

BOROUGH OF RINGWOOD

COUNTY OF PASSAIC

DECEMBER 31, 2011

BOROUGH OF RINGWOOD, N. J.
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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Ringwood
Ringwood, New Jersey 07456

We have audited the accompanying balance sheets-regulatory basis of the various funds and account group of the Borough of Ringwood in the County of Passaic, as of and for the years ended December 31, 2011 and 2010, and the related statements 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, 2011. These financial statements are the responsibility of the Borough of Ringwood's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as discussed below, we conducted our audits 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, 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.



Honorable Mayor and
Members of the Borough Council
Page 2.

The Length of Service Awards Program of the Borough of Ringwood has not been audited, and we were not engaged to audit The Length of Service Awards Program financial statements as part of our audit of the Borough's financial statements.

As described in Note 1, these financial statements were prepared in conformity with the accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between the prescribed basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the Borough of Ringwood's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Ringwood, New Jersey as of December 31, 2011 and 2010 or the results of its operations for the years then ended.

However, in our opinion, the financial statements referred to above, with the exception of the Length of Services Awards Program present fairly, in all material respects, the financial position-regulatory basis of the various funds and account group of the Borough of Ringwood, New Jersey at December 31, 2011 and 2010, and the results of its operations and the changes in fund balance-regulatory basis of such funds for the years then ended and the statement of revenues-regulatory basis, and statement of expenditures-regulatory basis for the year ended December 31, 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated July 13, 2012 on our consideration of the Borough of Ringwood's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. This report is an integral part of our audit performed in accordance with Government Auditing Standards and should be considered in assessing results of our audit.

Honorable Mayor and
Members of the Borough Council
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Our audit was for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information, schedules and exhibits listed in the table of contents are not required parts of the financial statements, but are presented as additional analytical data, as required by the Division of Local Government Services. This information has been subjected to the tests and other auditing procedures applied in the audit of the financial statements mentioned above and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.



Charles J. Ferraioli, Jr., C.P.A.
Registered Municipal Accountant
No. 388



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

July 13, 2012

BOROUGH OF RINGWOOD

PART I

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2011

Borough of Ringwood, N.J.
Comparative Balance Sheet - Regulatory Basis

Current Fund
December 31, 2011

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>			
Cash	A-4	\$ 2,509,179.72	\$ 1,919,497.76
Change Fund	A-5	285.00	285.00
		<u>2,509,464.72</u>	<u>1,919,782.76</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	443,621.79	507,219.78
Tax Title Liens Receivable	A-7	376,387.88	317,745.32
Property Acquired for Taxes - Assessed Valuation	A-8	3,056,400.00	3,056,400.00
Revenue Accounts Receivable	A-9	31,001.22	15,315.52
Interfund - Assessment Trust	A-27	2,089.89	
		<u>3,909,500.78</u>	<u>3,896,680.62</u>
Deferred Charges:			
Special Emergency Authorizations (40A:4-55)	A-28	1,140,000.00	210,000.00
		<u>1,140,000.00</u>	<u>210,000.00</u>
		<u>7,558,965.50</u>	<u>6,026,463.38</u>
Federal and State Grant Funds:			
State Grants Receivable	A-31	568,060.57	533,360.20
Interfund-Current Fund	A-30	247,193.15	334,930.85
		<u>815,253.72</u>	<u>868,291.05</u>
		<u>\$ 8,374,219.22</u>	<u>\$ 6,894,754.43</u>

See accompanying notes to financial statements.

Borough of Ringwood, N.J.
Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2011

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3, A-12	\$ 859,506.66	\$ 237,941.80
Reserve for Encumbrances	A-13	356,153.75	234,466.52
Prepaid Taxes	A-14	127,486.46	187,381.65
Due to State of New Jersey, Chapter 73, P. L. 1976	A-16	23,761.51	23,565.56
Interfund:			
Other Trust Fund	A-10	1,020.00	4,080.00
Federal and State Grant Fund	A-11	247,193.15	334,930.85
General Capital Fund	A-22	18,093.79	18,093.79
Assessment Trust Fund	A-27		28.50
Reserve for Master Plan	A-17	3,701.99	3,701.99
Reserve for Sale of Surplus Equipment	A-18	6,666.18	6,666.18
Reserve for Revaluation of Real Property	A-26	45,335.00	45,335.00
Reserve for Tax Appeals	A-15	33,626.04	15,265.35
Accounts Payable	A-25	213.85	213.85
Regional School Taxes Payable	A-20	50,998.57	
Emergency Note Payable		1,000,000.00	
Due County for Added and Omitted Taxes	A-19	23,889.98	7,309.19
		<u>2,797,646.93</u>	<u>1,118,980.23</u>
Reserve for Receivables	Contra	3,909,500.78	3,896,680.62
Fund Balance	A-1	<u>851,817.79</u>	<u>1,010,802.53</u>
		<u>7,558,965.50</u>	<u>6,026,463.38</u>
Federal and State Grant Funds:			
Interfund-General Capital Fund	A-29	191,125.28	191,125.28
Encumbrances Payable	A-34		128,129.92
Reserve for Federal and State Grant Funds:			
Appropriated	A-32	606,557.49	542,894.37
Unappropriated	A-33	17,570.95	6,141.48
		<u>815,253.72</u>	<u>868,291.05</u>
		<u>\$ 8,374,219.22</u>	<u>\$ 6,894,754.43</u>

See accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Operations and Changes in Fund Balance - Regulatory Basis

Current Fund

Year Ended December 31, 2011

With comparative figures for 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>REVENUE AND OTHER INCOME REALIZED:</u>			
Surplus Utilized	A-2	\$ 803,000.00	\$ 925,000.00
Miscellaneous Revenue Anticipated	A-2	3,069,207.26	3,078,563.74
Receipts from Delinquent Taxes	A-2	499,030.59	525,682.98
Receipts from Current Taxes	A-2	45,044,056.86	44,278,892.07
Non-Budget Revenue	A-2	148,872.24	116,667.18
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-12	33,191.08	77,394.64
Cancellation of Appropriations Payable	A-3	7.01	9,053.77
Interfunds Returned			
		<hr/>	<hr/>
TOTAL INCOME		\$ 49,597,365.04	\$ 49,011,254.38
<u>EXPENDITURES:</u>			
Budget and Emergency Appropriations:			
Operations Within CAP:			
Salaries and wages	A-3	\$ 5,206,507.00	\$ 5,257,249.00
Other expenses	A-3	4,715,309.00	4,943,136.00
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	1,357,976.00	642,113.59
Operations Excluded from CAP:			
Salaries and Wages	A-3	100,200.00	102,000.00
Other Expenses	A-3	1,850,034.38	1,287,014.20
Capital Improvements	A-3	415,135.00	391,135.00
Municipal Debt Service	A-3	859,314.00	863,810.00
Deferred Charges	A-3	85,000.00	70,000.00
County Taxes	A-19	10,294,653.47	9,938,956.59
Due County for Added and Omitted Taxes:			
Current Year	A-19	22,046.09	5,460.56

See accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Operations and Changes in Fund Balance - Regulatory Basis

Current Fund

Year Ended December 31, 2011

With comparative figures for 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>EXPENDITURES (Continued)</u>			
Local District School Tax	A-21	\$ 15,781,990.00	\$ 15,456,040.00
Regional High School Tax	A-20	9,091,406.74	9,193,825.81
Municipal Open Space Tax	A-10	171,688.21	171,980.34
Interfund Loans		2,089.89	
		<hr/>	<hr/>
TOTAL EXPENDITURES		49,953,349.78	48,322,721.09
		<hr/>	<hr/>
Excess (Deficit) in Revenue		(355,984.74)	688,533.29
Adjustments to Income before Fund Balance:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year		1,000,000.00	
		<hr/>	<hr/>
Statutory Excess to Surplus		644,015.26	688,533.29
Fund Balance, January 1,	A	1,010,802.53	1,247,269.24
		<hr/>	<hr/>
		1,654,817.79	1,935,802.53
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	803,000.00	925,000.00
		<hr/>	<hr/>
Balance, December 31,	A	\$ 851,817.79	\$ 1,010,802.53
		<hr/>	<hr/>

See accompanying notes to financial statements.

Borough of Ringwood, N.J.
Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2011

	Ref.	Budget	Special N.J.S 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	803,000.00		803,000.00	
Miscellaneous Revenues - Section A: Local Revenues					
Licenses:					
Alcoholic Beverages	A-9	3,100.00		3,128.00	28.00
Other	A-2	8,100.00		8,675.00	575.00
Fees and Permits	A-2	64,250.00		63,461.23	(788.77)
Fines and Costs:					
Municipal Court	A-9	138,000.00		146,713.27	8,713.27
Interest and Costs on Taxes	A-9	117,000.00		121,088.61	4,088.61
Interest on Investments and Deposits	A-9	27,650.00		1,118.33	(26,531.67)
Tax Search Fees	A-9	250.00		440.00	190.00
Election Revenue	A-9	300.00		600.00	300.00
Park and Ride Permits	A-9	29,000.00		29,800.00	800.00
Sewer Rents	A-4	148,000.00		148,669.97	669.97
Uniform Fire Safety Act	A-4	11,700.00		11,552.45	(147.55)
Total Section A		547,350.00	-	535,246.86	(12,103.14)
Miscellaneous Revenues - Section B: State Aid Without Offsetting Appropriations					
Energy Receipts Tax	A-4	1,600,509.00		1,600,509.00	-
(P.L. 1997, Ch. 162 & 167)	A-4	41,796.00		41,796.00	-
Garden State Trust PILOT Funds					
Total Section B		1,642,305.00	-	1,642,305.00	-

See accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2011

	Ref.	Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Miscellaneous Revenues - Section C: Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S.A. 40A:4-36 and N.J.A.C. 5:23-4.17):					
Uniform Construction Code Fees	A-9	119,000.00		134,860.00	15,860.00
Miscellaneous Revenues - Section D: Special Items of Revenues Anticipated With Prior Written Consent of Director of Local Government Services - Interlocal Municipal Service Agreements offset with Appropriations:					
Borough of Wanauke - Health Services	A-4	65,000.00		71,251.08	6,251.08
Borough of Pompton Lakes - Stormwater Cleaning	A-9	13,000.00		-	(13,000.00)
Borough of Bloomingdale - Snake Den Rd. Maint.	A-4	30,000.00		33,000.00	3,000.00
Total Section D		108,000.00	-	104,251.08	(3,748.92)
Miscellaneous Revenues - Section F: Special Items of Revenues Anticipated With Prior Written Consent of Director of Local Government Services State and Federal Revenues Offset With Appropriations:					
Clean Communities Program	A-31		24,028.01	24,028.01	
Body Armor Grant	A-31	4,621.65	2,204.15	6,825.80	
Recycling Tonnage Grant	A-31		18,016.47	18,016.47	
Drunk Driving Enforcement Fund	A-31		20,694.27	20,694.27	
Alcohol, Education and Rehabilitation Fund	A-31	1,519.83		1,519.83	
NJ Transportation Trust Fund	A-31	300,000.00		300,000.00	
Total Section F		306,141.48	64,942.90	371,084.38	

See accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2011

	Ref.	Budget	Special N.J.S 40A:4-87	Realized	Excess or (Deficit)
Miscellaneous Revenues - Section G: Special Items of Revenues Anticipated With Prior Written Consent of Director of Local Government Services-Other Special Items:					
Reserve for Debt Service	A-4	84,780.68		84,780.68	-
FEMA Grant	A-4	63,435.00		90,247.54	26,812.54
FEMA Grant - December 2010 Storm	A-4	24,000.00		24,000.00	-
Sale of Recycling Materials	A-4	50,000.00		69,931.72	19,931.72
Capital Fund Balance	A-4	12,500.00		12,500.00	-
Total Section G		234,715.68	-	281,459.94	46,744.26
Total Miscellaneous Revenues	A-1	2,957,512.16	64,942.90	3,069,207.26	46,752.20
Receipts from Delinquent Taxes	A-1	546,554.32		499,030.59	(47,523.73)
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	A-2	10,097,466.00		10,524,981.73	427,515.73
Non-Budget Revenue	A-1			148,872.24	148,872.24
Grand Total		14,404,532.48	64,942.90	15,045,091.82	575,616.44
		A-3	A-3		

See accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2011

Analysis of Realized Revenues			
Allocation of Current Tax Collections:			
Revenue from Collections	A-1	\$	45,044,056.86
Allocated to:			
School, County, Regional School and Municipal Open Space Taxes			<u>35,399,075.13</u>
Balance for Support of Municipal Budget Appropriations			9,644,981.73
Add: Appropriation - Reserve for Uncollected Taxes	A-3		<u>880,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$	<u>10,524,981.73</u>
Receipts from Delinquent taxes:			
Delinquent Tax Collections	A-6		498,214.70
Tax Title Lien Collections	A-7		<u>815.89</u>
	A-2	\$	<u>499,030.59</u>
Licenses - Other:			
Clerk	A-9		1,950.00
Board of Health	A-9		<u>6,725.00</u>
	A-2	\$	<u>8,675.00</u>
Fees and Permits - Other:			
Clerk	A-9		8,764.34
Board of Health	A-9		19,217.00
Police Department	A-9		19,469.89
Treasurer	A-9		<u>16,010.00</u>
	A-2	\$	<u>63,461.23</u>
Analysis of Non - Budget Revenues			
Miscellaneous Revenues Not Anticipated:			
Revenue Accounts Receivable:			
Non-Budget Revenues - Clerk	A-9		10.00
Health Department	A-9		6,735.00
Other Miscellaneous Items	A-4		<u>142,127.24</u>
	A-1, A-2	\$	<u>148,872.24</u>

See accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

	<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>						
Operations - within "CAPS"						
GENERAL GOVERNMENT:						
Department of Administration						
Salaries and Wages		226,843.00	226,843.00	223,995.14	2,847.86	-
Other Expenses		75,250.00	75,250.00	73,374.95	1,875.05	-
Legislation						
Salaries and Wages		29,000.00	29,000.00	29,000.00	-	-
Other Expenses		4,150.00	4,750.00	4,476.32	273.68	-
Elections						
Salaries and Wages		1,200.00	1,200.00	744.45	455.55	-
Other Expenses		7,700.00	7,100.00	6,326.63	773.37	-
DEPARTMENT OF ADMINISTRATION:						
Legal Services						
Other Expenses		157,000.00	179,000.00	177,861.47	1,138.53	-
Office of Data Processing						
Other Expenses		29,200.00	29,200.00	28,947.60	252.40	-
Office of Emergency Management						
Salaries and Wages		4,884.00	4,884.00	4,884.00	-	-
Other Expenses		13,000.00	13,000.00	12,965.45	34.55	-
Division of Engineering						
Salaries and Wages		67,201.00	67,201.00	66,826.02	374.98	-
Other expenses		62,000.00	22,000.00	5,206.38	16,793.62	-

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

	<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>						
DEPARTMENT OF FINANCE:						
Office of Treasurer		129,138.00	129,138.00	128,421.70	716.30	-
Salaries and Wages						
Other Expenses		3,915.00	3,915.00	2,948.04	966.96	-
DIVISION OF TAX COLLECTION:						
Salaries and Wages		90,948.00	87,948.00	87,457.45	490.55	-
Other Expenses		5,352.00	5,352.00	3,886.77	1,465.23	-
DIVISION OF TAX ASSESSMENT:						
Salaries and Wages		69,224.00	69,224.00	69,215.55	8.45	-
Other expenses		1,850.00	1,850.00	1,538.55	311.45	-
DIVISION OF FINANCIAL CONTROL:						
Other expenses		45,500.00	48,500.00	47,579.84	920.16	-
Statutory Agencies						
Prosecutor						
Salaries and Wages		18,402.00	18,402.00	18,402.00	-	-
MUNICIPAL LAND USE LAW (N.J.S.A. 40:55D-1):						
Planning Board						
Salaries and Wages		15,041.00	15,041.00	15,041.00	-	-
Other Expenses		15,750.00	15,750.00	14,883.42	866.58	-

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.
Statement of Expenditures - Regulatory Basis
Current Fund
Year Ended December 31, 2011

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Board of Adjustment						
Salaries and Wages		46,936.00	46,936.00	46,935.01	0.99	-
Other Expenses		7,625.00	7,625.00	7,595.65	29.35	-
INSURANCE						
Other Insurance Premiums		633,025.00	634,825.00	634,605.93	219.07	-
Group Insurance Plan - Employees		1,220,456.00	1,252,706.00	1,251,980.88	725.12	-
Industrial Commission						
Salaries and Wages		125.00	125.00	125.00	-	-
Environmental Commission						
Salaries and Wages		1,276.00	1,276.00	976.50	299.50	-
Other Expenses		750.00	750.00	707.79	42.21	-
DEPARTMENT OF POLICE:						
Division of Patrol						
Salaries and Wages		2,337,351.00	2,337,351.00	2,336,701.19	649.81	-
Other Expenses		77,550.00	81,050.00	80,260.01	789.99	-
Division of Traffic/Crossing Guards						
Salaries and Wages		25,055.00	26,305.00	26,305.00	-	-
Other Expenses		300.00	300.00		300.00	-
Division of Investigation						
Salaries and Wages		270,021.00	272,521.00	272,521.00	-	-
Other Expenses		400.00	400.00	400.00	-	-
Division of Communications						
Salaries and Wages		227,774.00	271,674.00	271,178.71	495.29	-
Other Expenses		5,300.00	5,300.00	5,280.00	20.00	-

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
O.S.H.A. Standard Fire Fighting Equipment (CH.516, P.L. 1983)						
Purchase of Fire Equipment		22,000.00	22,000.00	21,999.99	0.01	-
Education Seminars		5,000.00	5,000.00	5,000.00	-	-
Aid to Volunteer Fire Companies		90,000.00	90,000.00	89,999.99	0.01	-
Aid to Ambulance Corps		43,000.00	43,000.00	43,000.00	-	-
Bureau of Fire Prevention		48,000.00	48,450.00	48,450.00	-	-
Other Expenses - Clothing Allowance						
Uniform Fire Safety Act (P.L. 1983 C.383)						
Fire Inspection		19,253.00	20,065.00	20,058.00	7.00	-
Salaries and Wages		1,840.00	1,428.00	1,424.48	3.52	-
Other Expenses						
DEPARTMENT OF PUBLIC WORKS:						
Division of Streets and Roads						
Salaries and Wages		625,968.00	634,968.00	633,380.64	1,587.36	-
Other Expenses		122,090.00	99,090.00	96,748.89	2,341.11	-
Division of Snow and Ice Control						
Salaries and Wages		56,000.00	56,000.00	48,212.47	7,787.53	-
Other Expenses		130,500.00	130,500.00	105,188.42	25,311.58	-
Division of Equipment Maintenance						
Salaries and Wages		113,897.00	113,897.00	113,091.42	805.58	-
Other Expenses		181,250.00	171,250.00	171,005.80	244.20	-
Division of Public Buildings and Grounds						
Salaries and Wages		183,513.00	177,513.00	172,352.13	5,160.87	-
Other Expenses		156,000.00	156,000.00	151,841.19	4,158.81	-

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Division of Solid Waste /Recycling						
Salaries and Wages		20,000.00	20,000.00	17,953.22	2,046.78	-
Other Expenses		891,300.00	861,400.00	860,945.45	454.55	-
Division of Sewer						
Salaries and Wages		28,038.00	28,038.00	27,152.10	885.90	-
Other Expenses		168,500.00	168,500.00	140,349.09	28,150.91	-
DEPARTMENT OF COMMUNITY DEVELOPMENT:						
Division of Public Health						
Salaries and Wages		217,724.00	214,224.00	208,625.29	5,598.71	-
Other Expenses		52,675.00	44,425.00	37,411.64	7,013.36	-
Division of Public Assistance						
Salaries and Wages						
Other Expenses						
Recreation						
Salaries and Wages		94,210.00	92,710.00	90,397.00	2,313.00	-
Other Expenses		47,330.00	47,330.00	45,866.40	1,463.60	-
Terminal Leave Compensation		12,000.00	12,000.00	12,000.00	-	-
Municipal Cable TV Committee						
Salaries and Wages		200.00	200.00		200.00	-
Other Expenses		19,200.00	19,200.00	17,808.02	1,391.98	-

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)						
Division of Code Enforcement						
Bureau of Building Construction		100,400.00	100,000.00	98,854.04	1,145.96	-
Salaries and Wages		2,898.00	2,898.00	2,516.03	381.97	-
Other Expenses						
Bureau of Electrical Inspection		13,445.00	13,445.00	13,441.00	4.00	-
Salaries and Wages						
Bureau of Plumbing Inspection		13,445.00	13,445.00	13,441.00	4.00	-
Salaries and Wages						
Municipal Court:						
Salaries & Wages		107,394.00	95,894.00	95,027.95	866.05	-
Other Expenses		4,795.00	4,795.00	4,794.31	0.69	-
Public Defender						
Salaries & Wages		9,039.00	9,039.00	9,039.00	-	-

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
UNCLASSIFIED:						
Gasoline		164,900.00	184,900.00	184,900.00	-	-
Electricity		75,000.00	75,000.00	72,192.43	2,807.57	-
Natural Gas		17,000.00	17,000.00	12,680.90	4,319.10	-
Telephone and Telegraph		42,000.00	42,000.00	40,329.80	1,670.20	-
Grantsman		18,000.00	18,000.00	18,000.00	-	-
Transportation Contract w/ Lakeland Reg HS		69,120.00	69,120.00	69,035.37	84.63	-
Contribution to A.W.A.R.E.		1,000.00	1,000.00	1,000.00	-	-
Drug and Alcohol Testing		4,300.00	4,300.00	4,256.00	44.00	-
TOTAL OPERATIONS (ITEM 8(A) WITHIN "CAPS")		9,918,716.00	9,921,716.00	9,779,324.86	142,391.14	-
CONTINGENT		100.00	100.00	-	100.00	-
TOTAL OPERATIONS INCLUDING CONTINGENT - WITHIN "CAPS"		9,918,816.00	9,921,816.00	9,779,324.86	142,491.14	-
DETAIL:						
Salaries and Wages	A-1	5,174,945.00	5,206,507.00	5,171,754.98	34,752.02	-
Other Expenses (Including Contingent)	A-1	4,743,871.00	4,715,309.00	4,607,569.88	107,739.12	-

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

Unexpended
Balance
Cancelled

Reserved

Paid or
Charged

Budget
After
Modification

Budget

Ref

General Appropriations

DEFERRED CHARGES AND STATUTORY
EXPENDITURES MUNICIPAL WITHIN "CAPS"

DEFERRED CHARGES:

STATUTORY EXPENDITURES:

Contribution to:

Public Employees' Retirement System

Social Security System (O.A.S.I.)

Police and Firemen's Retirement System of NJ

312,801.00

309,801.00

309,801.00

-

368,700.00

368,700.00

360,722.69

-

679,475.00

679,475.00

679,475.00

-

TOTAL DEFERRED CHARGES AND STATUTORY
EXPENDITURES - MUNICIPAL WITHIN "CAPS"

A-1

1,360,976.00

1,357,976.00

1,349,998.69

-

JUDGMENTS

CASH DEFICIT OF PRECEDING YEAR

TOTAL GENERAL APPROPRIATIONS FOR
MUNICIPAL PURPOSES WITHIN "CAPS"

11,279,792.00

11,279,792.00

11,129,323.55

-

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
OPERATIONS - EXCLUDED FROM "CAPS"						
Hurricane Damage			1,000,000.00	319,827.70	680,172.30	-
Reserve for Tax Appeals		30,000.00	30,000.00	30,000.00	-	-
Aid to Library		658,350.00	658,350.00	650,446.76	7,903.24	-
Emergency Services Volunteer Length of Service Award Program		91,800.00	91,800.00	77,350.00	14,450.00	-
TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS"		780,150.00	1,780,150.00	1,077,624.46	702,525.54	-

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS						
DEPARTMENT OF COMMUNITY DEVELOPMENT:						
Division of Public Health						
Salaries & Wages		65,000.00	65,000.00	58,487.33	6,512.67	-
Streets and Roads						
Borough of Pompton Lakes Storm Water						
Salaries & Wages		13,000.00	13,000.00	13,000.00	-	-
Borough of Bloomingdale						
Salaries & Wages		21,000.00	21,000.00	21,000.00	-	-
TOTAL INTERLOCAL MUNICIPAL SERVICE AGREEMENTS		99,000.00	99,000.00	92,487.33	6,512.67	-

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.
Statement of Expenditures - Regulatory Basis

		Current Fund				Unexpended
		Year Ended December 31, 2011				Balance
	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
PUBLIC AND PRIVATE PROGRAMS OFFSET						
BY REVENUES						
General Appropriations						
Clean Communities Program		1,200.00	1,200.00	1,200.00	-	-
Salaries & Wages		22,828.01	22,828.01	22,828.01	-	-
Other Expenses						
Body Armor Grant		6,825.80	6,825.80	6,825.80	-	-
Other Expenses						
Recycling Tonnage Grant		18,016.47	18,016.47	18,016.47	-	-
Other Expenses						
Drunk Driving Enforcement Fund		20,694.27	20,694.27	20,694.27	-	-
Other Expenses						
Alcohol Education and Rehabilitation Fund		1,519.83	1,519.83	1,519.83	-	-
Other Expenses						

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

Unexpended
Balance
Cancelled

Reserved

Paid or
Charged

Budget
After
Modification

Budget

Ref.

General Appropriations

PUBLIC AND PRIVATE PROGRAMS OFFSET
BY REVENUES (CONT.)

TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET
BY REVENUES

TOTAL OPERATIONS - EXCLUDED FROM "CAPS"

DETAIL:

Salaries and Wages
Other Expenses

	71,084.38	71,084.38	71,084.38	-	-
	950,234.38	1,950,234.38	1,241,196.17	709,038.21	-
A-1	100,200.00	100,200.00	93,687.33	6,512.67	-
A-1	850,034.38	1,850,034.38	1,147,508.84	702,525.54	-

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.
Statement of Expenditures - Regulatory Basis

		Current Fund				Unexpended
		Year Ended December 31, 2011				Balance
General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Down Payments on Improvements Capital Improvement Fund						
Purchase of Fire Fighting Equipment		40,135.00	40,135.00	40,135.00		
Municipal Road Program		75,000.00	75,000.00	75,000.00		
Public and Private Programs Offset by Revenues New Jersey Transportation Trust Fund Authority Act		300,000.00	300,000.00	300,000.00		
	A-1	<u>415,135.00</u>	<u>415,135.00</u>	<u>415,135.00</u>		
TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"						

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Payment of Bond Principal		470,000.00	470,000.00	470,000.00	XXXXXXXXXX	-
Payment of Bond Anticipation and Capital Notes		26,710.00	26,710.00	26,710.00	XXXXXXXXXX	-
Interest on Bonds		330,585.00	330,585.00	330,581.26	XXXXXXXXXX	3.74
Interest on Notes		22,689.00	22,689.00	22,688.25	XXXXXXXXXX	0.75
Green Trust Loan Program:						
Loan Repayments for Principal and Interest		9,330.00	9,330.00	9,327.48	XXXXXXXXXX	2.52
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
	A-1	859,314.00	859,314.00	859,306.99	-	7.01

See Accompanying notes to financial statements.

Borough of Kingwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

<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>
DEFERRED CHARGES:						
Emergency Authorizations					XXXXXXXXXX	
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)		70,000.00	70,000.00	70,000.00	XXXXXXXXXX	
Special Emergency Authorizations - 3 Years (N.J.S. 40A:4-55.1 & 40A:4-55.13)					XXXXXXXXXX	
Small Cities Program		15,000.00	15,000.00	15,000.00	XXXXXXXXXX	
Deferred Charges to Future Taxation Unfunded:						
TOTAL DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"	A-1	85,000.00	85,000.00	85,000.00	-	-
JUDGMENTS						
TRANSFERRED TO BOARD OF EDUCATION FOR USE OF LOCAL SCHOOL (N.J.S.A. 40:48-17.1 & 17.3)						
WITH PRIOR CONSENT OF LOCAL FINANCE BOARD: CASH DEFICIT OF PRECEDING YEAR						
TOTAL GENERAL APPROPRIATIONS FOR MUN. PURPOSES EXCLUDED FROM "CAPS"		2,309,683.38	3,309,683.38	2,600,638.16	709,038.21	7.01

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
TOTAL GENERAL APPROPRIATIONS - EXCLUDED FROM "CAPS"		<u>2,309,683.38</u>	<u>3,309,683.38</u>	<u>2,600,638.16</u>	<u>709,038.21</u>	<u>7.01</u>
SUBTOTAL GENERAL APPROPRIATIONS		<u>13,589,475.38</u>	<u>14,589,475.38</u>	<u>13,729,961.71</u>	<u>859,506.66</u>	<u>7.01</u>
RESERVE FOR UNCOLLECTED TAXES		<u>880,000.00</u>	<u>880,000.00</u>	<u>880,000.00</u>	<u>XXXXXXXXXX</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS		<u>14,469,475.38</u>	<u>15,469,475.38</u>	<u>14,609,961.71</u>	<u>859,506.66</u>	<u>7.01</u>
					<u>A</u>	<u>A-1</u>
ADOPTED BUDGET						
EMERGENCY APPROPRIATION 40A:4-53	A-2		14,404,532.48			
APPROPRIATION BY 40A:4-87	A-28		1,000,000.00			
	A-2		64,942.90			
			<u>15,469,475.38</u>			
RESERVE FOR UNCOLLECTED TAXES	A-2			880,000.00		
RESERVE FOR ENCUMBRANCES	A-13			356,153.75		
RESERVE FOR TAX APPEALS	A-15			30,000.00		
DEFERRED CHARGE-EMERG. AUTH. (40A:4-55)	A-28			70,000.00		
INTERFUND-FEDERAL AND STATE GRANT FUND	A-32			371,084.38		
INTERFUND-OTHER TRUST FUND	A-10			15,000.00		
DISBURSED	A-4			<u>12,887,723.58</u>		
				<u>14,609,961.71</u>		

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Fund

December 31, 2011

With Comparative Figures for 2010

	Ref.	Balance Dec. 31, 2011	Balance Dec. 31, 2010
ASSETS			
Animal Control Trust Fund:			
Cash	B-1	556.66	753.82
		<u>556.66</u>	<u>753.82</u>
Assessment Fund:			
Cash	B-1	328,999.99	295,791.73
Assessments Receivable	B-11	1,846,964.63	2,016,209.38
Assessment Liens	B-12	3,532.07	3,193.83
Interfund-Current Fund	B-13		28.50
Amount to be Raised by Taxation			
Cancelled Assessments	B-17	4,232.56	
		<u>2,183,729.25</u>	<u>2,315,223.44</u>
Other Trust Funds:			
Cash:			
Other Trust	B-1	1,063,799.72	968,224.51
Unemployment Insurance Trust Fund	B-1	7,202.03	13,493.46
Small Cities Economic Development Grant	B-1	143,723.72	128,723.72
Interfund-Current Fund	B-5	1,020.00	4,080.00
		<u>1,215,745.47</u>	<u>1,114,521.69</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Investments		836,993.87	787,750.54
Contributions Receivable		96,050.00	91,800.00
		<u>933,043.87</u>	<u>879,550.54</u>
		<u>4,333,075.25</u>	<u>4,310,049.49</u>

See accompanying notes to financial statements.

Borough of Ringwood, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Fund

December 31, 2011

With Comparative Figures for 2010

	Ref.	Balance Dec. 31, 2011	Balance Dec. 31, 2011
<u>LIABILITIES AND RESERVES</u>			
Animal Control Trust Fund:			
Due to State Department of Health	B-2	10.80	1.20
Reserve for Animal Control Fund Expenditures	B-3	545.86	752.62
		<u>556.66</u>	<u>753.82</u>
Assessment Fund:			
Interfund-Current Fund	B-13	2,089.89	
Loan Payable-State of New Jersey	B-14	2,157,139.36	2,293,108.85
Reserve for Assessment and Liens	B-15	24,500.00	22,114.59
		<u>2,183,729.25</u>	<u>2,315,223.44</u>
Other Trust Funds:			
Deposits Payable	B-4	144,712.03	152,690.99
Due to State of New Jersey - Building Surcharge	B-6	885.00	2,984.00
Due to State of New Jersey - Marriage Surcharge	B-7	625.00	475.00
Encumbrances Payable	B-8	3,528.00	10,362.50
Reserve for Various Other Trust Reserves	B-16	1,065,995.44	948,009.20
		<u>1,215,745.47</u>	<u>1,114,521.69</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Net Assets Available for Benefits	B-9	933,043.87	879,550.54
		<u>4,333,075.25</u>	<u>4,310,049.49</u>

See accompanying notes to financial statements.

Borough of Ringwood, N.J.

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31, 2011

With Comparative Figures for 2010

<u>Assets</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Cash	C-2, C-3	2,780,821.69	2,471,912.53
Deferred Charges to Future Taxation:			
Funded	C-4	7,251,159.75	7,728,690.88
Unfunded	C-5	2,497,939.65	2,524,649.65
Interfund:			
Current Fund	C-6	18,093.79	18,093.79
Federal and State Grant Fund	C-7	191,125.28	191,125.28
		<hr/>	<hr/>
		<u>12,739,140.16</u>	<u>12,934,472.13</u>
 <u>Liabilities, Reserves and Fund Balance</u> 			
General Serial Bonds	C-8	7,167,000.00	7,637,000.00
Bond Anticipation Notes	C-9	2,532,840.00	1,512,550.00
Loan Payable	C-13	84,159.75	91,690.88
Improvement Authorizations:			
Funded	C-10	1,146,163.33	1,202,545.55
Unfunded	C-10	1,449,034.19	2,046,166.15
Capital Improvement Fund	C-11	101,758.95	101,758.95
Contracts Payable	C-12	71,061.60	94,326.22
Reserve for Various Projects	C-14	187,051.32	151,082.68
Reserve for Debt Service	C-15		84,780.68
Capital Fund Balance	C-1	71.02	12,571.02
		<hr/>	<hr/>
		<u>12,739,140.16</u>	<u>12,934,472.13</u>

See accompanying notes to financial statements.

There were bonds and notes authorized but not issued on December 31, 2011 of \$20,249.04 as per Exhibit C-16.

Borough of Ringwood, N.J.

Statement of General Capital Fund Balance - Regulatory Basis

General Capital Fund

Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	C	12,571.02
Decreased by:		
Budget Appropriation	C-2	<u>12,500.00</u>
Balance - December 31, 2011	C, C-3	<u><u>71.02</u></u>

See accompanying notes to financial statements.

Borough of Ringwood, N.J.

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31, 2011

With Comparative Figures for 2010

<u>ASSETS</u>	<u>Ref</u>	<u>Balance Dec. 31, 2011</u>	<u>Balance Dec. 31, 2010</u>
Operating Fund:			
Cash	D-4	40,675.14	93,372.16
Cash - Change Fund		<u>100.00</u>	<u>100.00</u>
		<u>40,775.14</u>	<u>93,472.16</u>
Receivables with Full Reserves:			
Consumers' Accounts Receivable	D-8	<u>99,904.96</u>	<u>95,793.46</u>
Deferred Charges:			
Operating Deficit	D-1, D-25	<u>120,565.03</u>	
		<u>120,565.03</u>	
		<u>261,245.13</u>	<u>189,265.62</u>
Assessment Trust Fund:			
Cash	D-4, D-5	0.36	0.36
Assessments Receivable	D-9	<u>163,480.00</u>	<u>163,480.00</u>
		<u>163,480.36</u>	<u>163,480.36</u>
Capital Fund:			
Cash	D-4, D-6	550,968.99	825,972.39
Interfund:			
Water Operating	D-19	50,000.00	
Fixed Capital	D-10	14,723,649.97	14,723,649.97
Fixed Capital Authorized and Uncompleted	D-11	<u>3,380,000.00</u>	<u>2,980,000.00</u>
		<u>18,704,618.96</u>	<u>18,529,622.36</u>
		<u>19,129,344.45</u>	<u>18,882,368.34</u>

See accompanying notes to financial statements.

There were bonds and notes authorized and not issued of \$518,201.21 at December 31, 2011 as per Exhibit D-26.

Borough of Ringwood, N.J.

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31, 2011

With Comparative Figures for 2010

	<u>Ref</u>	<u>Balance Dec. 31, 2011</u>	<u>Balance Dec. 31, 2010</u>
<u>LIABILITIES, RESERVES AND SURPLUS</u>			
Operating Fund:			
Appropriation Reserves	D-3, D-12	46,257.69	12,336.84
Reserve for Encumbrances	D-13	43,459.93	10,407.83
Interfund:			
Water Capital Fund	D-7	50,000.00	
Accrued Interest on Bonds and Notes	D-14	<u>19,159.74</u>	<u>17,306.18</u>
		158,877.36	40,050.85
Reserve for Receivables	Contra	99,904.96	95,793.46
Operating Fund Balance	D-1	<u>2,462.81</u>	<u>53,421.31</u>
		<u>261,245.13</u>	<u>189,265.62</u>
Assessment Trust Fund:			
Reserve for Assessment and Liens	D-15	<u>163,480.36</u>	<u>163,480.36</u>
		<u>163,480.36</u>	<u>163,480.36</u>
Capital Fund:			
Serial Bonds	D-16	3,477,000.00	3,682,000.00
Bond Anticipation Notes	D-17	2,099,505.00	2,114,430.00
Improvement Authorizations:			
Funded	D-18		66,134.18
Unfunded	D-18	939,160.37	597,477.88
Contracts Payable	D-23	64,310.00	164,861.71
Reserve for:			
Amortization	D-20	11,946,644.00	11,726,719.00
Capital Improvements	D-21	238.84	238.84
Deferred Amortization	D-22	62,300.00	62,300.00
Payment of BAN's	D-24	115,460.75	115,460.75
		<u>18,704,618.96</u>	<u>18,529,622.36</u>
		<u>19,129,344.45</u>	<u>18,882,368.34</u>

See accompanying notes to financial statements.

Borough of Ringwood, N.J.

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

Water Utility Fund

December 31, 2011

With Comparative Figures for 2010

	Ref.	<u>2011</u>	<u>2010</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Surplus Utilized	D-2	50,958.50	
Rents and Additional Rents	D-2	1,302,917.31	1,368,574.05
Miscellaneous	D-2	9,531.08	11,203.42
Water Utility Capital Surplus			8,512.11
Water Utility Assessment Fund Balance			7,114.87
Reserve for Debt Service			112,898.58
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-12	<u>1,586.58</u>	<u>6,484.65</u>
Total Income		<u>1,364,993.47</u>	<u>1,514,787.68</u>
<u>EXPENDITURES</u>			
Operating	D-3	954,633.50	808,322.04
Capital Improvements	D-3	100,000.00	
Debt Service	D-3	401,925.00	321,183.00
Deferred Charges and Statutory Expenditures	D-3	29,000.00	332,370.52
Total Expenditures		<u>1,485,558.50</u>	<u>1,461,875.56</u>
Deficit in Revenue		(120,565.03)	
Excess in Revenue			52,912.12
Adjustments to Income before Surplus:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year			
Operating Deficit to be Raised in Budget of Succeeding Year	D	<u>(120,565.03)</u>	
Statutory Excess to Surplus			52,912.12
FUND BALANCE - JANUARY 1,	D	<u>53,421.31</u>	<u>509.19</u>
			53,421.31
Decreased by:			
Utilization by Water Operating Budget	D-1	<u>50,958.50</u>	
FUND BALANCE - DECEMBER 31,	D	<u><u>2,462.81</u></u>	<u><u>53,421.31</u></u>

See accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Revenues - Regulatory Basis

Water Utility Operating Fund

December 31, 2011

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)*</u>
Surplus Utilized	D-1	50,958.50	50,958.50	-
Rents	D-1	1,363,600.00	1,302,917.31	(60,682.69)
Miscellaneous	D-1	16,000.00	9,531.08	(6,468.92)
Special Items:				
Additional Water Rents		<u>55,000.00</u>		<u>(55,000.00)</u>
Budget Totals		<u>1,485,558.50</u>	<u>1,363,406.89</u>	<u>(122,151.61)</u>
Analysis of Water Rents:				
Consumer Accounts Receivable Collected	D-4, D-8		<u>1,302,917.31</u>	
Analysis of Miscellaneous Revenues:				
Treasurer:				
Interest on Investments:				
Water Operating Fund	D-4		41.08	
Water Collector:				
Main Tap		9,000.00		
Meter Charges		450.00		
Miscellaneous		<u>40.00</u>		
	D-4		<u>9,490.00</u>	
			<u>9,531.08</u>	

See accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Water Utility Operating Fund

December 31, 2011

Ref	Appropriated		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
	316,333.50	324,333.50	324,333.50	-	-
	638,300.00	630,300.00	587,806.10	42,493.90	-
D-1	954,633.50	954,633.50	912,139.60	42,493.90	-
Total Operations					
Capital Improvements:					
	100,000.00	100,000.00	98,022.29	1,977.71	-
D-1	100,000.00	100,000.00	98,022.29	1,977.71	-
Debt Service:					
	205,000.00	205,000.00	205,000.00	-	-
	14,925.00	14,925.00	14,925.00	-	-
	150,000.00	150,000.00	150,000.00	-	-
	32,000.00	32,000.00	32,000.00	-	-
D-1	401,925.00	401,925.00	401,925.00	-	-
Total Debt Service					
Deferred Charges and Statutory Expenditures:					
	3,000.00	3,000.00	3,000.00	-	-
	26,000.00	26,000.00	24,213.92	1,786.08	-
D-1	29,000.00	29,000.00	27,213.92	1,786.08	-
Total Deferred Charges and Statutory Expenditures					
	1,485,558.50	1,485,558.50	1,439,300.81	46,257.69	-
Grand Total					
				D	

Ref

D-13 Reserve for Encumbrances 43,459.93
D-14 Interest on Bonds and Notes 182,000.00
D-4 Disbursed 1,213,840.88
1,439,300.81

See accompanying notes to financial statements.

Borough of Ringwood, N.J.

Balance Sheet - Regulatory Basis

Public Assistance Fund

December 31, 2011

With Comparative Figures for 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Assets</u>			
Cash	E-1	<u>6,961.19</u>	<u>6,961.19</u>
		<u>6,961.19</u>	<u>6,961.19</u>
<u>Liabilities</u>			
Reserve For Public Assistance	E-4	<u>6,961.19</u>	<u>6,961.19</u>
		<u>6,961.19</u>	<u>6,961.19</u>

See accompanying notes to financial statements.

Borough of Ringwood, N.J.
Balance Sheet - Regulatory Basis
Payroll Fund
December 31, 2011
With Comparative Figures for 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Assets</u>			
Cash	F -1	0.07	0.07
		0.07	0.07
<u>Liabilities</u>			
Payroll Deductions Payable	F -1	0.07	0.07
		0.07	0.07

See accompanying notes to financial statements.

Borough of Ringwood, N.J.

Balance Sheet - Regulatory Basis

Recreation Fund

December 31, 2011

With Comparative Figures for 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Assets</u>			
Cash	G-1	<u>232,221.59</u>	<u>207,037.25</u>
		<u>232,221.59</u>	<u>207,037.25</u>
<u>Liabilities</u>			
Reserve for Encumbrances		5,048.55	19,612.89
Reserve For Recreation	G-2	<u>227,173.04</u>	<u>187,424.36</u>
		<u>232,221.59</u>	<u>207,037.25</u>

See accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of General Fixed Assets - Regulatory Basis

December 31, 2011

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
<u>Assets</u>		
General Fixed Assets:		
Land	7,135,500.00	7,135,500.00
Buildings	4,196,000.00	4,196,000.00
Machinery, Vehicles and Equipment	8,381,922.39	8,169,650.39
	<u>19,713,422.39</u>	<u>19,501,150.39</u>
<u>Liabilities</u>		
Investment in General Fixed Assets	<u>19,713,422.39</u>	<u>19,501,150.39</u>

(1) See Notes to Financial Statements - (Note 9)

See accompanying notes to financial statements.

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2011 and 2010

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 Borough of Ringwood 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 an other comprehensive basis of accounting other than generally accepted accounting principles. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

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

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

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

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2011 and 2010
(continued)

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

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

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

The Borough has the following funds and account 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 Borough as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

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

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

Assessment Trust Fund - This fund is used to account for special assessment levies against property for the cost of an improvement, the whole or a part of which costs are levied against the property receiving the benefit.

Emergency Services Volunteer Length of Service Award Program - This fund is used to account for the cumulative amount of each participant's length of service awards, 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.

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2011 and 2010
(continued)

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

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

Water Operating and Water Capital Funds - Account for the operations and acquisition of capital facilities of the municipality-owned water utility.

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

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

Basis of Accounting

A modified accrual basis of accounting is followed by the Borough of Ringwood. 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 Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall subject to the provisions of the New Jersey Statutes

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2011 and 2010
(continued)

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

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

Basis of Accounting, (continued)

enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

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

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

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

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

General Capital Fund
Trust Fund
Public Assistance Fund
Water Capital Fund

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2011 and 2010
(continued)

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

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

Basis of Accounting, (continued)

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. Several budget transfers were approved by the governing body.

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.

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2011 and 2010
(continued)

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

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

Basis of Accounting, (continued)

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

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

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

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

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

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

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2011 and 2010
(continued)

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

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

Basis of Accounting, (continued)

General Fixed Assets - Prior to year 2000, the Borough of Ringwood did not maintain a fixed asset accounting system as required by N.J.A.C. 5:30-5.6. Assets were not added or deleted from the Schedule of Fixed Assets. During the year 2000, an independent appraisal was made of the Borough's fixed assets and the Borough has developed a fixed asset accounting system.

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

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

No depreciation has been provided for in the financial statements.

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

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

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

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

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2011 and 2010
(continued)

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

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

Basis of Accounting, (continued)

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

C. Basic Financial Statements

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

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2011, \$-0- of the Borough's bank balance of \$7,819,914.14 was exposed to custodial credit risk.

Investments

Investment Rate Risk

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

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2011 and 2010
(continued)

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

Credit Risk

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

Concentration of Credit Risk

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

Unaudited Investments

As more fully described in Note 16, the Borough 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 Borough. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by Variable Annuity Life Insurance Company, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2011 and 2010 amounted to \$836,993.87 and \$787,750.54, respectively.

The following investments represent 5% or more of the total invested with Variable Annuity Life Insurance Company on December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Broad Cap Value Income Fund	\$48,611.33	\$45,194.71
Large Capital Growth Fund	54,505.14	55,044.95
Mid Cap Index Fund	41,871.21	
Money Market Funds	114,269.01	98,277.55
Vanguard Life Strategy Growth Fund	44,075.57	40,967.71
Total	<u>\$303,332.26</u>	<u>\$239,484.92</u>

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2011 and 2010
(continued)

NOTE 3. MUNICIPAL DEBT

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 regulatory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

Long-term debt as of December 31, 2011 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2010</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	\$7,637,000.00	\$	\$470,000.00	\$7,167,000.00	\$505,000.00
Bonds Payable - Water Utility Debt	3,682,000.00		205,000.00	3,477,000.00	215,000.00
Other Liabilities - Compensated Absences Payable	164,386.42	40,171.20		204,557.62	
Loan Payable - State of NJ - Skyline Lakes Dam	1,424,893.90		86,357.21	1,338,536.69	86,357.20
New Jersey - Green Trust Loans	91,690.88		7,531.13	84,159.75	7,682.51
Loan Payable - State of NJ - Erskine Lakes Dam	<u>868,214.95</u>	<u> </u>	<u>49,612.28</u>	<u>818,602.67</u>	<u>49,612.28</u>
	<u>\$13,868,186.15</u>	<u>\$40,171.20</u>	<u>\$818,500.62</u>	<u>\$13,089,856.73</u>	<u>\$863,651.99</u>

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2011 and 2010
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

The Borough's debt is summarized as follows:

SUMMARY OF MUNICIPAL DEBT

	<u>Year 2011</u>	<u>Year 2010</u>	<u>Year 2009</u>
<u>Issued:</u>			
General Bonds and Notes	\$9,699,840.00	\$9,149,550.00	\$9,627,500.00
Water Utility - Bonds and Notes	5,576,505.00	5,796,430.00	5,718,020.00
Assessment Loans Payable	2,157,139.36	2,293,108.85	1,511,251.10
Green Trust Loan	<u>84,159.75</u>	<u>91,690.88</u>	<u>99,073.62</u>
Total Issued	<u>17,517,644.11</u>	<u>17,330,779.73</u>	<u>16,955,844.72</u>
<u>Authorized But Not Issued</u>			
General Bonds and Notes	20,249.04	1,067,249.04	87,072.01
Water Utility - Bonds and Notes	<u>518,201.21</u>	<u>118,201.21</u>	<u>3,000,000.24</u>
Total Authorized But Not Issued	<u>538,450.25</u>	<u>1,185,450.25</u>	<u>3,087,072.25</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$18,056,094.36</u>	<u>\$18,516,229.98</u>	<u>\$20,042,916.97</u>

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENTS

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .76%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$12,375,000.00	\$12,375,000.00	\$0.00
Regional School District Debt	1,462,786.51	1,462,786.51	0.00
Water Utility Debt	6,094,706.21	3,804,205.96	2,290,500.25
General Debt	<u>11,961,388.15</u>	<u>695,000.00</u>	<u>11,266,388.15</u>
	<u>\$31,893,880.87</u>	<u>\$18,336,992.47</u>	<u>\$13,556,888.40</u>

Net Debt \$13,556,888.40 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$1,792,982,440.67 equals .76%.

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

3 ½% of Equalized Valuation Basis (Municipal)	\$62,754,385.42
Net Debt	<u>13,556,888.40</u>
Remaining Borrowing Power	<u>\$49,197,497.02</u>

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2011 and 2010
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

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

Cash receipts from fees, rents or other charges for year	\$1,363,406.89
Deductions:	
Operating and Maintenance Cost	\$1,083,633.50
Debt Service per Water Account	<u>401,925.00</u>
Total Deductions	1,485,558.50
Deficit in Revenue	<u>(\$122,151.61)</u>

Footnote: If there is an "excess in revenue", all such utility debt is deductible.

The foregoing debt information is in agreement with the annual debt statement filed by the Chief Financial Officer.

The Borough's long term debt consisted of the following at December 31, 2011:

<u>Paid by Current Fund:</u>	<u>Debt</u> <u>Outstanding</u>
<u>General Serial Bonds:</u>	
\$2,000,000.00 General Bonds of 2004 with an interest rate of 4.00% issued January 15, 2004, due in annual installments through January 15, 2014.	\$675,000.00
\$840,000.00 Sewer Refunding Bonds of 2009 with interest rates of 3.00% to 5.00% issued April 23, 2009, due in annual installments through February 1, 2019.	695,000.00
\$1,630,000.00 General Refunding Bonds of 2009 with interest rates of 3.00% to 5.00% issued April 23, 2009, due in annual installments through February 1, 2021.	1,470,000.00
\$4,367,000.00 County Guaranteed Governmental Loan Revenue Bonds of 2009 with interest rates of 4.25% to 5.50% issued January 15, 2009, due in annual installments through October 1, 2024.	4,327,000.00
\$150,000.00 New Jersey Green Trust Loans dated February 2002 with an interest rate of 2% payable in installments through 2021	<u>84,159.75</u>
	<u>7,251,159.75</u>

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2011 and 2010
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

Paid by Assessment Fund:

\$1,579,959.55 Loan payable - NJDEP - dated March 3, 2009 with an interest rate of 2% payable in installments through 2027	\$1,338,536.69
\$930,996.16 Loan payable - NJDEP - dated October 14, 2009 with an interest rate of 2% payable in installments through 2028	<u>818,602.67</u>
	<u>2,157,139.36</u>

Paid by Water Utility Fund:

Water Serial Bonds:

\$2,122,000.00 Water Bonds of 2004 with an interest rate of 4.00% issued January 15, 2004, due in annual installments through January 15, 2024.	\$1,742,000.00
\$1,870,000.00 Water Bonds of 2009 with interest rates of 3.00% to 5.00% issued April 23, 2009, due in annual installments through February 1, 2021.	<u>1,735,000.00</u>
	<u>3,477,000.00</u>
	<u>\$12,885,299.11</u>

General Capital and Water Capital Serial Bonds are direct obligations of the Borough for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Borough and/or Water Utility Revenues.

In addition to the above, the Borough had authorized but not issued debt as follows:

Water Capital	\$518,201.21
General Capital	<u>20,249.04</u>
	<u>\$538,450.25</u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR THE NEXT FIVE YEARS FOR BONDED DEBT ISSUED AND OUTSTANDING

<u>Calendar Year</u>	<u>General</u>		<u>Utility Fund</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	\$505,000.00	\$313,985.00	\$215,000.00	\$141,380.00
2013	515,000.00	295,247.50	225,000.00	133,655.00
2014	510,000.00	275,172.50	220,000.00	125,130.00
2015	510,000.00	259,597.50	230,000.00	116,517.50
2016	535,000.00	239,560.00	250,000.00	107,742.50
2017-2021	2,695,000.00	850,612.50	1,355,000.00	361,950.00
2022-2024	<u>1,897,000.00</u>	<u>198,580.00</u>	<u>982,000.00</u>	<u>58,200.00</u>
	<u>\$7,167,000.00</u>	<u>\$2,432,755.00</u>	<u>\$3,477,000.00</u>	<u>\$1,044,575.00</u>

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2011 and 2010
(continued)

NOTE 4. BOND ANTICIPATION NOTES

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

On December 31, 2011, the Borough had \$1,485,840.00 in outstanding general capital bond anticipation notes maturing on November 2, 2012 at an interest rate of 1.00%; \$1,047,000.00 in outstanding general capital bond anticipation notes maturing on August 3, 2012 at an interest rate of 1.01%; and \$2,099,505.00 in water capital bond anticipation notes maturing on November 2, 2012 at an interest rate of 1.00%.

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2011.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>General Capital Fund:</u>				
Jefferies and Company	\$1,512,550.00	\$1,485,840.00	\$1,512,550.00	\$1,485,840.00
Valley National Bank		<u>1,047,000.00</u>		<u>1,047,000.00</u>
	<u>1,512,550.00</u>	<u>2,532,840.00</u>	<u>1,512,550.00</u>	<u>2,532,840.00</u>
 <u>Water Utility Capital Fund:</u>				
Jefferies and Company	<u>2,114,430.00</u>	<u>2,099,505.00</u>	<u>2,114,430.00</u>	<u>2,099,505.00</u>
	<u>\$3,626,980.00</u>	<u>\$4,632,345.00</u>	<u>\$3,626,980.00</u>	<u>\$4,632,345.00</u>

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2011 and 2010
(continued)

NOTE 5. LOAN AGREEMENTS

The Borough of Ringwood has entered into several loan agreements with the State of New Jersey Department of Environmental Protection as described below:

Green Trust Loans dated February 2002 payable over 19 years from November 7, 2002, the date of the final drawdown payment, through November 7, 2021. The loans of \$150,000 are at an interest rate of 2.00%.

Following are the remaining maturities and debt service schedules for the outstanding principal and interest on the Green Trust Loans:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$7,682.51	\$1,644.97	\$9,327.48
2013	7,836.92	1,490.56	9,327.48
2014	7,994.45	1,333.03	9,327.48
2015	8,155.13	1,172.35	9,327.48
2016	8,319.05	1,008.43	9,327.48
2017-2021	<u>44,171.69</u>	<u>2,465.70</u>	<u>46,637.39</u>
	<u>\$84,159.75</u>	<u>\$9,115.04</u>	<u>\$93,274.79</u>

A Dam Restoration Loan for Skyline Lakes Dams No. 1 and 2 dated March 3, 2009 in the amount of \$1,300,000 with an interest rate of 2.00% and a final maturity of May 27, 2027; and a Dam Restoration Loan for Erskine Upper Lake Dam dated October 14, 2009 in the amount of \$764,017 with an interest rate of 2.00% and a final maturity of July 6, 2028. The principal and interest on the Dam Restoration Loans are being paid by a special assessment levied on the property owners benefitting from the projects.

Following are the remaining maturities and debt service schedules for the outstanding principal and interest on the Dam Restoration Loans:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$99,657.79	\$36,311.69	\$135,969.48
2013	101,660.91	34,308.58	135,969.49
2014	103,704.30	32,265.18	135,969.48
2015	105,788.75	30,180.73	135,969.48
2016	107,915.13	28,054.38	135,969.51
2017-2021	572,997.20	106,850.25	679,847.45
2022-2026	632,945.39	46,902.06	679,847.45
2027-2028	<u>115,705.59</u>	<u>1,891.43</u>	<u>117,597.02</u>
	<u>\$1,840,375.06</u>	<u>\$316,764.30</u>	<u>\$2,157,139.36</u>

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2011 and 2010
(continued)

NOTE 6. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2011, the following deferred charges are shown on the balance sheet of the Current Fund:

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Added</u> <u>2011</u>	<u>2011</u> <u>Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Budget</u>
<u>Current Fund:</u>				
Emergency Authorization	\$210,000.00	\$1,000,000.00	\$70,000.00	\$1,140,000.00
<u>Water Utility Operating Fund:</u>				
Operating Deficit		120,565.03		120,565.03

NOTE 7. LOCAL AND REGIONAL HIGH 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 Borough of Ringwood has elected to defer school taxes as follows:

	<u>December 31, 2011</u>		<u>December 31, 2010</u>	
	<u>Local</u>	<u>Regional</u>	<u>Local</u>	<u>Regional</u>
	<u>School District</u>	<u>High School</u>	<u>School District</u>	<u>High School</u>
Balance of Tax	\$7,920,191.17	\$4,539,152.75	\$7,767,802.17	\$4,603,252.56
Deferred	<u>7,920,191.17</u>	<u>4,488,154.18</u>	<u>7,767,802.17</u>	<u>4,603,252.56</u>
School Tax Payable	<u>\$0.00</u>	<u>\$50,998.57</u>	<u>\$0.00</u>	<u>\$0.00</u>

NOTE 8. PENSION PLANS

Description of Systems

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

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2011 and 2010
(continued)

NOTE 8. PENSION PLANS, (continued)

Description of Systems, (continued)

Public Employees' Retirement System (PERS)

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

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

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

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

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2011 and 2010
(continued)

NOTE 8. PENSION PLANS, (continued)

Description of Systems, (continued)

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

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

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

Police and Firemens' Retirement System (PFRS)

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

Enrolled members of the Police and Firemens' Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Special retirement is permitted to members who have 25 or more years of creditable service in the system. Benefits fully vest on reaching 10 years of service. Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

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

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2011 and 2010
(continued)

NOTE 8. PENSION PLANS, (continued)

Description of Systems, (continued)

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

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

Contribution Requirements

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

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

<u>Year Ended</u> <u>December 31,</u>	<u>PERS</u>	<u>PFRS</u>
2011	\$309,801.00	\$679,475.00
2010	234,439.00	486,399.00
2009	124,381.50	236,548.50

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2011 and 2010
(continued)

NOTE 8. PENSION PLANS, (continued)

Defined Contribution Retirement Program

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

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

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

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

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

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

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

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

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

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2011 and 2010
(continued)

NOTE 9. OTHER POST-RETIREMENT BENEFITS

In addition to the pension benefits described in Note 8, the Borough provides post employment health care benefits as follows:

Eligibility for Retired Group Coverage

Service Retirement Eligibility

An employee is eligible to receive postretirement health benefits through the Borough of Ringwood by meeting the following criteria:

1. Retire from active employment with the Borough of Ringwood; and
2. For all except PBA, be at least 60 years of age and have at least 30 years of service with the Borough; or
3. For PBA, have at least 25 years of service in the pension system.

Disability Retirement Eligibility

An employee is eligible if the employee retires with a disability pension from a state administered retirement system.

Other Eligibility

A surviving spouse is eligible for subsidized coverage. Spouses may enroll as dependents for those retirees.

As of January 1, 2011, there are 49 current employees actively participating in the Municipal Reinsurance Health Insurance Fund, and 21 retirees and 12 spouses of retirees also participating.

Funding Policy

The Borough is not required to nor does it contribute the annual required contribution (ARC) per N.J.S.A. 40A:4-1 et. seq. There is currently no provision under State statute for the Borough to accrue funds, create a trust or issue debt to finance their other post employment benefit (“OPEB”) liability.

Currently, there are no contribution requirements of plan members.

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2011 and 2010
(continued)

NOTE 9. OTHER POST-RETIREMENT BENEFITS, (continued)

Annual OPEB Cost

For 2008, the Borough's annual OPEB cost (expense) of \$1,183,200.00 was equal to the ARC. The Borough's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 is as follows:

<u>Year</u>	<u>Actual OPEB Payments</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2011	\$176,484.00	\$1,183,200.00	14.92%	\$4,217,463.00
2010	135,094.00	1,183,200.00	11.42	3,210,747.00
2009	103,559.00	1,183,200.00	8.75	2,162,641.00
2008	100,200.00	1,183,200.00	8.50	1,083,000.00

Funding Status and Funding Progress

The funded status of the plan as of December 31, 2008 was as follows:

Actuarial Accrued Liability (AAL)	\$9,796,600.00
Actuarial Value of Plan Assets	<u>-0-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$9,796,600.00</u>
Funded Ratio (Actuarial Value of Plan Assets (AAL))	0.00%
Cover Payroll (Active Plan Members)	N/A
UAAL as a Percentage of Covered Payroll	N/A

N/A - Not Available

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include economic assumptions; benefit assumptions and demographic assumptions. Economic assumptions include the discount rate and health care cost trend rates. Benefit assumptions encompass the initial per capita costs rates for medical coverage, and the face amount of employer-paid life insurance. Finally, demographic assumptions include probabilities concerning retirement, mortality, termination without receiving benefits; disability; recovery from disability; participation rates and coverage levels. Amounts determined regarding the funded status of the plan and the annual required contributions

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2011 and 2010
(continued)

NOTE 9. OTHER POST-RETIREMENT BENEFITS, (continued)

of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and included the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

NOTE 10. FUND BALANCES

Fund balances as of December 31, 2011 that have been anticipated as revenue in the 2012 budget is as follows:

Current Fund	\$697,000.00
Water Operating Fund	<u>\$697,000.00</u>

NOTE 11. FIXED ASSETS

The following is a summary of changes in the general fixed assets' account group for the year 2011.

	Balance <u>Dec. 31, 2010</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2011</u>
Land	\$7,135,500.00	\$	\$	\$7,135,500.00
Buildings	4,196,000.00			4,196,000.00
Machinery, Vehicles and Equipment	<u>8,169,650.39</u>	<u>212,572.00</u>	<u>300.00</u>	<u>8,381,922.39</u>
	<u>\$19,501,150.39</u>	<u>\$212,572.00</u>	<u>\$300.00</u>	<u>\$19,713,422.39</u>

During the year ended December 31, 2000, the Borough had its fixed assets appraised by an independent appraisal company. Based on the information obtained from this appraisal, an adjustment was necessary to the Borough's fixed assets. The resulting adjustment is reflected in the accompanying financial statements and supporting schedules.

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2011 and 2010
(continued)

NOTE 12. ACCRUED SICK AND VACATION BENEFITS

The Borough permits employees to accrue (with certain restrictions) unused sick and vacation pay, which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$204,557.62 as of December 31, 2011. This amount is not reported either as an expenditure or liability.

NOTE 13. DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at December 31, 2011 consist of the following:

\$247,193.15	Due to Federal and State Grant Fund from Current Fund for anticipated revenue.
18,093.79	Due to General Capital Fund from Current Fund for reimbursement of expenditures.
1,020.00	Due to Other Trust Fund from Current Fund for receipts collected in Current Fund.
191,125.28	Due from Federal and State Grant Fund to General Capital Fund for grant revenue.
<u>2,089.89</u>	Due from Assessment Trust Fund to Current Fund for receipts collected in Assessment Trust Fund.
<u>\$459,522.11</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

NOTE 14. LEASES

The Borough has not entered into any long-term agreements for any equipment purchases.

NOTE 15. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During the 2011 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2011 and 2010
(continued)

NOTE 15. RISK MANAGEMENT, (continued)

The Borough of Ringwood is also a member of the New Jersey Intergovernmental Insurance Fund (the "Fund"). The Fund provides their members with Liability, Property and Workers' Compensation and both an insured and self administered group of municipalities established for the purpose of providing low-cost insurance coverage for their respective members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

As a member of the Fund, the Borough could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

The Borough's health insurance is carried through the North Jersey Municipal Employee Benefit Fund. Adequacy of the Borough's insurance coverage is the responsibility of the Borough's management.

NOTE 16. 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:

	Balance <u>Dec 31, 2011</u>	Balance <u>Dec 31, 2010</u>
Prepaid Taxes	<u>\$127,486.46</u>	<u>\$187,381.65</u>
Cash Liability for Taxes Collected in Advance	<u>\$127,486.46</u>	<u>\$187,381.65</u>

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2011 and 2010
(continued)

NOTE 17. DEFERRED COMPENSATION PLAN

The Borough of Ringwood offers its employees a deferred compensation plan (the "Plan") created in accordance with Section 457 of the Internal Revenue Code. The Plan, which is administered by Variable Annuity Life Insurance Company (VALIC), is available to all Borough employees and permits participants to defer a portion of their salary. The deferred compensation is not available to employees until termination, retirement, unforeseeable emergency, or upon death to their beneficiaries.

All amounts of compensation deferred under this plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Borough of Ringwood (without being restricted to the provisions of benefits under the Plan) subject only to the claims of the Borough's general creditors. Participants' rights under the Plan are equivalent to those of general creditors of the Borough in an amount equal to the fair market value of the deferred account for each participant. However, on October 22, 1997 the Borough passed a resolution to amend the Plan to be in conformance with Internal Revenue Code for Section 457 Deferred Compensation Plans, as amended by the "Small Jobs Protection Act of 1996". This change requires all deferred funds to be held for the exclusive benefit of the participating employees and their beneficiaries.

The employees' contributions to the Plan and all income attributable to those amounts have been transferred to the exclusive benefit of the participating employees and their beneficiaries as required by the plan amendment.

NOTE 18. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP)

On September 10, 2001, the Division of Local Government Services approved the Borough's LOSAP plan, provided by Variable Annuity Life Insurance Company (VALIC). The purpose of this plan is to enhance the Borough's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

VALIC will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The LOSAP shall provide for annual contributions for each eligible member who meets the criteria as follows:

- a. 50 points in a calendar year are required for a member of a volunteer fire company to be eligible for an annual contribution; 350 points are required in a calendar year for a member of the ambulance corps to be eligible for an annual contribution.

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2011 and 2010
(continued)

NOTE 18. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP), (continued)

- b. Five (5) years of service are required for vesting. A member who fails to meet eligibility criteria for two (2) consecutive years shall forfeit all rights toward vesting and the monies contributed to that member's account shall go into the pool for distribution in accordance with Item C. any member with ten (10) years of service as of January 1, 2000 shall be vested immediately upon adoption of the plan.

- c. The Borough's annual contribution shall be equivalent to one (1) tax point, based on the prior year's tax rate. This funded amount shall be distributed equally among eligible members. In addition, contributions which are forfeited by members who do not become vested throughout that calendar year will be added to the Borough's contribution and will be distributed in accordance with the Schedule.

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, 2011 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

NOTE 19. COMMITMENTS AND CONTINGENT LIABILITIES

General Counsel has reported that the Borough is involved in the following legal suits of which the amount of potential loss cannot be determined at the this time but could be material to the financial statements:

ROGER DEGROAT, 9 SHEEHAN DRIVE

Roger DeGroat, 9 Sheehan Drive: Part of the property owner's land collapsed resulting in a sink hole possibly stemming from surface mining activities. The property owner asserts that it is the Borough's responsibility to remediate the same. Open issue as to whether insurance coverage is available. The Borough is exploring ways to resolve the matter. DeGroat has agreed to a remediation plan proposed by the Borough wherein the Borough would use the proceeds of a state grant to pay for the work. Awaiting preparation of bid documents for the work and award of the bid.

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2011 and 2010
(continued)

NOTE 19. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)

ROGER DEGROAT, 9 SHEEHAN DRIVE, (continued)

Mr. DeGroat has filed a Notice of Tort Claim which has been forwarded to the Borough's carrier.

The Borough's Special Counsel has reported the following:

"This firm represents the Borough of Ringwood as special outside environmental counsel on the Environmental Protection Agency Superfund Site known as, "Ringwood Mines/Landfill Site, Ringwood, New Jersey." The Borough of Ringwood is a potentially responsible party for the investigation and remediation of the Ringwood Site, along with the Ford Motor Company. We reached a settlement agreement with Ford which allocates the financial liability between the parties based upon certain circumstances set forth in the agreement. Another settlement agreement was reached between the Borough of Ringwood and the insurance carriers who are providing coverage for this claim, which essentially obligates the insurance carriers to pay for the Borough's share of financial liability as set forth in the Ford Settlement, as well as for payment of the Borough's professional fees, including this firm's services.

Since reaching these settlements with Ford and the insurance carriers in December of 2011, the matter has progressed as expected and all of the parties have complied with their respective settlement obligations. We have every reason to believe that the settlement as contemplated will resolve this claim against the Borough by the DPA as well as potential claims by Ford and the insurance companies. To date, the Borough of Ringwood does not owe this firm any money for services or expenses as the insurance carriers are obligated to pay for same pursuant to the settlement agreement."

NOTE 20. OTHER MATTERS

The Borough entered into an agreement as a co-borrower between the Borough, Skyline Lake Property Owners Association and the State of New Jersey for a dam rehabilitation project. The Borough will pass a special assessment ordinance to repay the loan.

The Borough has also been ordered to complete a revaluation of real property for the tax year 2011. The Borough has passed a \$350,000 emergency resolution payable over five years to fund the revaluation.

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2011 and 2010
(continued)

NOTE 20. OTHER MATTERS, (continued)

The Borough experienced damage during the year ended December 31, 2011. On September 13, 2011, the Borough passed a special emergency resolution for \$1,600,000 payable over five years to fund the repairs. On December 21, 2011, the Borough passed Resolution number 2011-328 reducing the amount of the special emergency resolution by \$600,000 to \$1,000,000.

NOTE 21. SPECIAL EMERGENCY NOTE

On November 3, 2011, the Borough issued \$1,000,000 Special Emergency Notes relating to hurricane damage in the Borough. The notes mature November 2, 2012 at an interest rate of 1.00%.

SUPPLEMENTARY DATA

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>Tax Rate:</u>	<u>2.654</u>	<u>2.610</u>	<u>2.529</u>
<u>Apportionment of Tax Rate:</u>			
Municipal	.599	.586	.539
County	.601	.578	.574
Local School	.930	.909	.885
Regional High School	.524	.537	.531

Assessed Valuation:

2011	\$1,713,577,200		
2010		\$1,718,985,777	
2009			\$1,726,539,690

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>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2011	\$45,589,475.72	\$45,044,056.86	98.80%
2010	44,903,705.08	44,278,892.07	98.61
2009	43,685,453.10	42,985,126.47	98.40

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>Year</u>	<u>Delinquent Taxes</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2011	\$443,621.79	\$376,387.88	\$820,009.67	1.80%
2010	507,219.78	317,745.32	824,965.10	1.84
2009	547,987.53	276,576.88	824,564.41	1.89

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2011	\$3,056,400.00
2010	3,056,400.00
2009	3,056,400.00

COMPARISON OF WATER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Cash Collections</u>
2011	\$1,307,028.81	\$1,302,917.31
2010	1,392,312.73	1,368,574.05
2009	1,106,328.79	1,111,250.53

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2011	\$851,817.79	\$697,000.00
	2010	1,010,802.53	803,000.00
	2009	1,247,269.24	925,000.00
	2008	2,019,753.24	1,600,000.00
	2007	1,027,878.97	840,000.00
Water Utility Operating Fund	2011	\$2,462.81	\$-0-
	2010	53,421.31	50,958.50
	2009	509.19	-0-
	2008	509.19	-0-
	2007	114,509.19	114,000.00

OFFICIALS IN OFFICE

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Ted Taukus	Mayor	
Linda Schaefer	Deputy Mayor	
Donna S. Anderson	Councilwoman	
Scott R. Conley	Councilman	
Walter J. Davison, Jr.	Councilman	
William E. Marsala	Councilman	
John M. Speer	Councilman	
Kelley A. Rohde	Deputy Borough Manager	
Scott Heck	Borough Manager/Director, DPW	
Kelley A. Rohde	Borough Clerk	
Gail Bado	CFO/Treasurer, Tax Collector	(A)
Harold P. Cook	Magistrate	(A)
Kathleen Quinn	Court Clerk and Violations Clerk	(A)
Ralph Fava	Prosecutor	
Lisa Perry	Animal Control	
Susan Calcogno	Secretary - Board of Health	
Leonard Herman	Plumbing Inspector	
Michael Hafner	Building Inspector	
Bernard Lombardo	Chief of Police	
Helen Forsa	Secretary - Board of Adjustment	
Rich Motyka	Tax Assessor	
Richard J. Clemack	Attorney	
Charles J. Ferraioli	Auditor	

(A) Covered by a \$1,000,000 commercial crime policy issued through the New Jersey Intergovernmental Insurance Fund.

BOROUGH OF RINGWOOD, N.J.
Schedule of Expenditures of Federal Awards
Fiscal Year Ended December 31, 2011

Federal Grantor/Pass-Through Grantor/Program	Federal CFDA Number	Pass-Through Entity ID Number	Program Amount	Accrued (Deferred) Revenue 12/31/10	Revenue/ Receipts	Expended	Adjustments	Accrued (Deferred) Revenue 12/31/11	Cumulative Expenditures
<u>Department of Law and Public Safety:</u> Over The Limit-Under Arrest	20.601	n/a	\$ 9,400.00	4,851.39 4,851.39	7,137.50 7,137.50	-	-	(2,286.11) (2,286.11)	6,711.53
<u>Department of Environmental Protection:</u> Municipal Stormwater Regulation Municipal Stormwater Regulation	66.605 66.605	n/a n/a	\$ 10,207.00 \$ 10,207.00	5,103.00 1,524.05 6,627.05	-	-	-	5,103.00 1,524.05 6,627.05	10,207.00 6,627.05
<u>Department of Homeland Security:</u> Buffer Zone Protection Program FEMA Emergency Management Funds	97.078 97.042	n/a n/a	\$ 80,275.00 \$ 55,000.00	165.00 23,812.37	50,375.49	50,210.49	-	- 23,812.37	80,121.49 55,000.00
<u>Department of Housing and Urban Development:</u> Community Development Block Grants	14.218	n/a	\$ 204,239.00	(128,722.86)	15,000.00	-	-	(143,722.86)	60,516.14
Total Federal Awards				(93,267.05)	72,512.99	50,210.49	-	(115,569.55)	

Note: This schedule was not subject to an audit in accordance with OMB Circular A-133.

BOROUGH OF RINGWOOD, N.J.

Schedule of Expenditures of State Awards
Fiscal Year Ended December 31, 2011

State Grantor/Pass-Through Grantor/Program	Pass Through Entity ID No.	Account Number	State Account Number	Program Amount	Accrued (Deferred) Revenue 12/31/10	Revenue/Receipts	Expended	Adjustments	Accrued (Deferred) Revenue 12/31/11	Cumulative Expenditures	
New Jersey Department of Environmental Protection:											
Clean Communities Program	n/a	4900-765-042-4900-004-V42Y-6020		\$ 24,028.01	(23,824.14)	24,028.01	6,017.26		(18,010.75)	6,017.26	
Clean Communities Program		4900-765-042-4900-004-V42Y-6020		\$ 24,952.00	(23,824.14)	24,028.01	23,824.14		(18,010.75)	24,952.00	
							29,841.40				
Recycling Tonnage Grant	n/a	4900-752-042-4900-001-V42Y-6020		\$ 18,016.47	(13,802.65)	18,016.47			(18,016.47)	-	
		4900-752-042-4900-001-V42Y-6020		\$ 20,341.44	(13,802.65)	18,016.47			(31,819.12)	6,538.79	
Environmental Services Grant	n/a	4800-100-042-4800-090-V78X-6020		\$ 1,960.00	(1,325.09)				(1,325.09)	634.91	
New Jersey Department of Health and Senior Services:											
Pandemic Flu Preparedness Grant	n/a	4230-100-046-4E07-360-1002-6120		\$ 7,597.00	(463.67)				(463.67)	7,133.33	
H1N1 Emergency Response	n/a	4230-100-046-4E14-480-1002-6120		\$ 73,738.00	(390.00)				(390.00)	73,348.00	
New Jersey Division of Criminal Justice:											
Body Armor Replacement Grant	n/a	1020-718-066-1020-001-YCIS-6120		\$ 2,204.15		2,204.15			(2,204.15)	-	
Body Armor Replacement Grant	n/a	1020-718-066-1020-001-YCIS-6120		\$ 4,128.41		4,128.41			(4,128.41)	-	
Body Armor Replacement Grant	n/a	1020-718-066-1020-001-YCIS-6120		\$ 493.24		493.24			(493.24)	-	
Body Armor Replacement Grant	n/a	1020-718-066-1020-001-YCIS-6120		\$ 2,155.79	(2,155.79)		699.11		(1,456.68)	699.11	
Body Armor Replacement Grant	n/a	1020-718-066-1020-001-YCIS-6120		\$ 2,045.29	(2,045.29)		2,045.29		-	2,045.29	
Body Armor Replacement Grant	n/a	1020-718-066-1020-001-YCIS-6120		\$ 2,349.72	(2,349.72)		2,349.72		-	2,349.72	
Body Armor Replacement Grant	n/a	1020-718-066-1020-001-YCIS-6120		\$ 2,081.27	(1,493.88)		1,493.88		-	2,081.27	
Body Armor Replacement Grant	n/a	1020-718-066-1020-001-YCIS-6120		\$ 7,839.60	298.65	6,825.80	6,588.00		298.65	7,839.60	
					(7,746.03)				(7,983.83)		

BOROUGH OF RINGWOOD, N.J.

Schedule of Expenditures of State Awards
Fiscal Year Ended December 31, 2011

State Grantor/Pass-Through Grantor/Program	Pass Through Entity ID No.	State Account Number	Program Amount	Accrued (Deferred) Revenue 12/31/10	Revenue/Receipts	Disbursed/Expenditures	Adjustments	Accrued (Deferred) Revenue 12/31/11	Cumulative Expenditures
New Jersey Department of Community Affairs:									
Supplemental Fire Service Program	n/a			(714.53)				(714.53)	
State Share			\$ 365,000.00	(194,640.00)		182,377.36		(12,262.64)	352,737.36
Neighborhood Preservation Program	n/a	100-022-8020-092-02-3510	\$ 238,000.00	(40,631.55)				(40,631.55)	197,368.55
Sinkhole Remediation									
New Jersey Division of Motor Vehicles:									
Alcohol Education and Rehabilitation Fund	n/a	9735-760-098-Y900-001-X100-6020	\$ 1,055.73		1,055.73			(1,055.73)	
Alcohol Education and Rehabilitation Fund	n/a	9735-760-098-Y900-001-X100-6020	\$ 464.10		464.10			(464.10)	
Alcohol Education and Rehabilitation Fund	n/a	9735-760-098-Y900-001-X100-6020	\$ 589.00	(589.00)				(589.00)	
Alcohol Education and Rehabilitation Fund	n/a	9735-760-098-Y900-001-X100-6020	\$ 3,180.99	(3,180.99)		200.00		(2,980.99)	200.00
				(3,769.99)	1,519.83	200.00		(5,089.82)	
New Jersey Department of Transportation:									
Pothole Repair Program	n/a	6320-480-078-6320-163	\$ 12,519.31	(278.73)				(278.73)	12,240.58
Emergency Road and Bridge Repair Program	n/a			(906.68)				(906.68)	
New Jersey Transportation Trust Fund Authority Act									
Westbrook Road - Section IV	n/a	6320-480-078-6320-AFG-TCAP-6010	\$ 190,000.00	8,044.60				8,044.60	190,000.00
Conklingtown Road	n/a	6320-480-078-6320-AIQ-TCAP-6010	\$ 232,000.00	(2,674.97)				(2,674.97)	176,149.54
Carletondale Road	n/a	6320-480-078-6320-AJ3-TCAP-6010	\$ 238,000.00	2,473.90				2,473.90	238,000.00
Canterbury Road	n/a	6320-480-078-6320-AJQ-TCAP-6010	\$ 278,000.00	61,932.56	92,450.54			(30,517.98)	217,253.25
Mohawk Trail	n/a	6320-480-078-6320-AIQ-TCAP-6010	\$ 300,000.00	97,881.05	109,396.10	11,984.10		469.05	262,102.81
Cupsaw Drive	n/a		\$ 300,000.00	167,657.14	201,846.64	11,984.10		(22,205.40)	
NJ Division of Motor Vehicles:									
Drunk Driving Enforcement Fund	n/a	6400-100-078-6400-YYYY	\$ 20,694.27		20,694.27	13,460.79		(7,233.48)	13,460.79
Drunk Driving Enforcement Fund	n/a	6400-100-078-6400-YYYY	\$ 12,563.00	(9,844.12)		9,844.12			12,563.00
				(9,844.12)	20,694.27	23,304.91		(7,233.48)	

BOROUGH OF RINGWOOD, N.J.

Schedule of Expenditures of State Awards
Fiscal Year Ended December 31, 2011

State Grantor/Pass-Through Grantor/Program	Pass Through Entity ID No.	State Account Number	Program Amount	Accrued (Deferred) Revenue 12/31/10	Revenue/Receipts	Disbursed/Expenditures	Adjustments	Accrued (Deferred) Revenue 12/31/11	Cumulative Expenditures
Highlands Water Protection and Planning Council: Planning Assistance Grant (Council on Affordable Housing 3rd Round)	n/a	2078-100-082-2078-033-U999-6130	\$ 7,500.00	(2,500.00)				(2,500.00)	5,000.00
Plan Conformance Grant	n/a		\$ 50,000.00	(669.76)	5,940.00	2,915.00		(3,694.76)	42,455.40
County of Passaic: Municipal Drug Alliance	n/a	n/a	\$ 56,400.00	2,572.43				2,572.43	55,939.36
Open Space and Farmland Trust Tennis Courts	n/a	n/a	\$ 90,000.00	90,000.00				90,000.00	90,000.00
Federal Emergency Management Funds				(3,007.11)				(3,007.11)	
Total State Financial Assistance				(44,284.48)	278,871.02	257,210.77		(65,944.73)	

Statement of Current Cash -

Collector-Treasurer

Year Ended December 31, 2011

	Ref.	<u>Current Fund</u>
Balance December 31, 2010	A	1,919,497.76
Increased by Receipts:		
Taxes Receivable	A-6	45,247,440.86
Tax Title Liens	A-7	815.89
Revenue Accounts Receivable	A-9	514,413.18
2010 Appropriation Reserves	A-12	54,799.02
2011 Prepaid Taxes	A-14	127,486.46
State of New Jersey Chapter 73, Public Laws of 1976	A-16	107,645.00
Miscellaneous Revenues Not Anticipated	A-2	142,127.24
Interfunds:		
- Other Trust Fund	A-10	5,504.00
- Federal and State Grant Fund	A-11	347,813.48
- General Capital Fund	A-22	3,000,000.00
- Assessment Trust Fund	A-27	126.37
Garden State Trust - PILOT Funds	A-2	41,796.00
Energy Receipts Tax	A-2	1,600,509.00
Uniform Fire and Safety Act	A-2	11,552.45
Sewer Rents	A-2	148,669.97
Reserve for Library Aid	A-23	5,635.00
Reserve for Debt Service	A-2	84,780.68
FEMA Grant	A-2	90,247.54
FEMA Grant - December 2010 Storm	A-2	24,000.00
Capital Fund Balance	A-2	12,500.00
Borough of Wanaque - Health Services	A-2	71,251.08
Borough of Bloomingdale - Snake Den Rd.	A-2	33,000.00
Sale of Recycling Materials	A-2	69,931.72
Emergency Note Payable	A-28	1,000,000.00
Due to Outside Lien Holders	A-24	842,684.86
		<u>53,584,729.80</u>
		<u>55,504,227.56</u>

Statement of Current Cash -

Collector-Treasurer

Year Ended December 31, 2011

	<u>Ref.</u>	<u>Current Fund</u>
Decreased by Disbursements:		
2011 Appropriations	A-3	12,887,723.58
2010 Appropriation Reserves	A-12	494,016.26
Reserve for Tax Appeals	A-15	11,639.31
County Taxes	A-19	10,300,118.77
Regional High School Tax	A-20	9,040,408.17
Local District School Tax	A-21	15,781,990.00
Interfund		
- Federal and State Grant Fund	A-11	435,551.18
- Other Trust Fund	A-10	195,252.21
- General Capital Fund	A-22	3,000,000.00
- Assessment Trust Fund	A-27	28.50
Reserve for Library Aid	A-23	5,635.00
Due to Outside Lien Holders	A-24	842,684.86
		<u>52,995,047.84</u>
Balance December 31, 2011	A	<u><u>2,509,179.72</u></u>

Borough of Ringwood, N.J.

Statement of Change Funds

Year Ended December 31, 2011

	<u>Ref.</u>	
Balance December 31, 2010	A	\$ <u>285.00</u>
Balance December 31, 2011	A	\$ <u>285.00</u>

Analysis of Balance

Office

Collector-Treasurer	100.00
Clerk of Municipal Court	35.00
Borough Clerk	<u>150.00</u>
	<u>285.00</u>

Borough of Ringwood, N.J.

Statement of Taxes Receivable and Analysis of Property Tax Levy

Year Ended December 31, 2011

Year	Balance, Dec. 31, 2010	2011 Levy	Collections		State of N.J. Per Ch. 73 P.L. 1976	Remitted And Canceled	Transferred to Tax Title Liens	Balance, Dec. 31, 2011
			2010	2011				
2009	39.00							39.00
2010	507,180.78			498,214.70		5,465.35	3,498.42	2.31
	507,219.78			498,214.70		5,465.35	3,498.42	41.31
2011		45,478,338.68	111,137.04	44,749,226.16	107,449.05	47,280.99	54,557.39	443,580.48
	507,219.78	45,478,338.68	111,137.04	45,247,440.86	107,449.05	52,746.34	58,055.81	443,621.79
A			A-2, A-14	A-2, A-4	A-2, A-16		A-7	A

Analysis of 2011 Property Tax Levy

Tax Yield	Ref.
General Purpose	
Added Taxes (54:4-36 et seq.)	45,478,338.68
	111,137.04
	<u>45,589,475.72</u>
Tax Levy	
Municipal Open Space Tax	A-10
Regional High School Tax (Abstract)	A-20
Local District School Tax (Abstract)	A-21
County Taxes	A-19
	171,688.21
	8,976,308.36
	15,934,379.00
	<u>10,316,699.56</u>
Local Tax for Municipal Purposes (Abstract)	A-2
Add: Additional Tax Levies	
	10,097,466.00
	<u>92,934.59</u>
	<u>10,190,400.59</u>
	<u>45,589,475.72</u>

Exhibit A-7

Borough of Ringwood, N.J.
Statement of Tax Title Liens
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance December 31, 2010	A	317,745.32
Increased by:		
Transfer from Taxes Receivable	A-6	58,055.81
Interest and Costs		<u>1,402.64</u>
		<u>59,458.45</u>
		<u>377,203.77</u>
Decreased by:		
Receipts	A-4	<u>815.89</u>
Balance December 31, 2011	A	<u><u>376,387.88</u></u>

Exhibit A-8

Statement of Property Acquired for Taxes -
Assessed Valuations
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance December 31, 2010	A	<u><u>3,056,400.00</u></u>
Balance December 31, 2011	A	<u><u>3,056,400.00</u></u>

Borough of Ringwood, N.J.

Statement of Revenue Accounts Receivable

Year Ended December 31, 2011

	<u>Ref.</u>	<u>Balance, Dec. 31, 2010</u>	<u>Accrued in 2011</u>	<u>Collected</u>	<u>Balance Dec. 31, 2011</u>
Clerk					
Licenses:					
Alcoholic beverages	A-2	-	3,128.00	3,128.00	-
Other	A-2	-	1,950.00	1,950.00	-
Fees and Permits	A-2	-	8,764.34	8,764.34	-
Park and Ride	A-2	-	29,800.00	29,800.00	-
Non-Budget Revenue	A-2	-	10.00	10.00	-
Building Code Official:					
Uniform Construction Code Fees	A-2	-	134,860.00	134,860.00	-
Municipal Court:					
Fines and Costs	A-2	10,254.02	149,398.97	146,713.27	12,939.72
Board of Health:					
Licenses	A-2	-	6,725.00	6,725.00	-
Fees and Permits	A-2	-	19,217.00	19,217.00	-
Non-Budget Revenue	A-2	-	6,735.00	6,735.00	-
Police Department:					
Fees and Permits	A-2	-	19,469.89	19,469.89	-
Treasurer:					
Fees and Permits	A-2	-	16,010.00	16,010.00	-
Non-Tenant Rent - Transferred from Ringwood					
Solid Waste Management Authority		5,061.50			5,061.50
Borough of Pompton Lakes -					
Stormwater System Cleaning	A-2	-	13,000.00	-	13,000.00
Interest and Costs on Taxes	A-2	-	121,088.61	121,088.61	-
Election Revenue	A-2	-	600.00	600.00	-
Tax Search Officer	A-2	-	440.00	440.00	-
Interest on Investments	A-2	-	1,118.33	1,118.33	-
		<u>15,315.52</u>	<u>532,315.14</u>	<u>516,629.44</u>	<u>31,001.22</u>
		A			A
Receipts			A-4	514,413.18	
Interfund - Assessment Trust			A-27	<u>2,216.26</u>	

Exhibit A-10

Borough of Ringwood, N.J.

Statement of Due To Other Trust Fund

	<u>Ref.</u>		
Balance December 31, 2010	A		4,080.00
Increased by:			
Municipal Open Space Taxes	A-1; A-6	171,688.21	
Budget Appropriation-Small Cities Trust	A-3	15,000.00	
Fees Collected in Current	A-4	<u>5,504.00</u>	
			<u>192,192.21</u>
			196,272.21
Decreased by:			
Disbursements	A-4		<u>195,252.21</u>
Balance December 31, 2011	A		<u><u>1,020.00</u></u>

Exhibit A-11

Statement of Due From/To Federal and State Grant Fund

	<u>Ref.</u>		
Balance December 31, 2010			
Due To Federal and State Grant Fund	A		334,930.85
Increased by:			
Federal and State Grant Receipts:			
Unappropriated		17,570.95	
Appropriated		<u>330,242.53</u>	
	A-4		<u>347,813.48</u>
			682,744.33
Decreased by:			
Federal and State Grant Fund Expenditures	A-4		<u>435,551.18</u>
Balance December 31, 2011			
Due To Federal and State Grant Fund	A		<u><u>247,193.15</u></u>

Borough of Ringwood

Statement of 2010 Appropriation Reserves

	Balance 12/31/10	After Modification	Paid or Charged	Balance Lapsed
General Government:				
Department of Administration:				
Office of Borough Manager:				
Salaries and Wages	320.03	320.03		320.03
Other Expenses	1,165.27	6,683.88	4,964.25	1,719.63
Legislation				
Other Expenses	259.43	259.43		259.43
Elections				
Salaries and Wages	832.14	832.14		832.14
Other Expenses	1,041.74	41.74		41.74
Legal Services				
Other Expenses	26,073.71	40,073.71	39,597.97	475.74
Office of Data Processing				
Other Expenses	522.03	992.03	469.30	522.73
Office of Emergency Mgmt.				
Other Expenses	4,545.92	3,725.92	3,465.61	260.31
Division of Engineering				
Salaries and Wages	418.80	418.80	353.50	65.30
Other Expenses	16,293.79	56,293.79	51,834.94	4,458.85
Department of Finance:				
Office of Treasurer				
Salaries and Wages	141.25	141.25		141.25
Other Expenses	474.48	474.48	467.00	7.48
Division of Tax Collection				
Salaries and Wages	441.98	441.98	350.00	91.98
Other Expenses	198.88	198.88	183.36	15.52
Division of Tax Assessment				
Salaries and Wages	410.17	410.17		410.17
Other Expenses	281.26	281.26		281.26
Division of Financial Control				
Other Expenses	9,238.75	9,338.75	9,300.00	38.75
Statutory Agencies:				
Planning Board				
Other Expenses	3,425.48	425.48		425.48
Board of Adjustment				
Salaries and Wages	0.07	0.07		0.07
Other Expenses	2,185.35	1,200.97	993.50	207.47
Industrial Commission				
Salaries and Wages	476.09	476.09		476.09
Other Expenses	100.00	100.00		100.00
Environmental Commission				
Salaries and Wages	106.15	106.15		106.15
Other Expenses	422.68	422.68		422.68

Borough of Ringwood

Statement of 2010 Appropriation Reserves

	Balance 12/31/10	After Modification	Paid or Charged	Balance Lapsed
Department of Police:				
Division of Patrol				
Salaries and Wages	-	8,327.81	7,580.50	747.31
Other Expenses	2,532.97	60,349.80	60,128.11	221.69
Division of Traffic/Guards				
Other Expenses	210.40	210.40		210.40
Division of Investigation				
Other Expenses	80.00	80.00		80.00
Division of Communications				
Other Expenses	59.48	235.35	225.81	9.54
Uniform Fire Safety Act:				
Fire Inspection				
Salaries and Wages	398.00	398.00		398.00
Other Expenses	97.35	247.35	150.00	97.35
Department of Public Works:				
Division of Streets and Roads				
Salaries and Wages	295.08	19.37		19.37
Other Expenses	3,689.70	12,086.86	12,011.01	75.85
Division of Snow and Ice Control				
Salaries and Wages	19,176.17	19,176.17	19,176.17	-
Other Expenses	622.99	49,875.36	49,636.00	239.36
Division of Equipment Maint.				
Salaries and Wages	547.10	547.10		547.10
Other Expenses	1,286.85	16,627.23	16,586.81	40.42
Buildings and Grounds				
Salaries and Wages	943.73	443.73		443.73
Other Expenses	30,047.81	67,870.87	64,068.35	3,802.52
Solid Waste/Recycling				
Salaries and Wages	2,231.94	231.94		231.94
Other Expenses	28,092.34	15,526.29	9,538.75	5,987.54
Division of Sewer				
Salaries and Wages	231.96	231.96	231.00	0.96
Other Expenses	20,583.32	28,396.53	28,395.89	0.64
Dept. of Community Development:				
Division of Public Health				
Other Expenses	6,759.79	20,938.54	20,366.09	572.45
Division of Public Assistance				
Other Expenses	50.00	50.00		50.00
Recreation				
Salaries and Wages	682.44	682.44		682.44
Other Expenses	1,313.34	1,811.63	939.32	872.31
Municipal Cable TV Committee				
Salaries and Wages	200.00	200.00		200.00
Other Expenses	83.70	83.70		83.70
Division of Code Enforcement:				
Bureau of Building Construction				
Salaries and Wages	331.73	331.73		331.73
Other Expenses	532.61	999.06	723.61	275.45

Borough of Ringwood

Statement of 2010 Appropriation Reserves

	Balance 12/31/10	After Modification	Paid or Charged	Balance Lapsed
Bureau of Electrical Inspection				
Salaries and Wages	395.00	395.00		395.00
Bureau of Plumbing Inspection				
Salaries and Wages	395.00	395.00		395.00
Municipal Court				
Salaries and Wages	40.69	40.69		40.69
Other Expenses	208.94	208.94		208.94
Unclassified:				
Gasoline	3,355.61	35,787.62	35,753.04	34.58
Electricity	8,484.84	8,484.84	8,259.52	225.32
Natural Gas	4,611.90	3,411.90	3,366.72	45.18
Telephone and Telegraph	5,561.48	1,810.11	1,172.52	637.59
Transportation Contract - Lakeland HS	83.09	83.09	83.09	-
Celebration of Public Events	31.77	31.77		31.77
Drug and Alcohol Testing	754.00	754.00		754.00
Contingent	200.00	200.00		200.00
Statutory Expenditures:				
Social Security (O.A.S.I.)	13,569.11	22,438.93	22,432.90	6.03
Aid To Library	4,150.84	4,683.27	3,823.16	860.11
Emergency Services Volunteer				
Length of Service Award Program	-	17,000.00	16,933.51	66.49
Insurance:				
Other Insurance Premiums	0.59	0.59		0.59
Group Insurance Plan - Employees	4,922.96	1,122.96	454.95	668.01
Interlocal Service Agreement:				
Division of Public Health				
Salaries and Wages	719.73	719.73		719.73
	<u>237,941.80</u>	<u>527,207.34</u>	<u>494,016.26</u>	<u>33,191.08</u>
	A		A-4	A-1
Appropriation Reserves	A-12	237,941.80		
Refunds	A-4	54,799.02		
Reserve for Encumbrances	A-13	<u>234,466.52</u>		
		<u>527,207.34</u>		

Borough of Ringwood, N.J.
Statement of Reserve for Encumbrances

	<u>Ref.</u>	
Balance December 31, 2010	A	234,466.52
Increased by:		
2011 Appropriations Encumbered	A-3	356,153.75
		<u>590,620.27</u>
Decreased by:		
Appropriation Reserves	A-12	234,466.52
		<u>234,466.52</u>
Balance December 31, 2011	A	<u><u>356,153.75</u></u>

Statement of Prepaid Taxes

	<u>Ref.</u>	
Balance December 31, 2010	A	187,381.65
Increased by:		
Collection of 2012 Taxes	A-4	127,486.46
		<u>314,868.11</u>
Decreased by:		
2011 Taxes Applied	A-6	187,381.65
		<u>187,381.65</u>
Balance December 31, 2011	A	<u><u>127,486.46</u></u>

Borough of Ringwood, N.J.

Statement of Reserve for Tax Appeals

	<u>Ref.</u>	
Balance December 31, 2010	A	15,265.35
Increased by:		
Budget Appropriation	A-3	30,000.00
		<u>45,265.35</u>
Decreased by:		
Refunds	A-4	11,639.31
		<u>11,639.31</u>
Balance December 31, 2011	A	<u><u>33,626.04</u></u>

Statement of Due to State of New Jersey -

Deduction Per Chapter 73, P.L. 1976

	<u>Ref.</u>	
Balance December 31, 2010	A	23,565.56
Increased by:		
Cash Received	A-4	107,645.00
		<u>131,210.56</u>
Decreased by:		
Senior Citizens and Veterans Tax Deductions Per Tax Billing	A-6	107,449.05
		<u>107,449.05</u>
Balance December 31, 2011	A	<u><u>23,761.51</u></u>

Borough of Ringwood, N.J.

Statement of Reserve for Master Plan

	<u>Ref.</u>	
Balance December 31, 2010	A	<u>3,701.99</u>
Balance December 31, 2011	A	<u>3,701.99</u>

Statement of Reserve for Sale of Surplus Equipment

	<u>Ref.</u>	
Balance December 31, 2010	A	<u>6,666.18</u>
Balance December 31, 2011	A	<u>6,666.18</u>

Borough of Ringwood, N.J.

Statement of County Taxes

	<u>Ref.</u>		
Balance December 31, 2010	A		7,309.19
Increased by:			
County Tax	A-1	10,294,653.47	
Added and Omitted Taxes	A-1	<u>22,046.09</u>	
	A-6		<u>10,316,699.56</u>
			10,324,008.75
Decreased by:			
Payments	A-4		<u>10,300,118.77</u>
Balance December 31, 2011	A		<u><u>23,889.98</u></u>

Borough of Ringwood, N.J.

Statement of Regional High School Tax

	Ref.		
Balance December 31, 2010			
School Tax Deferred			4,603,252.56
Increased by:			
Levy - School Year - (July 1, 2011 to June 30, 2012)	A-6		<u>8,976,308.36</u>
			13,579,560.92
Decreased by :			
Payments	A-4		<u>9,040,408.17</u>
Balance December 31, 2011			
School Tax Payable	A	50,998.57	
School Tax Deferred		<u>4,488,154.18</u>	
			<u>4,539,152.75</u>
2011 Liability for Regional High School Tax:			
Tax Paid			9,040,408.17
Tax Payable 12-31-2011			<u>50,998.57</u>
			9,091,406.74
Less: Tax Payable 12-31-2010			<u>-</u>
Amount Charged to 2011 Operations	A-1		<u>9,091,406.74</u>

Statement of Local District School Tax

	Ref.		
Balance December 31, 2010			
School Tax Deferred			7,767,802.17
Increased by:			
Levy - School Year - (July 1, 2011 to June 30, 2012)	A-6		<u>15,934,379.00</u>
			23,702,181.17
Decreased by :			
Payments	A-4		<u>15,781,990.00</u>
Balance December 31, 2011			
School Tax Deferred			<u>7,920,191.17</u>
2011 Liability for Local District School Tax:			
Tax Paid			<u>15,781,990.00</u>
Amount Charged to 2011 Operations	A-1		<u>15,781,990.00</u>

Exhibit A-22

Borough of Ringwood, N.J.

Statement of Due To General Capital Fund

	<u>Ref.</u>	
Balance December 31, 2010	A	18,093.79
Increased by:		
Receipts	A-4	<u>3,000,000.00</u>
		3,018,093.79
Decreased by:		
Disbursements	A-4	<u>3,000,000.00</u>
Balance December 31, 2011	A	<u><u>18,093.79</u></u>

Exhibit A-23

Statement of Reserve for Library Aid

	<u>Ref.</u>	
Increased by:		
Receipts	A-4	<u><u>5,635.00</u></u>
Decreased by:		
Disbursements	A-4	<u><u>5,635.00</u></u>

Borough of Ringwood, N.J.

Statement of Due to Outside Lienholders

	<u>Ref.</u>	
Increased by:		
Receipts	A-4	<u>842,684.86</u>
Decreased by:		
Disbursements	A-4	<u>842,684.86</u>

Statement of Accounts Payable

	<u>Ref.</u>	
Balance December 31, 2010	A	<u>213.85</u>
Balance December 31, 2011	A	<u>213.85</u>

Borough of Ringwood, N.J.

Statement of Reserve for Revaluation of Real Property

	Ref.	
Balance December 31, 2010	A	<u>45,335.00</u>
Balance December 31, 2011	A	<u>45,335.00</u>

Statement of Due to Assessment Trust Fund

	Ref.		
Balance December 31, 2010			
Due To Assessment Trust	A		28.50
Increased by:			
Receipts in Current Fund	A-4		<u>126.37</u>
			154.87
Decreased by:			
Receipts in Assessment Trust	A-9	2,216.26	
Disbursements	A-4	<u>28.50</u>	
			<u>2,244.76</u>
Balance December 31, 2011	A		<u>2,089.89</u>

Borough of Ringwood, N.J.

Statement of Deferred Charges

N.J.S. 40:A4-55 Special Emergency - Revaluation of Real Property and Hurricane Damage

Date Authorized	Purpose	Net Amount Authorized	1/5 of Net Amount Authorized	Balance Dec. 31, 2010	Added In 2011	Reduced in 2011	Balance Dec. 31, 2011
07/17/07	Revaluation of Real Property	350,000.00	70,000.00	210,000.00		70,000.00	140,000.00
09/13/11	Hurricane Damage	1,000,000.00	200,000.00		1,000,000.00		1,000,000.00
		<u>1,350,000.00</u>	<u>270,000.00</u>	<u>210,000.00</u>	<u>1,000,000.00</u>	<u>70,000.00</u>	<u>1,140,000.00</u>
				A	A-4	A-3	A

Borough of Ringwood, N.J.

Federal and State Grant Fund

Statement of Due to General Capital Fund

	<u>Ref.</u>	
Balance December 31, 2010	A	<u>191,125.28</u>
Balance December 31, 2011	A	<u>191,125.28</u>

Federal and State Grant Fund

Statement of Due to/from Current Fund

	<u>Ref.</u>		
Balance December 31, 2010			
Due from Current Fund	A		334,930.85
Increased by:			
State Grant Receipts-			
Unappropriated	A-33	17,570.95	
Appropriated	A-31	<u>330,242.53</u>	
			<u>347,813.48</u>
			682,744.33
Decreased by:			
Encumbrances Paid	A-34	128,129.92	
Federal and State Grant Fund Expenditures	A-32	<u>307,421.26</u>	
			<u>435,551.18</u>
Balance December 31, 2011			
Due from Current Fund	A		<u>247,193.15</u>

Borough of Ringwood, N.J.

Federal and State Grant Fund

Schedule of State and Federal Grants Receivable

	Balance Dec. 31, 2010	2011 Revenue	Received	Transfer from Unappropriated	Balance Dec. 31, 2011
Municipal Alliance Program	3,036.00				3,036.00
Body Armor Grant	310.49	6,825.80	2,204.15	4,621.65	310.49
Clean Communities Program	-	24,028.01	24,028.01		-
County of Passaic - Open Space Grant	90,000.00				90,000.00
Municipal Stormwater Regulation Program	10,207.00				10,207.00
Planning Assistance Municipal Partnership	4,000.00				4,000.00
State of NJ Transportation Trust Fund:					
- Westbrook Road Section 4	8,044.60				8,044.60
- Conklintown Road	53,175.49				53,175.49
- Carletondale Road	2,473.90				2,473.90
- Canterbury Road	122,679.31		92,450.54		30,228.77
- Mohawk Trail	147,762.34		109,396.10		38,366.24
- Copsaw Drive		300,000.00			300,000.00
H1N1 Emergency Response	-				-
NJ Division of Law & Public Safety					
Over the Limit Under Arrest	7,539.86		7,137.50		402.36
Homeland Security Buffer Zone	50,529.00		50,375.49		153.51
FEMA Emergency Management	23,812.37				23,812.37
NJ Highlands Water Protection:					
Plan Conformance Grant	9,789.84		5,940.00		3,849.84
Drunk Driving Enforcement Fund		20,694.27	20,694.27		-
Recycling Tonnage Grant		18,016.47	18,016.47		-
Alcohol Education and Rehabilitation Fund	-	1,519.83		1,519.83	-
	<u>533,360.20</u>	<u>371,084.38</u>	<u>330,242.53</u>	<u>6,141.48</u>	<u>568,060.57</u>
	A	A-2	A-30	A-33	A

Borough of Ringwood, N.J.

Federal and State Grant Fund

Statement of Reserve for Federal and State Grants

<u>Grant</u>	Balance, <u>2010</u>	<u>Increased</u>	<u>Expended</u>	Balance, <u>2011</u>
N.J. DEP Clean Communities Program	23,824.14	24,028.01	29,841.40	18,010.75
Federal Emergency Management Funds	3,007.11			3,007.11
Supplemental Fire Service Program				
State Share	714.53			714.53
Local Share	705.50			705.50
NJDOT Pothole Repair Program	278.73			278.73
Emergency Road & Bridge				
Repair Program of 1995	906.68			906.68
Recycling Tonnage Grant	13,802.65	18,016.47		31,819.12
Body Armor Grant	8,056.52	6,825.80	6,588.00	8,294.32
Municipal Alliance Program	463.57			463.57
Environmental Services Grant	1,325.09			1,325.09
Municipal Stormwater Regulation Program	3,579.95			3,579.95
Planning Assistance Municipal Partnership	4,000.00			4,000.00
Planning Assistance COAH Grant	2,500.00			2,500.00
New Jersey Transportation Trust				
- Conklintown Road	55,850.46			55,850.46
- Canterbury Road	60,746.75			60,746.75
- Mohawk Trail	49,881.29		11,984.10	37,897.19
- Cupsaw Drive		300,000.00		300,000.00
Alcohol Education and Rehabilitation Fund	3,769.99	1,519.83	200.00	5,089.82
NJ Division of Law & Public Safety				
Over the Limit Under Arrest	2,688.47			2,688.47
Drunk Driving Enforcement Fund	9,844.12	20,694.27	23,304.91	7,233.48
DCA Small Cities Block Grant -				
Sinkhole Remediation	40,631.55			40,631.55
Pandemic Flu Preparedness Grant	463.67			463.67
H1N1 Emergency Response	390.00			390.00
Homeland Security Buffer Zone	50,364.00		50,210.49	153.51
NJ Highlands Water Protection:				
Plan Conformance Grant	10,459.60		2,915.00	7,544.60
NJ Department of Community Affairs				
Neighborhood Preservation Program	194,640.00		182,377.36	12,262.64
	<u>542,894.37</u>	<u>371,084.38</u>	<u>307,421.26</u>	<u>606,557.49</u>
	A	A-3	A-30	A

Borough of Ringwood, N.J.

Federal and State Grant Fund

Statement of Unappropriated Reserve for State Grants

	<u>Ref.</u>	
Balance December 31, 2010	A	6,141.48
Increased by:		
Receipts in Current Fund	A-30	17,570.95
		<u>23,712.43</u>
Decreased by:		
Transfer to Budget Appropriations	A-31	6,141.48
		<u>6,141.48</u>
Balance December 31, 2011	A	<u><u>17,570.95</u></u>

Federal and State Grant Fund

Statement of Encumbrances Payable

	<u>Ref.</u>	
Balance December 31, 2010	A	<u><u>128,129.92</u></u>
Decreased by:		
Expended	A-30	128,129.92
		<u><u>128,129.92</u></u>

Borough of Ringwood, N.J.
Statement of Trust Cash Collector - Treasurer
Trust Fund

Year Ended December 31, 2011

Ref	Animal Control	Assessment Trust	Other Trust
Balance - December 31, 2010	753.82	295,791.73	1,110,441.69
Increased by Receipts:			
B-2 State Share of Dog Licenses	3,665.40		
B-3 Reserve for Animal Control	31,189.60		
B-4 Deposits Payable		3,387.67	
B-5; B-13 Interfund - Current Fund	764.61	1,104,080.00	
B-6 Due State of New Jersey - Building Surcharge		10,671.00	
B-7 Due to State of New Jersey - Marriage Surcharge		1,600.00	
B-11 Assessments Receivable	168,780.14		
B-16 Various Reserves		504,592.07	
	<u>34,855.00</u>	<u>169,544.75</u>	<u>1,624,330.74</u>
	<u>35,608.82</u>	<u>465,336.48</u>	<u>2,734,772.43</u>
Decreased by Disbursements:			
B-2 State Share of Dog Licenses	3,655.80		
B-3 Expenditures Under R.S. 4:19-15.11	31,396.36		
B-4 Deposits Payable		11,366.63	
B-5; B-13 Interfund - Current Fund	367.00	1,100,000.00	
B-6 Due State of New Jersey - Building Surcharge		9,322.00	
B-7 Due to State of New Jersey - Marriage Surcharge		1,450.00	
B-8 Encumbrances Payable		10,362.50	
B-14 Loan Payable-State of New Jersey	135,969.49		
B-16 Various Reserves		387,545.83	
	<u>35,052.16</u>	<u>136,336.49</u>	<u>1,520,046.96</u>
Balance - December 31, 2011	<u>556.66</u>	<u>328,999.99</u>	<u>1,214,725.47</u>
Recapitulation			
Other Trust			1,063,799.72
Unemployment Insurance Trust Fund			7,202.03
Small Cities EDA Grant			143,723.72
			<u>1,214,725.47</u>

Borough of Ringwood, N.J.

Statement of Due to State Department of Health

Trust Fund

Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	B	1.20
Increased by:		
Receipts - State Share of Dog Licenses Fees	B-1	<u>3,665.40</u>
		3,666.60
Decreased by:		
Disbursements	B-1	<u>3,655.80</u>
Balance - December 31, 2011	B	<u><u>10.80</u></u>

Statement of Reserve for Animal Control Fund Expenditures

Trust Fund

Year Ended December 31, 2011

	<u>Ref.</u>		
Balance - December 31, 2010	B		752.62
Increased by:			
Dog License Fees Collected	B-1	24,105.60	
Cat License Fees Collected	B-1	4,329.00	
Late Fees	B-1	<u>2,755.00</u>	
			<u>31,189.60</u>
			31,942.22
Decreased by:			
Expenditures under R.S. 4:19-15.11	B-1		<u>31,396.36</u>
Balance - December 31, 2011	B		<u><u>545.86</u></u>

License Fees Collected

<u>Year</u>	
2010	17,776.80
2011	<u>24,105.60</u>
	<u><u>41,882.40</u></u>

Borough of Ringwood, N.J.
Statement of Deposits Payable
Trust Fund
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	B	152,690.99
Increased by:		
Cash Receipts	B-1	<u>3,387.67</u>
		156,078.66
Decreased by:		
Cash Disbursements	B-1	<u>11,366.63</u>
Balance - December 31, 2011	B	<u><u>144,712.03</u></u>

Statement of Due From Current Fund - Other Trust Fund
Trust Fund
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	B	4,080.00
Increased by:		
Disbursements	B-1	1,100,000.00
Fees Collected in Current Fund	B-16	<u>1,020.00</u>
		<u>1,101,020.00</u>
		1,105,100.00
Decreased by:		
Receipts	B-1	<u>1,104,080.00</u>
Balance - December 31, 2011	B	<u><u>1,020.00</u></u>

Borough of Ringwood, N.J.
Statement of Due to State of New Jersey
For Building Surcharge
Trust Fund
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	B	2,984.00
Increased by:		
Receipts	B-1	<u>10,671.00</u>
		13,655.00
Decreased by:		
Encumbrances	B-8	3,448.00
Disbursements	B-1	<u>9,322.00</u>
		<u>12,770.00</u>
Balance - December 31, 2011	B	<u><u>885.00</u></u>

Statement of Due to State of New Jersey - Marriage Surcharge
Trust Fund
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	B	475.00
Increased by:		
Receipts	B-1	<u>1,600.00</u>
		2,075.00
Decreased by:		
Disbursements	B-1	<u>1,450.00</u>
Balance - December 31, 2011	B	<u><u>625.00</u></u>

Borough of Ringwood, N.J.
Statement of Encumbrances Payable
Trust Fund

Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	B	10,362.50
Increased by:		
Charges to:		
Due to State-Building Surcharge	B-6	3,448.00
Miscellaneous Reserves	B-16	80.00
		3,528.00
		13,890.50
Decreased by:		
Disbursements	B-1	10,362.50
		10,362.50
Balance - December 31, 2011	B	3,528.00

Statement of Net Assets Available for Benefits
Trust Fund

Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	B	879,550.54
Increased by:		
Borough Contributions		98,533.51
Plan Earnings		663.23
		99,196.74
		978,747.28
Decreased by:		
Decrease in Unit Value		26,837.04
Distributions		18,866.37
		45,703.41
Balance - December 31, 2011	B	933,043.87

Borough of Ringwood, N.J.

Analysis of Assessment Trust Cash

Assessment Trust Fund

Year Ended December 31, 2011

	Balance Dec. 31, 2010	Receipts		Disbursements	Transfers		Balance Dec. 31, 2011
		Assessments	Miscellaneous		To	From	
<u>Assessment Loans Payable:</u>							
2007-01 Skyline Lakes Dam Reconstruction	227,077.85	94,143.91		86,357.21	126.37		234,990.92
2010-01 Erskine Lakes Dam Restoration	42,395.23	74,636.23		49,612.28			67,419.18
<u>Other Liabilities</u>	24,527.34					27.34	24,500.00
<u>Trust Surplus</u>	1,819.81					1,819.81	
<u>Current Fund</u>	(28.50)		764.61	367.00	1,847.15	126.37	2,089.89
	<u>295,791.73</u>	<u>168,780.14</u>	<u>764.61</u>	<u>136,336.49</u>	<u>1,973.52</u>	<u>1,973.52</u>	<u>328,999.99</u>
	B	B-11	B-13	B-13; B-14			B

Borough of Ringwood, N.J.

Statement of Assessments Receivable

Assessment Trust Fund

Year Ended December 31, 2011

Ordinance Date or Number	Improvement Description	Date of Confirmation	Installments	Due Date	Balance Dec. 31, 2010	Confirmed 2011	Trans. To Assessment Liens	Collected	Balance Dec. 31, 2011	Balance Pledged to	
										Loan Payable	Reserve
2007-01	Skyline Lakes Dam Reconstruction	06-04-09	18	07-15-09-26	1,194,775.66		464.61	94,143.91	1,100,167.14	1,100,167.14	
2010-01	Erskine Lakes Dam Restoration	06-15-10	18	06-30-10-27	821,433.72			74,636.23	746,797.49	746,797.49	
					2,016,209.38		464.61	168,780.14	1,846,964.63	1,846,964.63	
					B		B-12	B-1	B		

Borough of Ringwood, N.J.

Statement of Assessment Liens

Assessment Trust Fund

Year Ended December 31, 2011

Ordinance Date or Number	Improvement Description	Balance Dec. 31, 2010	Trans. From Assessments Receivable	Collected	Balance Dec. 31, 2011	Balance Pledged to	
						Loan Payable	Reserve
2007-01	Skyline Lakes Dam Reconstruction	3,040.39	464.61	126.37	3,378.63	3,378.63	
2010-01	Erskine Lakes Dam Restoration	153.44			153.44	153.44	
		<u>3,193.83</u>	<u>464.61</u>	<u>126.37</u>	<u>3,532.07</u>	<u>3,532.07</u>	<u>-</u>
		B	B-11	B-13	B		

Borough of Ringwood, N.J.
Statement of Due From Current Fund
Assessment Trust Fund
Year Ended December 31, 2011

	<u>Ref.</u>		
Balance - December 31, 2010			
Due From Current Fund	B		28.50
Increased by:			
Disbursements	B-1	367.00	
Lien Collections in Current Fund	B-12	126.37	
			493.37
			521.87
Decreased by:			
Audit Adjustment	B-15; B-17	1,847.15	
Receipts	B-1	764.61	
			2,611.76
Balance - December 31, 2011	B		2,089.89

Borough of Ringwood, N.J.

Statement of Loans Payable - State of New Jersey

Assessment Trust Fund

Year Ended December 31, 2011

Ordinance Date or Number	Improvement Description	Balance Dec. 31, 2010	Loans Received	Loan Repayments	Balance Dec. 31, 2011
2007-01	Skyline Lakes Dam Reconstruction	1,424,893.90		86,357.21	1,338,536.69
2010-01	Erskine Lakes Dam Restoration	868,214.95		49,612.38	818,602.57
		<u>2,293,108.85</u>		<u>135,969.59</u>	<u>2,157,139.26</u>
		B		B-1	B

Borough of Ringwood, N.J.

Statement of Reserve For Assessments and Liens

Assessment Trust Fund

Year Ended December 31, 2011

<u>Ordinance Date or Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2010</u>	<u>Disbursements</u>	<u>Collections To Surplus</u>	<u>Audit Adjustment</u>	<u>Balance Dec. 31, 2011</u>
2007-01	Skyline Lakes Dam Reconstruction	26,330.88			(1,830.88)	24,500.00
2010-01	Erskine Lakes Dam Restoration	<u>(4,216.29)</u>			4,216.29	
		<u>22,114.59</u>			<u>2,385.41</u>	<u>24,500.00</u>
		B			B-13	B

Borough of Ringwood, N.J.

Statement of Reserve for Other Trust Various Reserves

Year Ended December 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Reserve For:				
Playground Donations	68.05	2,604.00	195.00	2,477.05
Bike Donations	0.10			0.10
Unemployment Insurance Trust Fund	13,493.46	23,122.07	29,413.50	7,202.03
Small Cities Development Grant	128,723.72	15,000.00		143,723.72
Public Defender Fees	4,090.73	5,504.00		9,594.73
DARE Program	2,158.64	7,715.00	2,158.64	7,715.00
Parking Offenses Adjudication Act	625.00	38.00		663.00
Tax Sale Premiums	251,000.00	269,000.00	222,000.00	298,000.00
Terminal Leave Compensation	23,584.70		17,290.19	6,294.51
GS P.O.P.S.	180.00			180.00
Developer Agreement	1,299.75			1,299.75
Fire Prevention	139.79	420.00		559.79
Affordable Housing	21,171.75			21,171.75
Ringwood Fair	1,207.45	2,520.79	225.00	3,503.24
Inspection Fees	24,000.00	8,000.00		32,000.00
LOSAP	25,002.40			25,002.40
Municipal Open Space	451,263.66	171,688.21	116,343.50	506,608.37
Total	<u>948,009.20</u>	<u>505,612.07</u>	<u>387,625.83</u>	<u>1,065,995.44</u>
	B			B
Interfund - Current Fund	B-5	1,020.00		
Receipts	B-1	<u>504,592.07</u>		
		<u>505,612.07</u>		
Encumbrances Payable	B-8		80.00	
Disbursements	B-1		<u>387,545.83</u>	
			<u>387,625.83</u>	

Borough of Ringwood, N.J.

Statement of Amount to be Raised by Taxation for Canceled Assessments

Assessment Trust Fund

Year Ended December 31, 2011

Ordinance Date or Number	Improvement Description	Balance Dec. 31, 2010	Audit Adjustment	Raised by Budget Appropriation	Balance Dec. 31, 2011	Balance Pledged to Loan Payable
2010-01	Erskine Lakes Dam Restoration		4,232.56		4,232.56	4,232.56
		B	4,232.56 B-13		4,232.56 B	4,232.56

Borough of Ringwood, N.J.

Statement of General Capital Cash Collector - Treasurer

General Capital Fund

Year Ended December 31, 2011

	<u>Ref.</u>		
Balance - December 31, 2010	C		2,471,912.53
Increased by Receipts:			
Interfund - Current Fund	C-6	1,900,000.00	
Note Proceeds	C-9	1,047,000.00	
Reserve for Various Projects	C-14	<u>56,972.00</u>	
			<u>3,003,972.00</u>
			5,475,884.53
Decreased by Disbursements:			
Capital Surplus to Current Fund	C-1	12,500.00	
Interfund - Current Fund	C-6	1,900,000.00	
Improvement Authorizations	C-10	582,452.58	
Contracts Payable	C-12	91,826.22	
Reserve for Various Projects	C-14	23,503.36	
Reserve for Debt Service	C-15	<u>84,780.68</u>	
			<u>2,695,062.84</u>
Balance - December 31, 2011	C		<u><u>2,780,821.69</u></u>

Borough of Ringwood, N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2011

	<u>Ref.</u>	
Capital Fund Balance	C-1	71.02
Due from Current Fund	C-6	(18,093.79)
Due from Federal and State Grant Fund	C-7	(191,125.28)
Capital Improvement Fund	C-11	101,758.95
Contracts Payable	C-12	71,061.60
Reserve for Various Projects	C-14	187,051.32
Reserve for Payment of Bond Anticipation Notes		55,149.39
<u>Date of Ordinance or Number</u>		
1989-08	Acq. Of Additional Communications Equipment	123.81
1996-12	Improvement to Conklintown Road	(17,008.16)
1999-01	Supplemental Appropriation - Municipal Library	1,315.62
2000-09	Purchase of a Communication System	865.90
2002-15	Various Improvements	19,031.86
2003-10	Acquisition of Vehicular Equipment	(3,240.88)
2005-19	Various Improvements	508,491.80
2006-30	Various Improvements	730,004.41
2007-12	Various Improvements	616,334.34
2008-16	Various Improvements	282,876.26
2010-11	Various Improvements	436,153.52
Balance - December 31, 2011	C	<u>2,780,821.69</u>

Borough of Ringwood, N.J.

Statement of Deferred Charges to Future Taxation - Funded

General Capital Fund

Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	C	7,728,690.88
Decreased by:		
Payments by Budget Appropriation:		
Green Trust Loan	C-13	7,531.13
Serial Bonds	C-8	<u>470,000.00</u>
		<u>477,531.13</u>
Balance - December 31, 2011	C	<u><u>7,251,159.75</u></u>

Borough of Ringwood, N.J.

Statement of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2011

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2010	2011 Authoriz.	Paid By Budget Appropriation	Balance Dec. 31, 2011	Analysis of Balance Dec. 31, 2011		
							Financed by Bond Anticipation Notes	Expenditures	Unexpended Balance of Improvement Authorizations
1996-12	Improvements to Conkintown Road	08-28-96	17,008.16			17,008.16			
1997-16	Improvements to Burnt Meadow Road	07-23-97	-						
2003-10	Acquisition of Vehicular Equipment	06-24-03	3,240.88			3,240.88			
2006-30	Various Improvements	10-24-06	483,874.51		3,010.00	480,864.51	533,540.00	(52,675.49)	
2008-16	Various Improvements	06-19-08	973,526.10		23,700.00	949,826.10	952,300.00	(2,473.90)	
2010-11	Various Improvements	07-20-10	1,047,000.00			1,047,000.00	1,047,000.00		
			<u>2,524,649.65</u>	<u>-</u>	<u>26,710.00</u>	<u>2,497,939.65</u>	<u>2,532,840.00</u>	<u>(34,900.35)</u>	<u>-</u>
			C		C-9	C			

	<u>Ref.</u>	
Improvement Authorizations- Unfunded	C-10	1,449,034.19
Less: Unexpended Proceeds of Bond Anticipation Notes:		
Ordinance No:		
2006-30		730,004.41
2008-16		282,876.26
2010-11		436,153.52
		<u>-</u>

Borough of Ringwood, N.J.
Statement of Due From Current Fund
General Capital Fund
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	C	18,093.79
Increased by:		
Disbursements	C-2	<u>1,900,000.00</u>
		1,918,093.79
Decreased by:		
Receipts	C-2	<u>1,900,000.00</u>
Balance - December 31, 2011	C, C-3	<u><u>18,093.79</u></u>

Statement of Due From Federal and State Grant Fund
General Capital Fund
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	C	<u><u>191,125.28</u></u>
Balance - December 31, 2011	C	<u><u>191,125.28</u></u>

Borough of Ringwood, N.J.

Statement of General Serial Bonds

General Capital Fund

Year Ended December 31, 2011

Purpose	Date of Issue	Amount of Original Issue	Date	Amount	Interest Rate	Balance Dec. 31, 2010	Issued	Redeemed/Refunded	Balance Dec. 31, 2011
General Bonds of 2004	01-15-04	2,000,000.00	01-15-2011-2014	225,000.00	4.00%	900,000.00		225,000.00	675,000.00
Sewer Refunding Bonds - Series 2009	04/23/09	840,000.00	02-01-2012 02-01-2013 02-01-2014 02-01-2015 02-01-2016 02-01-2017 02-01-2018 02-01-2019	75,000.00 80,000.00 80,000.00 85,000.00 90,000.00 90,000.00 95,000.00 100,000.00	3.00% 3.50% 4.00% 3.50% 3.50% 5.00% 5.00% 5.00%			70,000.00	695,000.00
						765,000.00			

Borough of Ringwood, N.J.

Statement of General Serial Bonds

General Capital Fund

Year Ended December 31, 2011

Purpose	Date of Issue	Amount of Original Issue	Date	Amount	Interest Rate	Balance Dec. 31, 2010	Issued	Redeemed/Refunded	Balance Dec. 31, 2011
General Refunding Bonds - Series 2009	04/23/09	1,630,000.00	02-01-2012	150,000.00	3.00%				
			02-01-2013	150,000.00	3.00%				
			02-01-2014	145,000.00	4.00%				
			02-01-2015	145,000.00	3.50%				
			02-01-2016	145,000.00	3.50%				
			02-01-2017	145,000.00	5.00%				
			02-01-2018	145,000.00	5.00%				
			02-01-2019	145,000.00	5.00%				
			02-01-2020	145,000.00	5.00%				
			02-01-2021	155,000.00	5.00%	1,625,000.00		155,000.00	1,470,000.00

Borough of Ringwood, N.J.

Statement of General Serial Bonds
General Capital Fund

Year Ended December 31, 2011

Purpose	Date of Issue	Amount of Original Issue	Date	Amount	Interest Rate	Balance Dec. 31, 2010	Issued	Redeemed/Refunded	Balance Dec. 31, 2011
County Guaranteed Gov. Loan Revenue Bonds - Series 2009	01/15/09	4,367,000.00	10-01-2012	55,000.00	4.25%				
			10-01-2013	60,000.00	4.25%				
			10-01-2014	60,000.00	4.25%				
			10-01-2015	280,000.00	4.25%				
			10-01-2016	300,000.00	4.00%				
			10-01-2017	300,000.00	4.00%				
			10-01-2018	300,000.00	4.00%				
			10-01-2019	300,000.00	4.25%				
			10-01-2020	375,000.00	4.50%				
			10-01-2021	400,000.00	5.00%				
			10-01-2022	625,000.00	5.50%				
		10-01-2023	630,000.00	4.63%					
		10-01-2024	642,000.00	5.50%					
						4,347,000.00		20,000.00	4,327,000.00
						7,637,000.00		470,000.00	7,167,000.00
						C	C-4	C	

Borough of Ringwood, N.J.

Statement of Bond Anticipation Notes

General Capital Fund

Year Ended December 31, 2011

Ordinance Number	Improvement Description	Original Note	Date of Original Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2010		Balance Dec. 31, 2011	
						Increased	Decreased	Increased	Decreased
2006-30	Various Improvements	136,500.00	11-06-08	11-02-12	1.00%	130,540.00	133,550.00	130,540.00	130,540.00
2006-30	Various Improvements	403,000.00	11-06-09	11-02-12	1.00%	403,000.00	403,000.00	403,000.00	403,000.00
2008-16	Various Improvements	976,000.00	11-06-08	11-02-12	1.00%	952,300.00	976,000.00	952,300.00	952,300.00
2010-11	Various Improvements	1,047,000.00	08-04-11	08-03-12	1.01%	1,047,000.00		1,047,000.00	1,047,000.00
						<u>2,532,840.00</u>	<u>1,512,550.00</u>	<u>2,532,840.00</u>	<u>2,532,840.00</u>
							<u>C</u>		<u>C</u>
	Issued for Cash					1,047,000.00			
	Paid by Budget Approp. Renewals						26,710.00		
						<u>1,485,840.00</u>	<u>1,485,840.00</u>		
						<u>2,532,840.00</u>	<u>1,512,550.00</u>		

Borough of Ringwood, N.J.

Statement of Improvement Authorizations - General Capital

General Capital Fund

Year Ended December 31, 2011

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2010		2011 Authoriz.	Paid or Charged	Adjustment	Balance Dec. 31, 2011	
				Funded	Unfunded				Funded	Unfunded
1989-08	Acquisition of Additional Communications Equipment	03/28/89	220,000.00	123.81					123.81	
1998-14	Purchase of Fire Truck	08/19/98	350,000.00	2,321.35				(2,321.35)		
1999-01	Supplemental Appropriation - Municipal Library	03/24/99	400,000.00	35,125.49			36,131.22	2,321.35	1,315.62	
2000-09	Purchase of a Communication System	08/23/00	600,000.00	865.90					865.90	
2002-15	Various Improvements	08/28/02	750,000.00	37,907.86			18,876.00		19,031.86	
2005-19	Various Improvements	03/01/05	1,567,500.00	509,866.80			1,375.00		508,491.80	
2006-30	Various Improvements	10/24/06	2,667,000.00		730,004.41					730,004.41
2007-12	Various Improvements	08/14/07	1,300,000.00	616,334.34					616,334.34	
2008-16	Various Improvements	06/19/08	1,025,000.00		372,847.26		89,971.00			282,876.26
2010-11	Various Improvements	07/20/10	1,100,000.00		943,314.48		507,160.96			436,153.52
				<u>1,202,545.55</u>	<u>2,046,166.15</u>		<u>653,514.18</u>		<u>1,146,163.33</u>	<u>1,449,034.19</u>
				C	C				C	C

Ref.

Contracts Payable	C-12	71,061.60
Disbursements	C-2	582,452.58
		<u>653,514.18</u>

Exhibit C-11

Borough of Ringwood, N.J.
Statement of Capital Improvement Fund
General Capital Fund
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	C	<u>101,758.95</u>
Balance - December 31, 2011	C, C-3	<u>101,758.95</u>

Exhibit C-12

Statement of Contracts Payable
General Capital Fund
Year Ended December 31, 2011

	<u>Ref.</u>		
Balance - December 31, 2010	C		94,326.22
Increased by:			
2011 Contracts:			
Improvement Authorizations	C-10		<u>71,061.60</u>
			165,387.82
Decreased by:			
Reserve for Various Projects	C-14	2,500.00	
Disbursements	C-2	<u>91,826.22</u>	
			<u>94,326.22</u>
Balance - December 31, 2011	C, C-3		<u>71,061.60</u>

Borough of Ringwood, N.J.
Statement of Green Trust Loans Payable
General Capital Fund
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	C	91,690.88
Decreased by:		
Payment by Budget Appropriation	C-4	<u>7,531.13</u>
Balance - December 31, 2011	C	<u><u>84,159.75</u></u>

Borough of Ringwood, N.J.

Statement of Reserve for Various Projects

General Capital Fund

Year Ended December 31, 2011

	<u>Balance Dec. 31, 2010</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2011</u>
Park and Ride	13,752.42			13,752.42
James Drive Treatment Plant	65,715.14	2,564.00		68,279.14
Road Program	24,662.71	54,408.00	10,583.11	68,487.60
Drainage Improvements	35,767.47		11,170.25	24,597.22
Parks and Playgrounds	134.83			134.83
Purchase of DPW Equipment	2,125.50	2,500.00	1,750.00	2,875.50
Computer Equipment	391.48			391.48
Purchase of Safety Equipment	710.95			710.95
Payment of BAN's	270.00			270.00
Communications Equipment	621.08			621.08
Public Buildings	789.00			789.00
Snake Den Paving	6,142.10			6,142.10
	<u>151,082.68</u>	<u>59,472.00</u>	<u>23,503.36</u>	<u>187,051.32</u>
	C		C-2	C, C-3
Contracts Payable	C-12	2,500.00		
Receipts	C-2	<u>56,972.00</u>		
		<u>59,472.00</u>		

Borough of Ringwood, N.J.
Statement of Reserve for Debt Service
General Capital Fund
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	C	84,780.68
Decreased by:		
Appropriated in Current Fund	C-2	<u>84,780.68</u>

Borough of Ringwood, N.J.

Statement of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2011

Date of Ordinance or Number	Balance Dec. 31, 2010	2011 Authorizations	Bond		Balance Dec. 31, 2011
			Anticipation Notes Issued		
1996-12	17,008.16				17,008.16
2003-10	3,240.88				3,240.88
2010-11	1,047,000.00		1,047,000.00		-
	<u>1,067,249.04</u>	<u>-</u>	<u>1,047,000.00</u>		<u>20,249.04</u>
			C-9		Footnote C

Borough of Ringwood, N.J.

Statement of Water Utility Cash - Treasurer

December 31, 2011

	Ref.	Operating	Assessment Trust	Capital
Balance - December 31, 2010	D	93,372.16	0.36	825,972.39
Increased by Receipts:				
Rents	D-2	1,302,917.31		
Interest on Investments	D-2	41.08		
Miscellaneous	D-2	9,490.00		
Interfund:				
Water Utility Capital	D-7	180,000.00		130,000.00
Water Utility Operating	D-19			
		<u>1,492,448.39</u>		<u>130,000.00</u>
		1,585,820.55	0.36	955,972.39
Decreased by Disbursements:				
2011 Appropriations	D-3	1,213,840.88		
Interfund:				
Water Utility Capital	D-7	130,000.00		
Water Utility Operating	D-19			180,000.00
Appropriation Reserves	D-12	10,750.26		
Reserve for Encumbrances	D-13	10,407.83		
Accrued Interest on Bonds	D-14	180,146.44		
Improvement Authorizations	D-18			60,141.69
Contracts Payable	D-23			164,861.71
		<u>1,545,145.41</u>		<u>405,003.40</u>
Balance - December 31, 2011	D	<u>40,675.14</u>	<u>0.36</u>	<u>550,968.99</u>

Borough of Ringwood, N.J.

Analysis of Water Utility Assessment Trust Cash

December 31, 2011

	<u>Ref.</u>	
Reserve For Bonds		<u>0.36</u>
Balance - December 31, 2011	D	<u><u>0.36</u></u>

Analysis of Water Utility Capital Cash

December 31, 2011

	<u>Ref.</u>	
Due from Water Operating Fund	D-19	(50,000.00)
Reserve for Capital Improvements	D-21	238.84
Contracts Payable	D-23	64,310.00
Reserve for Payment of BAN	D-24	115,460.75
Improvement Authorizations:		
General Improvements:		
Ordinance Date or Number:		
2003-17 Improvement of the Water Supply and Distribution System		(118,200.97)
2007-13 Improvement of the Water Supply and Distribution System		83,458.08
2009-08 Improvement of the Water Supply and Distribution System		249,754.29
2010-12 Improvement of the Water Supply and Distribution System		205,948.00
Balance - December 31, 2011	D	<u><u>550,968.99</u></u>

Exhibit D-7

Borough of Ringwood, N.J.

**Statement of Due To Water Capital Fund -
Water Utility Operating Fund**

	<u>Ref.</u>	
Increased by:		
Receipts	D-4	180,000.00
Decreased by		
Payments to Water Capital Fund	D-4	<u>130,000.00</u>
Balance - December 31, 2011	D	<u><u>50,000.00</u></u>

Exhibit D-8

Statement of Consumer Accounts Receivable

Water Utility Operating Fund

	<u>Ref.</u>	
Balance - December 31, 2010	D	95,793.46
Increased by:		
Water Rents Levied		<u>1,307,028.81</u>
		1,402,822.27
Decreased by:		
Collections	D-2	<u>1,302,917.31</u>
Balance - December 31, 2011	D	<u><u>99,904.96</u></u>

Borough of Ringwood, N.J.

Statement of Assessments Receivable

Ordinance Date or Number	Improvement Description	Date of Confirmation	Installments	Due Date	Balance Dec. 31, 2010	Balance Dec. 31, 2011	Balance Pledged to	
							Assessment Bonds and Notes	Reserve
91-346	Improvement of the Water Supply and Distribution System - Margaret King Avenue	10-31-91	10	12-31-92-00	163,480.00	163,480.00		163,480.00
					D	D		

Borough of Ringwood, N.J.

Statement of Fixed Capital

Water Utility Capital Fund

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Additions by</u> <u>Ordinance</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Improvement of Water Supply and Distribution System - Local Improvements Assessed	376,200.00		376,200.00
Extension of Water System	3,949.52		3,949.52
Extension of Water System - Local Improvement Assessed	10,000.00		10,000.00
Well Site Purchase	50,000.00		50,000.00
Acquisition of Skyline Lakes Water Supply and Distribution System and the Improvement Thereof	113,750.00		113,750.00
Acquisition of Ringwood Acres Water Company	34,272.48		34,272.48
Improvement of Water Supply and Distribution System	2,842,104.61		2,842,104.61
Water System Improvement			
Local Improvements Assessed	15,000.00		15,000.00
Purchase of Windbeam Water Company Plant	189,000.00		189,000.00
Roof	45,441.40		45,441.40
Hydrants	2,375.00		2,375.00
Meters	2,389.98		2,389.98
Meters	10,427.00		10,427.00
Improvement to Water Supply and Distribution System 1987-24	809,000.00		809,000.00
Improvement to Water Supply and Distribution System 1988-9	289,000.00		289,000.00
Purchase of Truck	25,000.00		25,000.00
Improvement to Water Supply and Distribution System 1991-24	228,000.00		228,000.00
Improvement to Water Supply and Distribution System 1995-01	200,000.00		200,000.00
Improvement to Water Supply and Distribution System 1996-04	1,000,000.00		1,000,000.00
Improvement to Water Supply and Distribution System 1997-26	425,000.00		425,000.00
Improvement to Water Supply and Distribution System 1998-04	1,000,000.00		1,000,000.00
Improvement to Water Supply and Distribution System 1998-16	350,000.00		350,000.00
Improvement to Water Supply and Distribution System 1999-02	1,000,000.00		1,000,000.00
Improvement to Water Supply and Distribution System 2003-17	4,118,200.97		4,118,200.97
Improvement to Water Supply and Distribution System 2005-03	1,284,539.01		1,284,539.01
Improvement to Water Supply and Distribution System 2006-17	300,000.00		300,000.00
	<u>14,723,649.97</u>	<u>-</u>	<u>14,723,649.97</u>
	D		D

Borough of Ringwood, N.J.

Statement of Fixed Capital Authorized and Uncompleted

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2010	Authorizations	Transferred to Fixed Capital	Balance Dec. 31, 2011
		Date	Amount				
2000-08	Improvement of the Water Supply and Distribution System	08/23/00	1,000,000.00	1,000,000.00			1,000,000.00
2001-08	Improvement of the Water Supply and Distribution System	06/27/01	1,000,000.00	246,000.00			246,000.00
2007-13	Improvement of the Water Supply and Distribution System	08/14/07	700,000.00	700,000.00			700,000.00
2008-05	Improvement of the Water Supply and Distribution System	03/06/08	350,000.00	258,000.00			258,000.00
2009-08	Improvement of the Water Supply and Distribution System	08/12/09	500,000.00	476,000.00			476,000.00
2010-12	Improvement of the Water Supply and Distribution System	07/20/10	300,000.00	300,000.00			300,000.00
2011-05	Improvement of the Water Supply and Distribution System	10/18/11	400,000.00		400,000.00		400,000.00
				2,980,000.00	400,000.00	-	3,380,000.00
				D	D-18	-	D

Borough of Ringwood, N.J.

Statement of 2010 Appropriation Reserves

	Balance Dec. 31, 2010	Balance After Transfers	Paid Or Charged	Balance Lapsed	Over- Expended
Operating:					
Salaries and Wages	555.02	555.02		555.02	
Other Expenses	8,760.90	8,760.90	7,750.26	1,010.64	
Statutory Expenditures:					
Contribution To:					
Public Employees' Retirement System	3,000.00	3,000.00	3,000.00	-	
Social Security System	20.92	20.92		20.92	
	<u>12,336.84</u>	<u>12,336.84</u>	<u>10,750.26</u>	<u>1,586.58</u>	
	D	D	D-4	D-1	

Borough of Ringwood, N.J.

Statement of Reserve for Encumbrances

	<u>Ref.</u>	
Balance - December 31, 2010	D	10,407.83
Increased by:		
Encumbrances	D-3	<u>43,459.93</u>
		53,867.76
Decreased by:		
Disbursements	D-4	<u>10,407.83</u>
Balance - December 31, 2011	D	<u><u>43,459.93</u></u>

Borough of Ringwood, N.J.

Statement of Accrued Interest on Bonds and Notes

December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	D	17,306.18
Increased by:		
2011 Budget Appropriations		
Interest on Bonds and Notes	D-3	<u>182,000.00</u>
		199,306.18
Decreased by:		
Disbursements	D-4	<u>180,146.44</u>
Balance - December 31, 2011	D	<u><u>19,159.74</u></u>

Statement of Reserve for Assessments and Liens

Water Utility Assessment Trust

	<u>Ref.</u>	
Balance - December 31, 2010	D	<u><u>163,480.36</u></u>
Balance - December 31, 2011	D	<u><u>163,480.36</u></u>

Borough of Ringwood, N.J.

Statement of Water Serial Bonds

Date of Issue	Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance Dec. 31, 2010	Increased	Decreased	Balance Dec. 31, 2011
		Date	Dec. 31, 2011 Amount	Dec. 31, 2011					
Water Bonds of 2004	1/15/04	2,122,000.00							
			1/15/12	75,000.00	4.00%				
			1/15/13	75,000.00	4.00%				
			1/15/14	75,000.00	4.00%				
			1/15/15	75,000.00	4.00%				
			1/15/16	75,000.00	4.00%				
			1/15/17	75,000.00	4.00%				
			1/15/18	75,000.00	4.00%				
			1/15/19	75,000.00	4.00%				
			1/15/20	75,000.00	4.00%				
			1/15/21	85,000.00	4.00%				
			1/15/22	325,000.00	4.00%				
			1/15/23	350,000.00	4.00%				
			1/15/24	307,000.00	4.00%				
						1,817,000.00		75,000.00	1,742,000.00

Borough of Ringwood, N.J.

Statement of Water Serial Bonds

Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2010	Increased	Decreased	Balance Dec. 31, 2011
		Date	Amount					
4/23/09	1,870,000.00	2/1/12	140,000.00	3.00%				
		2/1/13	150,000.00	3.50%				
		2/1/14	145,000.00	4.00%				
		2/1/15	155,000.00	3.50%				
		2/1/16	175,000.00	3.50%				
		2/1/17	170,000.00	5.00%				
		2/1/18	190,000.00	5.00%				
		2/1/19	190,000.00	5.00%				
		2/1/20	210,000.00	5.00%				
		2/1/21	210,000.00	5.00%				
					1,865,000.00		130,000.00	1,735,000.00
					3,682,000.00		205,000.00	3,477,000.00
					D		D-20	D

Water Refunding Bonds
of 2009

Borough of Ringwood, N.J.

Statement of Improvement Authorizations

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2010		Authorized	Paid or Charged	Balance Dec. 31, 2011	
				Funded	Unfunded			Funded	Unfunded
2003-07	Improvement of the Water Supply and Distribution System	05/27/03	349,697.03	51,134.18			51,134.18		
2007-13	Improvement of the Water Supply and Distribution System	08/14/07	700,000.00		83,458.08				83,458.08
2009-08	Improvement of the Water Supply and Distribution System	08/12/09	500,000.00		229,019.80		(20,734.49)		249,754.29
2010-12	Improvement of the Water Supply and Distribution System	07/20/10	300,000.00	15,000.00	285,000.00		94,052.00		205,948.00
2011-05	Improvement of the Water Supply and Distribution System	10/18/11	400,000.00			400,000.00			400,000.00
				<u>66,134.18</u>	<u>597,477.88</u>	<u>400,000.00</u>	<u>124,451.69</u>	<u>-</u>	<u>939,160.37</u>
				D	D	D-26	D	D	D
	Contracts Payable						64,310.00		
	Cash Disbursements						60,141.69		
							<u>124,451.69</u>		

Borough of Ringwood, N.J.

**Statement of Due From Water Operating Fund -
Water Utility Capital Fund**

	<u>Ref.</u>	
Increased by:		
Cash Disbursements	D-4	180,000.00
Decreased by:		
Cash Receipts	D-4	<u>130,000.00</u>
Balance - December 31, 2011	D	<u><u>50,000</u></u>

Borough of Ringwood, N.J.

Statement of Reserve for Amortization

	Ref.		
Balance - December 31, 2010	D		11,726,719.00
Increased by:			
Serial Bonds Paid	D-16	205,000.00	
Bond Anticipation Notes Paid	D-17	<u>14,925.00</u>	
			<u>219,925.00</u>
Balance - December 31, 2011	D		<u><u>11,946,644.00</u></u>

Statement of Reserve for Capital Improvements

	<u>Ref.</u>		
Balance - December 31, 2010	D		<u><u>238.84</u></u>
Balance - December 31, 2011	D		<u><u>238.84</u></u>

Borough of Ringwood, N.J.

Statement of Deferred Reserve for Amortization

Ordinance Number	Improvement Description	Ordinance Date	Balance Dec. 31, 2010	Fixed Capital Authorized	To Reserve For Amortization	Balance Dec. 31, 2011
2007-13	Improvement of the Water Supply and Distribution System	08/14/07	35,000.00			35,000.00
2008-05	Improvement of the Water Supply and Distribution System	03/06/08	12,300.00			12,300.00
2010-12	Improvement of the Water Supply and Distribution System	07/20/10	15,000.00			15,000.00
			<u>62,300.00</u>	<u>-</u>	<u>-</u>	<u>62,300.00</u>
			D			D

Borough of Ringwood, N.J.
Statement of Contracts Payable
Water Utility Capital Fund

	<u>Ref.</u>	
Balance - December 31, 2010	D	164,861.71
Increased by:		
Charges to Imp. Authorizations	D-18	64,310.00
		229,171.71
Decreased by:		
Cash Disbursements	D-4	164,861.71
		164,861.71
Balance - December 31, 2011	D	64,310.00

Statement of Reserve for Payment of Bond Anticipation Notes
Water Utility Capital Fund

	<u>Ref.</u>	
Balance - December 31, 2010	D	115,460.75
Balance - December 31, 2011	D	115,460.75

Borough of Ringwood, N.J.

Statement of Deferred Charges

	Balance Dec. 31, 2010	Added in 2011	Raised In 2011 Budget	Balance Dec. 31, 2011
Operating Deficit	-	120,565.03		120,565.03
	-	120,565.03	-	120,565.03
	D			D

Borough of Ringwood, N.J.

Statement of Bonds and Notes Authorized But Not Issued

Description	Ordinance Number	Balance Dec. 31, 2010	2011 Authorizations	Notes Issued	Balance Dec. 31, 2011
Improvement of the Water Supply and Distribution Facilities	2003-17	118,200.97			118,200.97
Improvement of the Water Supply and Distribution Facilities	2005-03	0.24			0.24
Improvement of the Water Supply and Distribution Facilities	2010-12	-	400,000.00		400,000.00
		<u>118,201.21</u>	<u>400,000.00</u>	<u>-</u>	<u>518,201.21</u>
			D-18		Footnote D

Exhibit E-1

Borough of Ringwood, N.J.
Schedule of Cash-Treasurer
Public Assistance Fund
Year Ended December 31, 2011

	<u>Ref.</u>	<u>Total</u>	<u>P.A.T.F. Account #1</u>
Balance - December 31, 2010	E	<u>6,961.19</u>	<u>6,961.19</u>
Balance - December 31, 2011	E	<u>6,961.19</u>	<u>6,961.19</u>

Borough of Ringwood, N.J.

Schedule Of Public Assistance Cash And Reconciliation Per N.J.S. 40A:5-5

Public Assistance Fund

Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2011	E-1	6,961.19
Increased by:		
Cash Receipts Record		<u>-</u>
		6,961.19
Decreased by:		
Cash Disbursements Record		<u>-</u>
Balance - May 15, 2012		<u><u>6,961.19</u></u>
<u>Reconciliation - May 15, 2012</u>	<u>P.A.T.F. Account #1</u>	<u>TOTAL</u>
Balance on Deposit per Statement of: Lakeland State Bank Checking	<u>6,962.19</u> 6,962.19	<u>6,962.19</u> 6,962.19
Less:		
Outstanding Checks	<u>(1.00)</u>	<u>(1.00)</u>
Balance - May 15, 2012	<u><u>6,961.19</u></u>	<u><u>6,961.19</u></u>

Borough of Ringwood, N.J.
Schedule of Public Assistance Cash And Reconciliation
Public Assistance Fund
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	E-1	6,961.19
Increased by Receipts:		
Cash Receipts Record		6,961.19
Decreased by Disbursements:		
Cash Disbursements Record:		
2011 Assistance		6,961.19
Balance - December 31, 2011		6,961.19

	<u>P.A.T.F.</u> <u>Account #1</u>	<u>TOTAL</u>
<u>Reconciliation - December 31, 2011</u>		
Balance on Deposit per Statement of:		
Lakeland State Bank		
Checking	6,962.19	6,962.19
	6,962.19	6,962.19
Less:		
Outstanding Checks	(1.00)	(1.00)
Balance - December 31, 2011	6,961.19	6,961.19

Borough of Ringwood, N.J.
Schedule of Reserve for Public Assistance
Public Assistance Fund
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	E	6,961.19
Increased by:		
Receipts		-
		6,961.19
Decreased by:		
Disbursements		-
Balance - December 31, 2011	E	6,961.19
<u>Analysis of Balance:</u>		
Account #1		6,961.19

Borough of Ringwood, N.J.

Schedule of Payroll Deductions

Payroll Fund

Year Ended December 31, 2011

	Balance <u>Dec. 31, 2010</u>	Receipts	Disbursed	Balance <u>Dec. 31, 2011</u>
Federal Withholding	-	752,002.92	752,002.92	-
Social Security / Medicare	0.06	471,892.50	471,892.50	0.06
NJ Withholding	-	194,736.56	194,736.56	-
Unemployment Insurance	-	9,280.17	9,280.17	-
Disability	0.01	5,583.70	5,583.70	0.01
Family Leave Insurance	-	1,310.20	1,310.20	-
Union Dues	-	27,632.20	27,632.20	-
P.E.R.S. , Insurance, Annuity	-	221,041.14	221,041.14	-
P.F.R.S. , Insurance, Annuity	-	286,966.49	286,966.49	-
DCRP	-	2,101.63	2,101.63	-
AFLAC	-	10,098.60	10,098.60	-
Other	-	42,152.32	42,152.32	-
Health Benefits	-	30,357.19	30,357.19	-
Dental Insurance	-	33,383.50	33,383.50	-
VALIC	-	107,989.84	107,989.84	-
Net Payroll	-	<u>3,728,275.10</u>	<u>3,728,275.10</u>	-
	<u>0.07</u>	<u>5,924,804.06</u>	<u>5,924,804.06</u>	<u>0.07</u>
	F			F

Borough of Ringwood, N.J.

Recreation Fund

Statement of Cash Reconciliation

Year Ended December 31, 2011

	<u>Ref.</u>	
Balance - December 31, 2010	G	207,037.25
Increased by:		
Receipts		<u>216,422.50</u>
		423,459.75
Decreased by:		
Disbursements		<u>191,238.16</u>
Balance - December 31, 2011	G	<u><u>232,221.59</u></u>

Schedule of Reserve for Recreation Expenditures

	<u>Ref.</u>	
Balance - December 31, 2010	G	187,424.36
Increased by:		
Receipts		<u>216,422.50</u>
		403,846.86
Decreased by:		
Encumbrances	5,048.55	
Disbursements	<u>171,625.27</u>	
		<u>176,673.82</u>
Balance - December 31, 2011	G	<u><u>227,173.04</u></u>

BOROUGH OF RINGWOOD

PART II

LETTER ON COMPLIANCE AND INTERNAL CONTROL

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2011

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

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

The Honorable Mayor and
Members of the Borough Council
Borough of Ringwood
Ringwood, New Jersey 07456

We have audited the financial statements-regulatory basis of the Borough of Ringwood in the County of Passaic as of and for the year ended December 31, 2011, and have issued our report thereon dated July 13, 2012. Our report disclosed that, as described in Note 1 to the financial statements-regulatory basis, the Borough of Ringwood prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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.

Internal Control Over Financial Reporting

Management of the Borough of Ringwood is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Borough of Ringwood's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Ringwood's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of Ringwood's internal control over financial reporting.

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.



Honorable Mayor and
Members of the Borough Council
Page 2.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Ringwood'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.

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

This report is intended solely for the information of management, The Division of Local Government Services, Department of Community Affairs, State of New Jersey, Federal Awarding Agencies and Pass Through Entities and is not intended to be and should not be used by anyone other than these specified parties.



Charles J. Ferraioli, Jr., C.P.A.
Registered Municipal Accountant
No. 388



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

July 13, 2012

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. On July 1, 2010, the bid threshold was increased to \$26,000.

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 or \$26,000 after July 1, 2010, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution as appropriate to the contracting unit, or 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."

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 \$26,000 within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

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

Reconstruction of Tennis Courts
Hickory Road/Welch Road Water Main and Roadway Drainage Improvements

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

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

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

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 3, 2011 adopted the following resolutions authorizing interest to be charged on delinquent taxes:

Resolved that for the payment of taxes or assessments, no interest shall be charged if payment of any installment is made within ten (10) days after the date upon which the same becomes due and payable, and Resolved that the rate of interest to be charged for the nonpayment of taxes or assessments shall be 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess, and

Resolved that the rate of interest on delinquent bills for water consumed or standby charges or assessments shall be and is hereby established at 1.5% per month charged from the date bill is rendered; however, no interest shall be charged if the bill is paid within thirty (30) days after bill is rendered.

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Number of Liens</u>	<u>Water Assessments</u>	<u>Water Utility</u>
2011	49	0	0
2010	43	0	0
2009	36	0	0

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

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. In addition, we used analytical review procedures to satisfy the validity of the receivables.

The result of the test, which was made as of December 31, 2011 is not yet known, but a separate report will be rendered if any irregularities develop.

OTHER COMMENTS

Water Assessments

There are old water assessments on the Borough's books that should be reviewed for collectability and possible cancellation.

Treasurer

Interfund accounts between General Capital Fund and Federal and State Grant Fund for Westbrook Road projects should be investigated for propriety.

Purchasing

Several awards of professional service contracts were not advertised in the Borough's official newspaper as required by statute.

In one instance, the award of a Borough contract was not advertised in the Borough's official newspaper as required by statute.

A purchase of two police cars were made without public bids or state contract.

Recreation Department

Documentation supporting deposit of funds within 48 hours was unavailable for audit.

RECOMMENDATIONS

1. That old water assessments receivable balances be collected or cancelled.
2. That interfund accounts between General Capital and Federal and State Grant funds be reviewed for propriety.
3. That all contract awards be advertised in the Borough's official newspaper as required by statute.
4. That sale contracts or public bids be used for purchases of police cars over the bid threshold.
5. That documentation be retained by the Recreation Department supporting compliance with the deposit of its collections with the Treasurer within 48 hours of receipt.

STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS

A review was performed on all prior year recommendations and corrective action was taken on all with the exception of the following which is included in this year's recommendations:

1. That the old water assessments receivable balances be collected or cancelled.
2. In several instances, departmental collections were not turned over to the Municipal Treasurer within 48 hours as required by statute.
3. Interfund accounts between General Capital and Federal and State Grant Fund for Westbrook Road projects should be investigated for propriety.

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 me.

Very truly yours,



Charles J. Ferraioli, Jr., C.P.A.
Registered Municipal Accountant
No. 388



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants