727	4,636
				10,168	3,321		13,489	
Council on Alcoholism and Drug Abuse:								
Pass Through County of Morris Municipal Drug Alliance		2019	816		816		816	
		2018	9,877	(1)	5,390		5,389	4,487
				(1)	6,206		6,205	
				91,617	56,807	29,704	118,720	
Total Federal and State Grant Fund								
General Capital Fund								
NJ Department of Transportation:								
Highway Planning and Construction	078-6320-480	2019	161,250		161,250			161,250
		2016	131,000	(131,000)	76,463		(54,537)	131,000
		2011	150,000	(8,919)			(8,919)	150,000
		2008	unknown	(26,270)			(26,270)	
		2006	unknown	(5,584)			(5,584)	
				(171,773)	237,713	161,250	(95,310)	
				(171,773)	237,713	161,250	(95,310)	
Total General Capital Fund								

Village of Ridgefield Park

Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2018

State Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2018	Receipts/ Revenues	Expended	Balance Dec. 31, 2018	MEMO Cumulative Expenditures
<u>Public Assistance Trust Fund</u>								
NJ Department of Human Services	054-7550-100-250	2019	29,800		29,800	29,800		29,800
General Assistance		2018	85,000	1,549		1,549		85,000
				<u>1,549</u>	<u>29,800</u>	<u>31,349</u>		
Total Public Assistance Fund				<u>1,549</u>	<u>29,800</u>	<u>31,349</u>		
Total State Awards				<u>(78,607)</u>	<u>324,320</u>	<u>222,303</u>	<u>23,410</u>	

Note: This schedule was not subject to an audit in accordance with NJ OMB Circular 15-08

Village of Ridgefield Park, N.J.

Schedule of Cash - Collector-Treasurer

Current Fund

Year Ended December 31, 2019

	<u>Ref.</u>	<u>Current Fund</u>	<u>Federal & State Grant Fund</u>
Balance - December 31, 2018	A	17,267,272	41,993
Increased by Receipts:			
Interest and Costs on Taxes	A-2	133,023	
Miscellaneous Revenue Not Anticipated	A-2	647,862	
Due From State - Senior Citizen and Veteran Deductions	A-7	54,750	
Taxes Receivable	A-8	46,825,037	
Revenue Accounts Receivable	A-11	2,865,330	
Interfunds	A-12	1,738,166	
Prepaid Taxes	A-16	302,682	
Various Cash Liabilities and Reserves	A-19	487,117	
Federal and State Grants Receivable	A-20		11,479
Unappropriated Reserves	A-22		58,841
		<u>53,053,967</u>	<u>70,320</u>
		70,321,239	112,313
Decreased by Disbursements:			
Refund of Prior Year Revenue	A-1	39,551	
Current Year Budget Appropriations	A-3	20,156,128	
Petty Cash	A-6	700	
Interfunds	A-12	1,701,060	
Appropriation Reserves	A-13	680,688	
Local District School Taxes	A-17	26,217,247	
County Taxes Payable	A-18	3,910,943	
Various Cash Liabilities and Reserves	A-19	498,092	
Federal & State Grant Appropriations	A-21		35,403
		<u>53,216,661</u>	<u>35,403</u>
Balance - December 31, 2019	A	<u>17,104,578</u>	<u>76,910</u>

Exhibit A-5

Village of Ridgefield Park, N.J.
Schedule of Cash - Change Fund

Current Fund**Year Ended December 31, 2019**

	<u>Ref.</u>	
Balance - December 31, 2018	A	<u>225</u>
Balance - December 31, 2019	A	<u>225</u>

Exhibit A-6**Schedule of Cash - Petty Cash****Current Fund****Year Ended December 31, 2019**

	<u>Ref.</u>	
Balance - December 31, 2018	A	50
Increased by:		
Disbursed	A-4	<u>700</u>
Balance - December 31, 2019	A	<u>750</u>

Village of Ridgefield Park, N.J.

**Schedule of Amount Due From State of New Jersey
for Senior Citizens' and Veterans' Deductions - CH. 73 P.L. 1976**

Current Fund

Year Ended December 31, 2019

	<u>Ref.</u>	
Balance - December 31, 2018	A	1,416
Increased by:		
Senior Citizens' and Veterans' Deductions		
Disallowed by Tax Collector		1,000
Decreased by:		
Senior Citizens' and Veterans' Deductions		
Per Tax Billings		<u>54,500</u>
	A-8	<u>53,500</u>
		54,916
Cash Receipts	A-4	<u>54,750</u>
Balance - December 31, 2019	A	<u><u>166</u></u>

Village of Ridgefield Park, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2019

<u>Year</u>	<u>Balance, Dec. 31, 2018</u>	<u>Levy</u>	<u>Added Taxes</u>	<u>Collected</u> <u>2018</u> <u>2019</u>	<u>Senior Citizen and Veteran Deductions</u>	<u>Transferred to Tax Title Liens</u>	<u>Canceled</u>	<u>Balance, Dec. 31, 2019</u>
prior	500,202						21,822	246
2019		47,198,876	35,483	225,227	53,500	449	82,172	526,108
	500,202	47,198,876	35,483	225,227	53,500	449	103,994	526,354
A				A-2/A-16	A-2/A-7	A-9		A

Analysis of Tax Levy

<u>Tax yield:</u>	<u>Ref.</u>
General Purpose Tax	47,198,876
Added Tax (R.S. 54:4-63.1 et seq.)	35,483
	<u>47,234,359</u>
 Tax Levy:	
Local District School Tax	26,345,253
County Tax	3,894,654
Added County Taxes	<u>2,919</u>
	<u>3,897,573</u>
	<u>30,242,826</u>
 Local Tax for Municipal Purposes	
Additional Taxes	<u>16,991,533</u>
	<u>47,234,359</u>

Exhibit A-9**Village of Ridgefield Park, N.J.****Schedule of Tax Title Liens****Current Fund****Year Ended December 31, 2019**

	<u>Ref.</u>	
Balance - December 31, 2018	A	45,469
Increased by:		
Transfers from Taxes Receivable	A-8	<u>449</u>
		45,918
Decreased by:		
Transfer to Property Acquired for Taxes - Assessed Valuation	A-10	<u>44,783</u>
Balance - December 31, 2019	A	<u><u>1,135</u></u>

Exhibit A-10**Schedule of Property Acquired for
Taxes Assessed Valuation****Current Fund****Year Ended December 31, 2019**

	<u>Ref.</u>		
Balance - December 31, 2018	A		69,840
Increased by			
Transfer from Tax Title Liens	A-9	44,783	
Adjustment to Assessed Valuation		<u>20,417</u>	
			<u>65,200</u>
Balance - December 31, 2019	A		<u><u>135,040</u></u>

Village of Ridgefield Park, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2019

	<u>Ref.</u>	<u>Balance Dec. 31, 2018</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance Dec. 31, 2019</u>
Clerk:					
Licenses:					
Alcoholic beverages	A-2		5,015	5,015	
Other	A-2		11,965	11,965	
Fees and Permits	A-2		480	480	
Recreation					
Fees and Permits	A-2		10,498	10,498	
Fire Prevention					
Fees and Permits	A-2		36,257	36,257	
Registrar					
Fees and Permits	A-2		11,095	11,095	
Board of Health					
Other Licenses	A-2		475	475	
Fees and Permits	A-2		5,825	5,825	
DPW					
Fees and Permits	A-2		6,535	6,535	
Municipal Court :					
Fines and Costs	A-2	18,340	267,739	267,976	18,103
Uniform Construction Code Fees					
Construction Fees	A-2		286,733	286,733	
Energy Receipts Taxes	A-2		1,200,464	1,200,464	
Consolidated Municipal Property Tax					
Relief Aid	A-2		16,161	16,161	
Interest on Investments and Deposits	A-2		318,200	318,200	
Cell Tower Lease	A-2		51,477	51,477	
Cable TV Franchise Fee	A-2		151,595	151,595	
Uniform Fire Safety	A-2		23,478	23,478	
Parking Meters	A-2		81,585	81,585	
Hotel Occupancy Fees	A-2		239,213	239,213	
Movie Theater Rent and Concession	A-2		140,303	140,303	
		<u>18,340</u>	<u>2,865,093</u>	<u>2,865,330</u>	<u>18,103</u>
		A		A-4	A

Village of Ridgefield Park, N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2019

Fund	Ref.	Due From/(To) Balance		Due From/(To) Balance	
		Dec. 31, 2018	Increased	Decreased	Dec. 31, 2019
Other Trust Fund - General	A	4,401	1,392	4,401	1,392
Other Trust - COAH	A	797	2,263	797	2,263
Other Trust - Escrow	A	51	18,446		18,497
Other Trust - Payroll	A		2,535		2,535
Animal Control Trust	A	5,375	733	5,375	733
Swimming Pool - Operating	A	8,007	6,047	8,007	6,047
Swimming Pool - Capital	A	(69,948)		69,948	
General Capital Fund	A	(1,584,966)	1,719,586	1,599,696	(1,704,856)
Public Assistance Trust Fund	A	238			238
		<u>(1,636,045)</u>	<u>1,751,002</u>	<u>1,688,224</u>	<u>(1,673,151)</u>
<u>Analysis</u>					
Due to Current Fund	A/A-1	18,869			31,705
Due From Current Fund	A	<u>(1,654,914)</u>			<u>(1,704,856)</u>
		<u>(1,636,045)</u>			<u>(1,673,151)</u>
Disbursements	A-4		31,416	1,669,644	
Receipts	A-4		<u>1,719,586</u>	<u>18,580</u>	
			<u>1,751,002</u>	<u>1,688,224</u>	

Village of Ridgefield Park, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2019

	Balance, Dec. 31, <u>2018</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Salaries and Wages Within "CAPS":				
Mayor and Board of Commissioners	1	1		1
Elections	2,641	2,641		2,641
Clerk	3	3		3
Financial Administration	574	574		574
Revenue Administration	17,549	17,549		17,549
Assessment of Taxes	3	3		3
Legal	1,052	1,052		1,052
Zoning Board	1	1		1
Police	282,801	282,801	109,743	173,058
Emergency Management Services	4,171	4,171		4,171
Streets and Roads	17,803	17,803		17,803
Sewer Maintenance	802	802		802
Solid Waste Collection	15,228	15,228		15,228
Recycling	346	346		346
Building & Grounds	14,306	14,306		14,306
Vehicle Maintenance	7,791	7,791		7,791
Public Health Services	14,626	14,626		14,626
Parks	865	865		865
Salary & Wage Adjustment	20,000	20,000		20,000
Public Defender	1,888	1,888		1,888
Municipal Prosecutor	1,250	1,250		1,250
Uniform Construction Code	10,723	10,723		10,723
Total Salaries and Wages Within "CAPS"	<u>414,424</u>	<u>414,424</u>	<u>109,743</u>	<u>304,681</u>
Other Expenses Within "CAPS":				
Administrative and Executive				
Clerk	10,829	12,157	2,232	9,925
Elections	10,717	10,717		10,717
Revision of Ordinances	133	133		133
Codification of Ordinances	1,817	1,817		1,817
Financial Administration	23,700	15,980		15,980
Audit Services	1,000	1,000		1,000
Central Equipment & Data Processing	1,235	1,235		1,235
Revenue Administration	9,527	9,836	2,075	7,761
Tax Assessment Administration	1,944	4,183	2,239	1,944
Tax Assessment Administration (Tax Appeals)	87,200	87,200	60,000	27,200

Village of Ridgefield Park, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2019

	Balance, Dec. 31, <u>2018</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Legal Services:				
Legal Services and Costs		7,964	7,964	
Meadowlands Development	39,549	39,549	4,148	35,401
New Ordinances	5,000	5,000		5,000
Tax Appeals		4,100	4,100	
Engineering Services and Costs	9,538	9,538		9,538
Planning Board	9,253	9,253	344	8,909
Planning Board (Land Use)	619	673	54	619
Zoning Board of Adjustment	3,596	3,596	2,115	1,481
Citizens Advisory Committee	41,313	102,674	68,881	33,793
Rent Control	375	375		375
Insurance:				
Employee Group Health	107,379	107,379	402	106,977
Workers Compensation Insurance	14,088	14,088		14,088
Other Insurance Premiums	1,966	2,116	150	1,966
Health Benefit Waivers	15,000	15,000		15,000
Holy Name Medical Center	2,216	2,216	1,161	1,055
Police	25,942	91,604	90,215	1,389
Rescue Squad	1,770	12,150	10,550	1,600
Emergency Management Services	107	1,932	1,825	107
Fire	21,923	51,795	51,767	28
Fire-Contribution	16,950	16,950		16,950
Ambulance Corps	37,055	37,055	33,639	3,416
Uniform Fire Safety	2,117	3,004	1,815	1,189
Streets and Roads	40	40		40
Snow Removal	1,466	6,095	4,591	1,504
Sewer Maintenance	604	27,661	27,158	503
Solid Waste Collection	38	6,393	6,256	137
Recycling	54	12,179	12,056	123
Building & Grounds	43,196	71,738	71,735	3
Vehicle Maintenance	7,158	47,400	41,293	6,107
Public Health Services	6,805	6,805	1,077	5,728
Animal Control	925	925		925
Administration of Public Assistance	1,165	1,165		1,165
Board of Recreation Commissioners		323	98	225
Parks	422	4,934	4,342	592
Celebration of Public Events	18,090	18,947	857	18,090
Land Fill / Solid Waste Disposal	210	78,709	75,767	2,942
Municipal Court	3,840	3,840	1,488	2,352
Uniform Construction Code	3,181	3,931	2,890	1,041

Village of Ridgefield Park, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2019

	Balance, Dec. 31, 2018	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Street Lighting	11,717	11,717	8,701	3,016
Telephone	660	660		660
Fire Hydrant	11,434	11,434	10,152	1,282
Contingent	19,240	19,897	657	19,240
Total Other expenses Within "CAPS"	634,103	1,017,062	614,794	402,268
Deferred Charges and Statutory Expenditures Within "CAPS":				
Pension Adjustment	15,000	15,000		15,000
Social Security (O.A.S.I.)	1,064	1,064		1,064
Total Deferred Charges and Statutory Expenditures Within "CAPS"	16,064	16,064		16,064
Total Reserves Within "CAPS"	1,064,591	1,447,550	724,537	723,013
Other Expenses Excluded From "CAPS":				
Maintenance of Free Public Library	27,298	35,396	7,979	27,417
Emergency Services Volunteer Length of Service Award Program	35,350	35,350		35,350
Sewerage Processing and Disposal	79,487	79,487		79,487
Police 911	1,727	3,443	1,716	1,727
Total Other Expenses Excluded from "CAPS"	143,862	153,676	9,695	143,981
Total Reserves Excluded from "CAPS"	143,862	153,676	9,695	143,981
Total Reserves	1,208,453	1,601,226	734,232	866,994
	A			A-1
Appropriation Reserves	Ref. above	1,208,453		
Transfer from Reserve for Encumbrances	A-14	392,773		
		1,601,226		
Cash Disbursements	A-4		680,688	
Transfer to Accounts Payable	A-15		53,544	
			734,232	

Exhibit A-14

Village of Ridgefield Park, N.J.
Schedule of Encumbrances Payable

Current Fund**Year Ended December 31, 2019**

	<u>Ref.</u>	
Balance - December 31, 2018	A	392,773
Increased by:		
Transfer from Current Appropriations	A-3	<u>449,866</u>
		842,639
Decreased by:		
Transfer to Appropriation Reserves	A-13	<u>392,773</u>
Balance - December 31, 2019	A	<u><u>449,866</u></u>

Exhibit A-15**Schedule of Accounts Payable****Current Fund****Year Ended December 31, 2019**

	<u>Ref.</u>	
Balance - December 31, 2018	A	53,376
Increased by:		
Transfer from Appropriation Reserves	A-13	<u>53,544</u>
		106,920
Decreased by:		
Disbursed	A-4	<u>12,252</u>
Balance - December 31, 2019	A	<u><u>94,668</u></u>

Village of Ridgefield Park, N.J.

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2019

	<u>Ref.</u>	
Balance - December 31, 2018	A	225,227
Increased by:		
Receipts - Prepaid 2020 Taxes	A-4	<u>302,682</u>
		527,909
Decreased by:		
Applied to 2019 Taxes	A-8	<u>225,227</u>
Balance - December 31, 2019	A	<u><u>302,682</u></u>

Village of Ridgefield Park, N.J.

Schedule of Local District School Tax Payable

Current Fund

Year Ended December 31, 2019

	<u>Ref.</u>		
Balance - December 31, 2018			
School Tax Payable	A	3,934,060	
School Tax Deferred		<u>9,107,480</u>	
			13,041,540
Increased by:			
Levy School Year - July 1, 2019			
to June 30, 2020	A-8		<u>26,345,253</u>
			39,386,793
Decreased by:			
Payments	A-4		<u>26,217,247</u>
Balance - December 31, 2019			
School Tax Payable	A	4,062,066	
School Tax Deferred		<u>9,107,480</u>	
			<u>13,169,546</u>
2019 Liability for Local			
District School Tax:			
Tax Paid			26,217,247
Tax Payable			<u>4,062,066</u>
			30,279,313
Less Tax Payable - December 31, 2018			<u>3,934,060</u>
Amount Charged to 2019 Operations	A-1		<u>26,345,253</u>

Village of Ridgefield Park, N.J.

Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2019

	<u>Ref.</u>		
Balance - December 31, 2018	A		16,289
Increased by:			
Levy	A-1/A-8	3,894,654	
Added and Omitted Taxes	A-1/A-8	<u>2,919</u>	
			<u>3,897,573</u>
			3,913,862
Decreased by:			
Payments	A-4		<u>3,910,943</u>
Balance - December 31, 2019	A		<u><u>2,919</u></u>

Village of Ridgefield Park, N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2019

<u>Liabilities and Reserves</u>	Balance, Dec. 31, <u>2018</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2019</u>
<u>Liabilities:</u>				
Tax Overpayments	3,164	27,379	30,543	
Outside Liens	9,997	443,342	446,497	6,842
Due to State of New Jersey:				
Construction Code Surcharge	8,545	14,521	19,367	3,699
Marriage License Surcharge	450	1,875	1,975	350
<u>Reserves for:</u>				
Sale of Municipal Assets	<u>4,365,459</u>		<u>1,500,000</u>	<u>2,865,459</u>
	<u>4,387,615</u>	<u>487,117</u>	<u>1,998,382</u>	<u>2,876,350</u>
	A			A
	<u>Ref.</u>			
Canceled Tax Overpayments	A-1		290	
2019 Anticipated Revenue	A-2		1,500,000	
Receipts	A-4	487,117		
Disbursed	A-4		498,092	
		<u>487,117</u>	<u>1,998,382</u>	

Village of Ridgefield Park, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2019

<u>Grant</u>	<u>Balance, Dec. 31, 2018</u>	<u>Budget Revenue</u>	<u>Received</u>	<u>Balance, Dec. 31, 2019</u>
Local Grants:				
BCUA Recycling Enhancement		3,000	3,000	
Sustainable Jersey		8,177	3,089	5,088
		11,177	6,089	5,088
Federal Grants:				
Homeland Security - FEMA Fire Department Grant	75,000			75,000
	75,000			75,000
State Grants:				
Alcohol Education & Rehab Grant		4,930	4,930	
Municipal Alliance on Alcoholism and Drug Abuse	5,390		5,390	
Clean Communities	14,887	20,423	20,423	14,887
Drunk Driving Enforcement Fund		8,483	8,483	
	20,277	33,836	39,226	14,887
	95,277	45,013	45,315	94,975
	A	A-2		A
		<u>Ref.</u>		
Cash Receipts		A-4	11,479	
Transferred from Unappropriated Reserves		A-22	33,836	
			<u>45,315</u>	

Village of Ridgefield Park, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2019

<u>Grant</u>	<u>Balance, Dec. 31, 2018</u>	<u>Transfer From 2019 Budget</u>	<u>Expended</u>	<u>Balance, Dec. 31, 2019</u>
Local Grants:				
Sustainable Jersey		8,177	2,699	5,478
Historical Commission - History Grant	565			565
BCUA Recycling Enhancement	<u>565</u>	<u>3,000</u>	<u>3,000</u>	
		<u>11,177</u>	<u>5,699</u>	<u>6,043</u>
Federal Grants:				
Homeland Security - FEMA Fire Department Grant	<u>7,900</u>			<u>7,900</u>
	<u>7,900</u>			<u>7,900</u>
State Grants:				
Drunk Driving Enforcement Fund	58,108	8,483	4,843	61,748
Body Armor Replacement Grant	10,168			10,168
Municipal Alliance on Alcoholism and Drug Abuse	5,389	20,423	19,650	5,389
Clean Communities Grant	7,482	4,930	5,211	773
Alcohol Education & Rehab Grant	<u>81,147</u>	<u>33,836</u>	<u>29,704</u>	<u>7,201</u>
				<u>85,279</u>
	<u>89,612</u>	<u>45,013</u>	<u>35,403</u>	<u>99,222</u>
A		A-3	A-4	A

Village of Ridgefield Park, N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2019

<u>Grant</u>	<u>Balance Dec. 31, 2018</u>	<u>Transfer To 2019 Budget</u>	<u>Received</u>	<u>Balance Dec. 31, 2019</u>
Local Grants:				
Sustainable NJ Grant	3,089	3,089		
	<u>3,089</u>	<u>3,089</u>		
Federal Grants				
Click It or Ticket	4,985		3,883	8,868
Distracted Driving Incentive			3,630	3,630
Forest Management			3,000	3,000
Drive Sober or Get Pulled Over	8,837			8,837
	<u>13,822</u>		<u>10,513</u>	<u>24,335</u>
State Grants:				
Clean Communities Grant	20,423	20,423	22,791	22,791
Municipal Alliance			816	816
Recycling Tonnage Grant			18,858	18,858
Body Armor Replacement Fund			3,321	3,321
Drunk Driving Enforcement Fund	5,394	5,394	2,542	2,542
Alcohol Education and Rehab Grant	4,930	4,930		
	<u>30,747</u>	<u>30,747</u>	<u>48,328</u>	<u>48,328</u>
	<u>47,658</u>	<u>33,836</u>	<u>58,841</u>	<u>72,663</u>
	A	A-20	A-4	A

Village of Ridgefield Park, N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2019

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>	<u>Other Trust Funds</u>	<u>L.O.S.A.P.</u>
Balance - December 31, 2018	B	<u>36,261</u>	<u>967,177</u>	<u>2,486,247</u>
Increase by Receipts:				
Dog License Fees - Village Share	B-2	5,582		
Cat License Fees	B-2	975		
Dog License Fees - State Share	B-3	1,028		
Interfund - Current Fund	B-5	733	24,636	
Interfund - Pool Operating	B-6		12,000	
Other Trust Funds	B-7		1,001,527	
Net Payroll and Payroll Deductions Payabl	B-8		11,851,054	
Contributions Receivable	B-9			97,750
Net Assets Available for Benefits	B-10			498,657
Total Receipts		<u>8,318</u>	<u>12,889,217</u>	<u>596,407</u>
		<u>44,579</u>	<u>13,856,394</u>	<u>3,082,654</u>
Decreased by Disbursements:				
Reserve for Animal Control Expenditures	B-2	766		
State Share - Dog Licenses	B-3	1,053		
Interfund - Current Fund	B-5	5,375	5,198	
Other Trust Funds	B-7		997,828	
Net Payroll and Payroll Deductions Payabl	B-8		11,851,054	
Net Assets Available for Benefits	B-10			147,915
Total Disbursements		<u>7,194</u>	<u>12,854,080</u>	<u>147,915</u>
Balance - December 31, 2019	B	<u><u>37,385</u></u>	<u><u>1,002,314</u></u>	<u><u>2,934,739</u></u>

Village of Ridgefield Park, N.J.

Reserve for Animal Control Expenditures

Trust Funds

Year Ended December 31, 2019

	<u>Ref.</u>		
Balance - December 31, 2018	B		30,661
Increased by:			
Dog License Fees	B-1	5,582	
Cat Licenses	B-1	975	
Prepaid Applied	B-4	<u>199</u>	
			<u>6,756</u>
			37,417
Decreased by:			
Expenditures R.S. 4:19-1511	B-1		<u>766</u>
Balance - December 31, 2019	B		<u><u>36,651</u></u>

Exhibit B-3**Village of Ridgefield Park, N.J.****Schedule of Due to State Department of Health****Trust Funds****Year Ended December 31, 2019**

	<u>Ref.</u>		
Balance - December 31, 2018	B		
Increased by:			
State Fees Collected	B-1	1,028	
Prepaid Applied	B-4	<u>26</u>	
			1,054
Decreased by:			
Paid to State	B-1	<u>1,053</u>	
Balance - December 31, 2019	B	<u><u>1</u></u>	

Exhibit B-4**Prepaid Licenses****Trust Funds****Year Ended December 31, 2019**

	<u>Ref.</u>		
Balance - December 31, 2018	B		225
Decreased by:			
Applied to Reserves - Dog Licenses	B-2	199	
Applied to Due to State	B-3	<u>26</u>	
			<u>225</u>
Balance - December 31, 2019	B	<u><u></u></u>	

Village of Ridgefield Park, N.J.

Schedule of Interfund - Current Fund

Trust Funds

Year Ended December 31, 2019

	Due to/(from) Balance <u>Dec. 31, 2018</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2019</u>
Animal Control Trust Fund	5,375	733	5,375	733
Other Trust Fund - General	4,401	1,392	4,401	1,392
Other Trust Fund - COAH	797	2,263	797	2,263
Other Trust - Escrow	51	18,446		18,497
Other Trust - Payroll		2,535		2,535
	<u>10,624</u>	<u>25,369</u>	<u>10,573</u>	<u>25,420</u>
	B			B
	<u>Ref.</u>			
Cash Receipts - Dog License Fund	B-1	733		
Cash Disbursements - Dog License	B-1		5,375	
Cash Receipts - Other Trust	B-1	24,636		
Cash Disbursements - Other Trust	B-1		5,198	
		<u>25,369</u>	<u>10,573</u>	

Village of Ridgefield Park, N.J.

Schedule of Due from Pool Operating Fund

Trust Funds

Year Ended December 31, 2019

	<u>Ref.</u>	
Balance - December 31, 2018	B	12,000
Decreased by:		
Cash Receipts	B-1	<u>12,000</u>
Balance - December 31, 2019	B	<u><u> </u></u>

Village of Ridgefield Park, N.J.

Schedule of Other Trust Funds

Trust Funds

Year Ended December 31, 2019

	Balance <u>Dec. 31, 2018</u>	Increased by <u>Receipts</u>	Decreased by <u>Disbursements</u>	Balance <u>Dec. 31, 2019</u>
Reserve for:				
COAH Developer Fees	118,832	24,733	5,061	138,504
Off Duty Police Escrow		332,071	332,071	
Developer Escrow	68,644	299,745	301,698	66,691
Municipal Court - P.O.A.A.	27,824	3,382		31,206
Recycling	10,161	28,978	25,233	13,906
Excavation Deposits	5,069			5,069
Public Defender		2,363	2,363	
Shade Tree	8,188			8,188
Youth Academy	4,349	2,240		6,589
Meter Money	119,953	944	1,123	119,774
Community Development	90,000		89,999	1
Building Penalties	34,100	48,050		82,150
JIF - Safety Moneys		2,000	1,989	11
Restitution		87		87
Reserve for Unemployment	163,829	15,200	46,411	132,618
Fire Prevention	7,699	23,874		31,573
Tax Sale Premiums	279,200	217,200	191,400	305,000
Bergen County Polling	320	660	480	500
Miscellaneous	35,760			35,760
	<u>973,928</u>	<u>1,001,527</u>	<u>997,828</u>	<u>977,627</u>
	B	B-1	B-1	B

Village of Ridgefield Park, N.J.

Statement of Net Payroll and Deductions Payable

Trust Funds

Year Ended December 31, 2019

	<u>Ref.</u>	
Increased by:		
Receipts	B-1	<u>11,851,054</u>
Decreased by:		
Disbursements	B-1	<u>11,851,054</u>

Village of Ridgefield Park, N.J.

Statement of Contributions Receivable

Year Ended December 31, 2019

	<u>Ref.</u>	
Balance - December 31, 2018	B	97,750
Increased by:		
Village Contributions	B-10	<u>89,700</u>
		187,450
Decreased by:		
Cash Receipts	B-1	<u>97,750</u>
Balance - December 31, 2019	B	<u><u>89,700</u></u>

Village of Ridgefield Park, N.J.

Statement of Net Assets Available for Benefits

Year Ended December 31, 2019

	<u>Ref.</u>		
Balance - December 31, 2018	B		2,583,997
Increased by:			
Village Contributions	B-9	89,700	
Gain or (Loss)	B-1	<u>498,657</u>	
			<u>588,357</u>
			3,172,354
Decreased by:			
Administrative Charges		5,184	
Withdrawals		<u>142,731</u>	
	B-1		<u>147,915</u>
Balance - December 31, 2019	B		<u><u>3,024,439</u></u>

Exhibit C-2

Village of Ridgefield Park, N.J.

Schedule of General Capital Cash - Treasurer

Year Ended December 31, 2019

	<u>Ref.</u>		
Balance - December 31, 2018	C		163,343
Increased by Receipts:			
Premium on Sale of Bond Anticipation Notes	C-1	19,586	
Grant Receivable	C-4	76,463	
Deferred Charges Unfunded	C-6	450,000	
Bond Anticipation Notes	C-8	3,200,000	
Various Liabilities	C-14	486,250	
Interfunds	C-15	<u>1,669,696</u>	
			<u>5,901,995</u>
			6,065,338
Decreased by Disbursements:			
Bond Anticipation Notes	C-8	1,950,000	
Improvement Authorizations	C-11	967,110	
Reserve for Encumbrances	C-12	1,297,352	
Interfunds	C-15	<u>1,719,586</u>	
			<u>5,934,048</u>
Balance - December 31, 2019	C		<u><u>131,290</u></u>

Exhibit C-3**Village of Ridgefield Park, N.J.****Analysis of General Capital Cash****Year Ended December 31, 2019**

	<u>Ref.</u>	
Fund Balance	C-1	233,984
Various Receivables	C-4	(231,378)
Reserve for Encumbrances	C-12	35,958
Capital Improvement Fund	C-13	940,928
Various Reserves	C-14	610,470
Interfund - Current Fund	C-15	(1,704,856)

Improvement Authorizations:

Ordinance

<u>Number</u>	<u>Improvement Description</u>	
13-07	Various Public Improvements	62,199
15-06	Various Capital Improvements	256,460
16-05	Various Public Improvements	96,638
16-10	Various Public Improvements	52,192
18-07	Various Public Improvements	(97,774)
19-13	Combined Sewer Overflow	(123,531)
		<hr/>
		131,290
		<hr/>
		C

Village of Ridgefield Park, N.J.

Schedule of Various Grants Receivable

Year Ended December 31, 2019

	Balance, <u>Dec. 31, 2018</u>	Cash <u>Received</u>	Balance, <u>Dec. 31, 2019</u>
NJ DOT Grant - Ord. #06-08 Resurfacing of Main Street	5,584		5,584
NJ DOT Grant - Ord. #08-05 Resurfacing of Main Street	26,270		26,270
NJ DOT Grant - Ord. #11-07 Resurfacing of Main Street	8,919		8,919
NJ DOT Grant - Ord. #16-05 Paving of East Winart Ave.	131,000	76,463	54,537
Bergen County Open Space Trust - #07-02	4,000		4,000
Bergen County Open Space Trust - #10-12	45,634		45,634
Bergen County Open Space Trust - #16-05	45,000		45,000
Bergen County Community Development - #08-05	20,000		20,000
Bergen County Community Development - #09-07	21,434		21,434
	<u>307,841</u>	<u>76,463</u>	<u>231,378</u>
	C	C-2	C/C-3

Exhibit C-5

Village of Ridgefield Park, N.J.

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

Year Ended December 31, 2019

	<u>Ref.</u>	
Balance - December 31, 2018	C	4,291,393
Decreased by:		
Budget Appropriations		
Serial Bonds Payable	C-7	1,045,000
Loan Payable - Green Acres	C-9	36,733
Loan Payable - NJIB	C-10	<u>111,304</u>
		<u>1,193,037</u>
Balance - December 31, 2019	C	<u><u>3,098,356</u></u>

Schedule of Deferred Charges to Future Taxation - Unfunded

Year Ended December 31, 2019

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Village of Ridgefield Park, N.J.
Schedule of General Serial Bonds Payable

Year Ended December 31, 2019

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2019		Interest Rate	Balance, Dec. 31, 2018	Decreased	Balance, Dec. 31, 2019
			Date	Amount				
General Improvement Bonds of 2004	03/15/04	5,355,000.00	3/15/20-21	450,000 450,000	4.00% 4.10%	1,350,000	450,000	900,000
BCIA Refunding Bonds of 2009	02/15/09	2,285,000.00			4.50%	250,000	250,000	
General Improvement Bonds of 2010	08/15/10	3,720,000.00	08/15/20	350,000	3.00%			
			08/15/21	375,000	3.00%			
			08/15/22	390,000	3.00%			
			08/15/23	390,000	3.125%			
			08/15/24	395,000	3.25%			
						2,245,000	345,000	1,900,000
						<u>3,845,000</u>	<u>1,045,000</u>	<u>2,800,000</u>
						C	C-5	C

Village of Ridgefield Park, N.J.

Schedule of Bond Anticipation Notes

Year Ended December 31, 2019

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Original Amount Issued</u>	<u>Original Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate of Interest</u>	<u>Balance, Dec. 31, 2018</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2019</u>
13-07	Various Improvements	3,304,000	04/20/14	04/09/20	2.50%	1,950,000	1,500,000	1,950,000	1,500,000
18-07	Various Improvements	1,700,000	04/12/19	04/09/20	2.50%	1,700,000	1,700,000		1,700,000
						<u>1,950,000</u>	<u>3,200,000</u>	<u>1,950,000</u>	<u>3,200,000</u>
						C	C-2	C-2	C

Exhibit C-9**Village of Ridgefield Park, N.J.****Schedule of Loan Payable****Green Acres Loan****Year Ended December 31, 2019**

	<u>Ref.</u>	
Balance - December 31, 2018	C	335,089
Decreased by:		
2019 Budget Appropriation	C-5	<u>36,733</u>
Balance - December 31, 2019	C	<u><u>298,356</u></u>

Exhibit C-10**Schedule of Loan Payable****NJIB Loan****Year Ended December 31, 2019**

	<u>Ref.</u>	
Balance - December 31, 2018	C	111,304
Decreased by:		
2019 Budget Appropriation	C-5	<u>111,304</u>
Balance - December 31, 2019	C	<u><u>0</u></u>

Schedule of Improvement Authorizations

Year Ended December 31, 2019

Ordinance Number	Improvement Description	Ordinance Amount	Balance, Dec. 31, 2018		2019 Authorizations	Paid or Charged	Balance, Dec. 31, 2019	
			Funded	Unfunded			Funded	Unfunded
<u>General Improvements</u>								
13-07	Various Public Improvements	3,904,000		62,199				62,199
15-06	Various Capital Improvements	1,000,000	256,460				256,460	
16-01	Combined Sewer Overflow	1,000,000	18,383			18,383		
16-05	Various Public Improvements	560,000	98,250			1,612	96,638	
16-10	Various Public Improvements	110,000	56,207			4,015	52,192	
18-07	Various Public Improvements	3,345,000		2,112,753		830,527		1,282,226
19-13	Combined Sewer Overflow	500,000			500,000	148,531		351,469
			429,300	2,174,952	500,000	1,003,068	405,290	1,695,894
			C	C			C	C
	Deferred Charges to Future Taxation - Unfunded		Ref.		475,000			
	Capital Improvement Fund		C-6		25,000			
			C-13		500,000			
				Ref.				
			Cash Disbursements		C-2	967,110		
			Reserve for Encumbrances		C-12	35,958		
						1,003,068		

Village of Ridgefield Park, N.J.
Schedule of Reserve for Encumbrances
Year Ended December 31, 2019

	<u>Ref.</u>	
Balance - December 31, 2018	C	1,297,352
Increased by:		
Improvement Authorizations	C-11	<u>35,958</u>
		1,333,310
Decreased by:		
Cash Disbursements	C-2	<u>1,297,352</u>
Balance - December 31, 2019	C/C-3	<u><u>35,958</u></u>

Village of Ridgefield Park, N.J.
Schedule of Capital Improvement Fund
Year Ended December 31, 2019

	<u>Ref.</u>	
Balance - December 31, 2018	C	965,928
Decreased by:		
Appropriated to Finance Improvement		
Authorizations	C-11	<u>25,000</u>
Balance - December 31, 2019	C/C-3	<u><u>940,928</u></u>

Village of Ridgefield Park, N.J.

Schedule of Various Liabilities

Year Ended December 31, 2019

	<u>Balance,</u> <u>Dec. 31, 2018</u>	<u>Increased by</u> <u>Receipts</u>	<u>Balance,</u> <u>Dec. 31, 2019</u>
Reserve for Debt Service	124,220	161,250	285,470
Reserve for Road Resurfacing		290,000	290,000
Reserve for Fire Equipment		35,000	35,000
	<u>124,220</u>	<u>486,250</u>	<u>610,470</u>
	C	C-2	C,C-3

Village of Ridgefield Park, N.J.

Schedule of Interfunds

General Capital Fund

Year Ended December 31, 2019

		Due From/(To) Balance			Due From/(To) Balance
	<u>Ref.</u>	<u>Dec. 31, 2018</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31, 2019</u>
Current Fund	C	1,584,966	1,719,586	1,599,696	1,704,856
Pool Capital Fund	C	<u>70,000</u>	<u> </u>	<u>70,000</u>	<u> </u>
		<u>1,654,966</u>	<u>1,719,586</u>	<u>1,669,696</u>	<u>1,704,856</u>
	<u>Ref.</u>				
Cash Disbursements	C-2	1,719,586.00			
Cash Receipts	C-2			<u>1,669,696</u>	
			<u>1,719,586.00</u>	<u>1,669,696</u>	

Village of Ridgefield Park, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

Year Ended December 31, 2019

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, Dec. 31, 2018</u>	<u>2019 Authorizations</u>	<u>Issued</u>	<u>Balance, Dec. 31, 2019</u>
	<u>General Improvements:</u>				
18-07	Various Improvements	3,080,000.00		1,700,000	1,380,000
19-13	Combined Sewer Overflow		475,000		475,000
		<u>3,080,000.00</u>	<u>475,000</u>	<u>1,700,000</u>	<u>1,855,000</u>
			C-6		Footnote C

Village of Ridgefield Park, N.J.

Schedule of Cash

Swimming Pool Fund

Year Ended December 31, 2019

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2018	D	<u>59,405</u>	<u>15,821</u>
Increased by Receipts:			
Swimming Pool Fees	D-3	113,703	
Miscellaneous Revenue	D-3	294	
Deferred Charges Operating Deficit	D-3	34,953	
Interfunds	D-13	6,152	
Interfunds	D-14		70,242
Reserve for Capital Outlay	D-15		<u>26,000</u>
		<u>155,102</u>	<u>96,242</u>
		<u>214,507</u>	<u>112,063</u>
Decreased by Disbursements:			
Budget Appropriations	D-4	151,000	
Improvement Authorizations	D-10		14,000
Interfunds	D-13	20,301	
Interfunds	D-14		70,105
Reserve for Capital Outlay	D-15		<u>7,500</u>
		<u>171,301</u>	<u>91,605</u>
Balance - December 31, 2019	D	<u><u>43,206</u></u>	<u><u>20,458</u></u>

Village of Ridgefield Park, N.J.

Schedule of Swimming Pool Utility Capital Cash

Swimming Pool Capital Fund

Year Ended December 31, 2019

		<u>Ref.</u>	Balance <u>Dec. 31, 2019</u>
Fund Balance		D-2	6
Interfunds Payable		D-14	294
Reserve for Capital Outlay		D-15	18,500
<u>Improvement Authorizations</u>			
Ordinance			
Number			
02-03	Pool Improvements	D-10	142
06-05	Pool Improvements	D-10	<u>1,516</u>
		D	<u><u>20,458</u></u>

Village of Ridgefield Park, N.J.

Schedule of Fixed Capital

Swimming Pool Capital Fund

Year Ended December 31, 2019

<u>Description</u>	Balance	Additions	Additions	Balance
	<u>Dec. 31, 2018</u>	<u>Capital</u> <u>Outlay</u>	<u>Ordinance</u>	<u>Dec. 31, 2019</u>
Pool and Pool Improvements	<u>1,217,647</u>	<u>7,500</u>	<u>20,000</u>	<u>1,245,147</u>
	<u>1,217,647</u>	<u>7,500</u>	<u>20,000</u>	<u>1,245,147</u>
	D	D-11	D-8	D

Village of Ridgely Park, N.J.

Schedule of Fixed Capital Authorized and Uncompleted

Swimming Pool Capital Fund

Year Ended December 31, 2019

Ordinance Number	Improvement Description	Ordinance Amount	Balance, Dec. 31, 2018	Costs to Fixed Capital	Balance, Dec. 31, 2019
02-03	Pool Improvements	40,000.00	142		142
06-05	Pool Improvements	45,000.00	1,516		1,516
17-05	Installation of Pool Slide	20,000.00	20,000	20,000	
			21,658	20,000	1,658
			D	D-7	D

Village of Ridgefield Park, N.J.

Schedule of 2018 Appropriation Reserves

Swimming Pool Operating Fund

Year Ended December 31, 2019

	Balance, <u>Dec. 31, 2018</u>	Balance After Transfers and <u>Encumbrances</u>	Balance <u>Lapsed</u>
Operating:			
Salaries and Wages	<u>2,050</u>	<u>2,050</u>	<u>2,050</u>
	<u>2,050</u>	<u>2,050</u>	<u>2,050</u>
	D	D	D-1

Village of Ridgefield Park, N.J.

Schedule of Improvement Authorizations

Swimming Pool Capital Fund

Year Ended December 31, 2019

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2018		Paid or Charged	Balance Dec. 31, 2019	
			<u>Funded</u>	<u>Unfunded</u>		<u>Funded</u>	<u>Unfunded</u>
02-03	Pool Improvements	40,000		142		142	
06-05	Pool Improvements	45,000		1,516		1,516	
17-05	Installation of Pool Slide	20,000	14,000		14,000		
			<u>14,000</u>	<u>1,658</u>	<u>14,000</u>	<u>1,658</u>	
			D	D	D-5	D	D

Village of Ridgefield Park, N.J.

Schedule of Reserve for Amortization

Swimming Pool Capital Fund

Year Ended December 31, 2019

	<u>Ref.</u>		
Balance - December 31, 2018	D		1,217,647
Increased by:			
Capital Outlay	D-7	7,500	
Transfer from Deferred Reserve	D-12	<u>20,000</u>	
			<u>27,500</u>
Balance - December 31, 2019	D		<u><u>1,245,147</u></u>

Village of Ridgefield Park, N.J.

Schedule of Deferred Reserve for Amortization

Swimming Pool Capital Fund

Year Ended December 31, 2019

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, Dec. 31, 2018</u>	To Reserve for Amortization		<u>Balance, Dec. 31, 2019</u>
			<u>Fixed Capital</u>		
02-03	Pool Improvements	142			142
06-05	Pool Improvements	1,516			1,516
17-05	Pool Improvements	<u>20,000</u>	<u>20,000</u>		
		<u>21,658</u>	<u>20,000</u>		<u>1,658</u>
		D	D-11		D

Village of Ridgefield Park, N.J.

Schedule of Interfunds

Swimming Pool Operating Fund

Year Ended December 31, 2019

		Due to/(from) Balance			Due to/(from) Balance
	<u>Ref.</u>	<u>Dec. 31, 2018</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31, 2019</u>
Pool Capital Fund	D	(105)	294	105	(294)
Other Trust Fund	D	12,000		12,000	
Current Fund	D	<u>8,007</u>	<u>6,047</u>	<u>8,007</u>	<u>6,047</u>
		<u>19,902</u>	<u>6,341</u>	<u>20,112</u>	<u>5,753</u>
	<u>Ref.</u>				
Cash Receipts	D-5		6,047	105	
Cash Disbursements	D-5		<u>294</u>	<u>20,007</u>	
			<u>6,341</u>	<u>20,112</u>	

Village of Ridgefield Park, N.J.

Schedule of Interfunds

Swimming Pool Capital Fund

Year Ended December 31, 2019

		Due to/(from) Balance			Due to/(from) Balance
	<u>Ref.</u>	<u>Dec. 31, 2018</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31, 2019</u>
Current Fund	D	(69,948)		69,948	
General Capital Fund	D	70,000		70,000	
Pool Operating Fund	D	105	294	105	294
		<hr/>	<hr/>	<hr/>	<hr/>
		157	294	140,053	294
		<hr/>	<hr/>	<hr/>	<hr/>

	<u>Ref.</u>		
Cash Receipts	D-5	294.00	69,948.00
Cash Disbursements	D-5		70,105.00
		<hr/>	<hr/>
		294.00	140,053.00
		<hr/>	<hr/>

Village of Ridgefield Park, N.J.

Schedule of Reserve for Capital Outlay

Swimming Pool Capital Fund

Year Ended December 31, 2019

	<u>Ref.</u>	
Increased by:		
Cash Receipts	D-5	26,000
Decreased by:		
Cash Disbursements	D-5	<u>7,500</u>
Balance - December 31, 2019	D	<u><u>18,500</u></u>

Village of Ridgefield Park, N.J.

Schedule of Cash-Treasurer

Public Assistance Fund

Year Ended December 31, 2019

	<u>Ref.</u>	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Balance - December 31, 2018	F	<u>58,302</u>	<u>5,390</u>	<u>52,912</u>
Increased by Receipts:				
State Aid		29,800		29,800
Other Receipts		750	750	
Supplemental Security Income				
Reimbursement		<u>64,500</u>		<u>64,500</u>
		<u>95,050</u>	<u>750</u>	<u>94,300</u>
		<u>153,352</u>	<u>6,140</u>	<u>147,212</u>
Decreased by Disbursements:				
Public Assistance - 2019		<u>69,988</u>	<u>1,154</u>	<u>68,834</u>
		<u>69,988</u>	<u>1,154</u>	<u>68,834</u>
Balance - December 31, 2019	F	<u><u>83,364</u></u>	<u><u>4,986</u></u>	<u><u>78,378</u></u>

Village of Ridgefield Park, N.J.

Schedule of Public Assistance Cash and Reconciliation

Per N.J.S.A. 40A:5-5

Public Assistance Fund

Year Ended December 31, 2019

	<u>Ref.</u>	
Balance - December 31, 2019	F-1	83,364
Increased by:		
Cash Receipts Record		<u>5,238</u>
		88,602
Decreased by:		
Cash Disbursements Record		
- 2020 Assistance		<u>19,404</u>
Balance - June 15, 2020		<u><u>69,198</u></u>

<u>Reconciliation - June 15, 2020</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>	<u>TOTAL</u>
Balance on Deposit per Statement of:			
Valley National Bank			
Checking	4,996	64,202	69,198
Less: Outstanding Checks	<u> </u>	<u> </u>	<u> </u>
Balance - June 15, 2020	<u><u>4,996</u></u>	<u><u>64,202</u></u>	<u><u>69,198</u></u>

Village of Ridgefield Park, N.J.

Schedule of Cash-Treasurer

Public Assistance Fund

Year Ended December 31, 2019

	<u>Ref.</u>	
Balance - December 31, 2018	F-1	58,302
Increased by Receipts:		
Cash Receipts Record		<u>95,050</u>
		153,352
Decreased by Disbursements:		
Cash Disbursements Record		
Public Assistance 2019		<u>69,988</u>
Balance - December 31, 2019		<u><u>83,364</u></u>

<u>Reconciliation - December 31, 2019</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>	<u>TOTAL</u>
Balance on Deposit per Statement of:			
Valley National Bank			
Checking	4,986	78,378	83,364
Less: Outstanding Checks	<u> </u>	<u> </u>	<u> </u>
Balance - December 31, 2019	<u><u>4,986</u></u>	<u><u>78,378</u></u>	<u><u>83,364</u></u>

Exhibit F-4**Village of Ridgefield Park, N.J.****Schedule of Revenues - Cash Basis****Public Assistance Fund****Year Ended December 31, 2019**

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
State Aid Payments	29,800		29,800
Supplemental Security Income	64,500		64,500
Total Revenues (P.A.T.F.)	94,300		94,300
Miscellaneous	750	750	
Total Receipts	95,050	750	94,300
	F-1		

Exhibit F-5**Schedule of Expenditures - Cash Basis****Public Assistance Fund****Year Ended December 31, 2019**

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Payments for Current Year Assistance (Reported)			
Maintenance Payments	28,243		28,243
Other:			
Miscellaneous	167		167
Temporary Rental Assistance	40,424		40,424
Total Payments Reported	68,834		68,834
Other Assistance	1,154	1,154	
Total Disbursements (P.A.T.F.)	69,988	1,154	68,834
	F-1		

VILLAGE OF RIDGEFIELD PARK

PART II

LETTERS ON INTERNAL CONTROL AND ON

COMPLIANCE AND OTHER MATTERS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2019



WIELKOTZ & COMPANY ⁹

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

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 Village of Ridgfield Park in the County of Bergen as of and for the year ended December 31, 2019 and the related notes to the financial statements, and have issued our report thereon dated July 16, 2020, 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 Village of Ridgfield Park'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 Village of Ridgfield Park's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Ridgfield Park'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 Village Committee
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 Village of Ridgefield Park in the accompany comments and recommendations section of this report.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Ridgefield Park'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 Village of Ridgefield Park 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 Village of Ridgefield Park's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Ridgefield Park's internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.

Paul J. Cuva

Paul J. Cuva, C.P.A.
Registered Municipal Accountant
No. 394

Wielkatz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

July 16, 2020

GENERAL COMMENTS

Contracts and Agreements

N.J.S.A. 40A:11-4 states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law."

Effective April 17, 2000 and thereafter the bid thresholds in accordance with N.J.S.A. 40A:11-3 (as amended) is \$17,500.00 and \$25,000.00 with a qualified purchasing agent. On July 1, 2010, the bid threshold was increased to \$36,000.00 with a qualified purchasing agent and on July 1, 2015, this amount was increased to \$40,000.00.

N.J.S.A. 40A:11-2 contains definitions for terms used throughout N.J.S.A. 40A:11-1 et seq. and was amended under P.L. 1999, c.440. It includes as subsection (23) the term 'competitive contracting', which is defined as "the method described in sections 1 through 5 of P.L. 1999, c.440 (C.40:11-4.1 through C.40A:11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors' formal proposals are evaluated by the purchasing agent or counsel; and the governing body awards a contract to a vendor or vendors from among the formal proposals received."

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of \$17,500.00, 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 and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations." The Village adopted a resolution increasing their bid threshold to \$36,000.00 and \$40,000.00 based on having a "qualified purchasing agent".

N.J.S.A. 40A:11-15 was amended with P.L. 1999, c.440 to extend the base contract period. "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 paragraph (1) of subsection (a) of N.J.S.A. 40A:11-5 may be awarded for a period not exceeding 12 consecutive months."

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Village 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:

None

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.

Our examination of expenditures did not reveal 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".

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 December 27, 2018 adopted the following resolution authorizing interest to be charged on delinquent taxes and year end penalty:

Interest on Delinquencies

WHEREAS, the Senate and General Assembly of the State of New Jersey have amended R.S. 54:4-67 to permit municipalities to increase the interest charged on delinquent taxes; and

WHEREAS, pursuant to R.S. 54:4-66 taxes are due and payable on the first days of February, May, August and November of each year and become delinquent if not paid on or before said dates;

NOW, THEREFORE, BE IT RESOLVED that a grace period of (10) days is hereby established within which any installment of taxes or assessments may be received after the due date thereof without an additional charge for interest; and

BE IT FURTHER RESOLVED, that interest on delinquent installments of taxes or assessments shall be charged at the rate of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00.

Year End Penalty

WHEREAS, NJSA 54:4-67 has been amended to permit an additional penalty of 6% to be collected against a delinquency in excess of \$10,000.00 on properties that fail to pay the delinquency prior to the end of the calendar year;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Village of Ridgefield Park as follows:

1. The Tax Collector is hereby authorized and directed to charge an additional penalty of 6% on a tax delinquency in excess of \$10,000.00 if it remains in arrears beyond December 31st.

It appears from our test of the collector's record that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 11, 2019 and was complete.

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

<u>Year</u>	<u>Number of Liens</u>
2019	1
2018	2
2017	2

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

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices.

The result of the test, which was made for the year ending December 31, 2019, is not yet known, but a separate report will be rendered if any irregularities are developed. In addition we utilized analytical review procedures to ascertain the validity of the receivables.

School Taxes Payable

The amount due to the Local School District, as of December 31, 2019, was verified by the school Board Secretary.

Revenue

In one instance, a plumbing permit was not charged in accordance with the fee schedule.

Expenditures

In some instances, purchase orders did not contain backing invoices.

Political Disclosure forms were not received from vendors required to submit them.

Authorization was not available for some employees wishing to have their health benefit contribution post tax.

All salaries and other compensation paid to employees did not contain proper authorization by governing body.

In some instances, timesheets for seasonal employees were not approved by the department head.

Other

The General Capital Fund contains various old receivable balances.

In some instances, County board tax appeal judgments were not recorded in a timely manner.

RECOMMENDATIONS

1. That all building permits be charged according to the Village's fee schedule.
- *2. That purchase orders contain backing invoices.
- *3. That Political Disclosure forms be received from all vendors required to submit them.
4. That proper authorization be available for all employees wishing to have their health benefit contribution post tax.
5. That all salaries and other compensation paid to employees be approved by resolution of the Governing Body.
6. That all timesheets for seasonal employees be approved by the department head.
- *7. That the various receivables in the General Capital Fund be reviewed for collection or cancellation.
8. That all County board tax appeal judgments be recorded in a timely manner.

STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS

A review was performed on all prior year recommendations and corrective action was taken on all items except those marked with an ("*").

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

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

Very truly yours,

Paul J. Cuva

Paul J. Cuva, C.P.A.
Registered Municipal Accountant
No. 394

Wielkatz & Company, LLC

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Certified Public Accountants
Pompton Lakes, New Jersey