

**BOROUGH OF RINGWOOD**

**COUNTY OF PASSAIC**

**DECEMBER 31, 2009**

**BOROUGH OF RINGWOOD, N. J.**  
**TABLE OF CONTENTS**

<u>Exhibit</u>		<u>Page</u>
	Independent Auditor's Report	1
<b><u>PART I</u></b>		
<b><u>CURRENT FUND</u></b>		
A	Comparative Balance Sheet - Regulatory Basis	3
A-1	Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	5
A-2	Statement of Revenues - Regulatory Basis	7
A-3	Statement of Expenditures - Regulatory Basis	11
<b><u>TRUST FUND</u></b>		
B	Comparative Balance Sheet - Regulatory Basis	27
<b><u>GENERAL CAPITAL FUND</u></b>		
C	Comparative Balance Sheet - Regulatory Basis	28
C-1	Statement of General Capital Fund Balance - Regulatory Basis	29
<b><u>WATER UTILITY FUND</u></b>		
D	Comparative Balance Sheet - Regulatory Basis	30
D-1	Comparative Statement of Operations and Changes In Fund Balance - Regulatory Basis	32
D-2	Statement of Assessment Fund Balance - Regulatory Basis	33
D-3	Statement of Capital Fund Balance - Regulatory Basis	33
D-4	Statement of Revenues - Regulatory Basis - Water Utility Operating Fund	34
D-5	Statement of Expenditures - Regulatory Basis - Water Utility Operating Fund	35
<b><u>PUBLIC ASSISTANCE FUND</u></b>		
E	Comparative Balance Sheet - Regulatory Basis	36
<b><u>PAYROLL FUND</u></b>		
F	Comparative Balance Sheet - Regulatory Basis	37
<b><u>RECREATION FUND</u></b>		
G	Comparative Balance Sheet - Regulatory Basis	38
<b><u>GENERAL FIXED ASSETS</u></b>		
H	Statement of General Fixed Assets - Regulatory Basis	39
	<b>NOTES TO FINANCIAL STATEMENTS</b>	40
	<b>SUPPLEMENTARY DATA</b>	64

**TABLE OF CONTENTS**  
**(continued)**

<u>Exhibit</u>		<u>Page</u>
	<b><u>CURRENT FUND</u></b>	
A-4	Statement of Current Cash - Collector - Treasurer	67
A-5	Statement of Change Funds	69
A-6	Statement of Taxes Receivable and Analysis of Property Tax Levy	70
A-7	Statement of Tax Title Liens	71
A-8	Statement of Property Acquired for Taxes - Assessed Valuations	71
A-9	Statement of Revenue Accounts Receivable	72
A-10	Statement of Due to Other Trust Fund	73
A-11	Statement of Due from Federal and State Grant Fund	73
A-12	Statement of 2008 Appropriation Reserves	74
A-13	Statement of Reserve for Encumbrances	77
A-14	Statement of Prepaid Taxes	77
A-15	Statement of Taxes Receivable in Bankruptcy	78
A-16	Statement of Due to State of New Jersey - Deduction per Chapter 73, P.L. 1976	78
A-17	Statement of Tax Overpayments	79
A-18	Statement of Reserve for Master Plan	79
A-19	Statement of Reserve for Sale of Surplus Equipment	80
A-20	Statement of County Taxes	80
A-21	Statement of Regional High School Tax	81
A-22	Statement of Local District School Tax	81
A-23	Statement of Due To General Capital Fund	82
A-24	Statement of Reserve for Library Aid	82
A-25	Statement of Due to Outside Lienholders	83
A-26	Statement of Accounts Payable	83
A-27	Statement of Reserve for Revaluation of Real Property	84
A-28	Statement of Deferred Charges	85
A-29	Statement of Due to General Capital Fund	86
A-30	Statement of Due to/from Current Fund	86
A-31	Statement of Schedule of State and Federal Grants Receivable	87
A-32	Statement of Reserve for Federal and State Grants	88
A-33	Schedule of Unappropriated Reserve for State Grants	89
A-34	Statement of Encumbrances Payable	89

## TABLE OF CONTENTS

(continued)

<u>Exhibit</u>		<u>Page</u>
<b><u>TRUST FUND</u></b>		
B-1	Statement of Trust Cash Collector - Treasurer	90
B-2	Statement of Due to State Department of Health	91
B-3	Statement of Reserve for Animal Control Fund Expenditures	91
B-4	Statement of Deposits Payable	92
B-5	Statement of Due from Current Fund - Other Trust Fund	92
B-6	Statement of Due to State of New Jersey for Building Surcharge	93
B-7	Statement of Due to State of New Jersey - Marriage Surcharge	93
B-8	Statement of Encumbrances Payable	94
B-9	Statement of Net Assets Available for Benefits	94
B-10	Statement of Assessments Receivable-Skyline Lakes Dam	95
B-11	Statement of Loan Payable-State of New Jersey Trust Fund	95
B-12	Statement of Due to S.L.P.O.A.-Skyline Lakes Dam	96
B-13	Statement of Reserve for Other Trust Various Reserves	97
<b><u>GENERAL CAPITAL FUND</u></b>		
C-2	Statement of General Capital Cash - Collector - Treasurer	98
C-3	Analysis of Cash	99
C-4	Statement of Deferred Charges To Future Taxation - Funded	100
C-5	Statement of Deferred Charges To Future Taxation - Unfunded	101
C-6	Statement of Due From Current Fund	102
C-7	Statement of Due from Federal and State Grant Fund	102
C-8	Statement of General Serial Bonds	103
C-9	Statement of Bond Anticipation Notes	106
C-10	Statement of Improvement Authorizations - General Capital	107
C-11	Statement of Capital Improvement Fund	108
C-12	Statement of Contracts Payable	108
C-13	Statement of Green Trust Loans Payable	109
C-14	Statement of Reserve for Various Projects	110
C-15	Statement of Reserve for Debt Service	111
C-16	Statement of Bonds and Notes Authorized But Not Issued	112
<b><u>WATER UTILITY FUND</u></b>		
D-6	Statement of Water Utility Cash - Treasurer	113
D-7	Analysis of Water Utility Assessment Trust Cash	114
D-8	Analysis of Water Utility Capital Cash	114
D-9	Statement of Due to Water Capital Fund - Water Utility Operating Fund	115

**TABLE OF CONTENTS**  
**(continued)**

<u>Exhibit</u>		<u>Page</u>
<b><u>WATER UTILITY FUND, CONTINUED</u></b>		
D-10	Statement of Consumer Accounts Receivable - Water Utility Operating Fund	115
D-11	Statement of Assessments Receivable	116
D-12	Statement of Grants Receivable	117
D-13	Statement of Fixed Capital - Water Utility Capital Fund	118
D-14	Statement of Fixed Capital Authorized and Uncompleted	119
D-15	Statement of 2008 Appropriation Reserves	120
D-16	Statement of Reserve for Encumbrances	121
D-17	Statement of Reserve for Grants Receivable	121
D-18	Statement of Accrued Interest on Bonds and Notes - December 31, 2009	122
D-19	Statement of Reserve for Assessments and Liens - Water Utility Assessment Trust	122
D-20	Statement of Water Serial Bonds	123
D-21	Statement of Water Bond Anticipation Notes	125
D-22	Statement of Improvement Authorizations	126
D-23	Statement of Capital Improvement Fund	127
D-24	Statement of Due from Water Operating Fund - Water Utility Capital Fund	127
D-25	Statement of Reserve for Amortization	128
D-26	Statement of Reserve for Capital Improvements	128
D-27	Statement of Deferred Reserve for Amortization	129
D-28	Statement of Contracts Payable - Water Utility Capital Fund	130
D-29	Statement of Deferred Charges	131
D-30	Statement of Bonds and Notes Authorized but not Issued	132
<b><u>PUBLIC ASSISTANCE FUND</u></b>		
E-1	Schedule of Cash - Treasurer	133
E-2	Schedule of Public Assistance Cash and Reconciliation Per N.J.S. 40A:5-5	134
E-3	Schedule of Public Assistance Cash and Reconciliation	135
E-4	Schedule of Revenues - Cash Basis	136
E-5	Schedule of Expenditures - Cash Basis	136
E-6	Schedule of Reserve for Public Assistance	137

**TABLE OF CONTENTS**  
**(continued)**

<u>Exhibit</u>		<u>Page</u>
	<b><u>PAYROLL FUND</u></b>	
F-1	Schedule of Payroll Deductions	138
	<b><u>RECREATION FUND</u></b>	
G-1	Statement of Cash Reconciliation	139
G-2	Schedule of Reserve for Recreation Expenditures	139

**PART II**

	Report on Internal Control Over Financial Reporting on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	140
	Report on Compliance with Requirements Applicable to Each Major State Program and Internal Control Over Compliance in Accordance With OMB Circular A-133 and N.J. OMB Circular 04-04 as Amended	142
	Schedule of Expenditures of Federal Awards	145
	Schedule of Expenditures of State Awards	146
	Notes to the Schedules of Expenditures of Federal and State Awards	149
	Schedule of Findings and Questioned Costs	150
	Summary Schedule of Prior-Year Audit Findings and Questioned Costs	152
	General Comments	153
	Other Comments	155
	Recommendations	155
	Status of Prior Year Audit Findings/Recommendations	156

**BOROUGH OF RINGWOOD**

**PART I**

**REPORT ON EXAMINATION OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2009**

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

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

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

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

## INDEPENDENT AUDITOR'S REPORT

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, 2009 and 2008, 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, 2009. 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.

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.



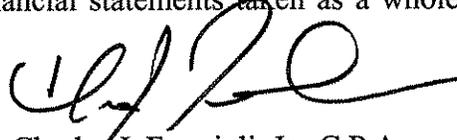
Honorable Mayor and  
Members of the Borough Council  
Page 2.

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, 2009 and 2008 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, 2009 and 2008, 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, 2009, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated September 3, 2010 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.

Our audit was for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information and Schedules of Expenditures of State and Federal Awards 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, and by OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. 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

September 3, 2010



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

**Current Fund**

**December 31, 2009**

	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
<b><u>ASSETS</u></b>			
Cash	A-4	\$ 2,263,390.34	\$ 2,416,270.20
Change Fund	A-5	285.00	285.00
		<u>2,263,675.34</u>	<u>2,416,555.20</u>
Receivables and Other Assets			
with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	547,987.53	578,631.91
Tax Title Liens Receivable	A-7	276,576.88	201,693.02
Property Acquired for Taxes -			
Assessed Valuation	A-8	3,056,400.00	1,584,100.00
Bankruptcy Receivable	A-15		14.68
Revenue Accounts Receivable	A-9	12,590.60	14,050.96
Interfund:			
Federal and State Grant Fund	A-11		100,039.48
		<u>3,893,555.01</u>	<u>2,478,530.05</u>
Deferred Charges:			
Emergency Authorizations (40A:4-47)	A-28	280,000.00	350,000.00
		<u>280,000.00</u>	<u>350,000.00</u>
		<u>6,437,230.35</u>	<u>5,245,085.25</u>
Federal and State Grant Funds:			
State Grants Receivable	A-31	1,097,050.83	670,728.58
Interfund-Current Fund	A-30	286,193.34	
		<u>1,383,244.17</u>	<u>670,728.58</u>
		<u>\$ 7,820,474.52</u>	<u>\$ 5,915,813.83</u>

See accompanying notes to financial statements.

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

**Current Fund**

**December 31, 2009**

	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3, A-12	\$ 298,036.87	\$ 277,735.70
Reserves for Encumbrances	A-13	407,038.28	205,931.97
Prepaid Taxes	A-14	121,605.54	80,061.97
Due to State of New Jersey, Chapter 73, P. L. 1976	A-16	21,455.74	20,100.23
Interfund:			
Other Trust Fund	A-10	750.00	8,400.00
Federal and State Grant Fund	A-11	286,193.34	
General Capital Fund	A-23	98,728.89	1,093.15
Tax Overpayments	A-17		8,335.38
Outside Liens	A-25		
Reserve for Master Plan	A-18	3,701.99	3,701.99
Reserve for Sale of Surplus Equipment	A-19	6,666.18	6,666.18
Reserve for Revaluation of Real Property	A-27	45,335.00	87,660.00
Accounts Payable	A-26	213.85	24,013.85
Due County for Added and Omitted Taxes	A-20	6,680.42	23,101.54
		1,296,406.10	746,801.96
Reserve for Receivables	Contra	3,893,555.01	2,478,530.05
Fund Balance	A-1	1,247,269.24	2,019,753.24
		6,437,230.35	5,245,085.25
Federal and State Grant Funds:			
Interfund-General Capital Fund	A-29	270,544.60	270,544.60
Interfund-Current Fund	A-30		100,039.48
Encumbrances Payable	A-34	236,542.75	
Reserve for Federal and State Grant Funds:			
Appropriated	A-32	875,199.48	297,510.21
Unappropriated	A-33	957.34	2,634.29
		1,383,244.17	670,728.58
		\$ 7,820,474.52	\$ 5,915,813.83

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, 2009

With comparative figures for 2008

	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
<u>REVENUE AND OTHER INCOME REALIZED:</u>			
Surplus Utilized	A-2	\$ 1,600,000.00	\$ 840,000.00
Miscellaneous Revenue Anticipated	A-2	3,995,500.92	4,437,411.39
Receipts from Delinquent Taxes	A-2	511,793.04	550,633.99
Receipts from Current Taxes	A-2	42,985,126.47	42,290,354.46
Non-Budget Revenue	A-2	222,100.82	706,657.04
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-12	70,254.52	177,422.08
Cancellation of Appropriations Payable	A-3	63,041.41	699.20
Bankruptcy Collection			38,626.56
Interfunds Returned		<u>101,499.64</u>	<u>177,767.94</u>
 TOTAL INCOME		 <u>\$ 49,549,316.82</u>	 <u>\$ 49,219,572.66</u>
 <u>EXPENDITURES:</u>			
Budget and Emergency Appropriations:			
Operations Within CAP:			
Salaries and wages	A-3	\$ 5,319,361.00	\$ 5,300,326.00
Other expenses	A-3	5,279,604.00	4,881,622.00
Deferred Charges and Statutory Expenditures - Municipal	A-3	623,931.00	283,440.00
Operations Excluded from CAP:			
Salaries and Wages	A-3	68,000.00	64,049.17
Other Expenses	A-3	1,509,906.47	1,592,371.56
Capital Improvements	A-3	731,610.00	638,710.00
Municipal Debt Service	A-3	823,380.00	864,267.00
Deferred Charges	A-3	70,000.00	
County Taxes	A-20	9,899,505.99	10,021,195.27
Due County for Added and Omitted Taxes:			
Current Year	A-20	4,740.11	21,161.30

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, 2009

With comparative figures for 2008

	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
<u>EXPENDITURES (Continued)</u>			
Local District School Tax	A-22	\$ 15,156,084.50	\$ 14,638,154.33
Regional High School Tax	A-21	9,022,930.09	8,788,858.14
Municipal Open Space Tax	A-10	172,731.67	87,225.78
Tax Appeals	A-17	329.40	6,860.68
Outside Liens	A-25	56.00	
Prior Year Refund	A-4	39,630.59	
Interfund Loans			<u>199,457.16</u>
TOTAL EXPENDITURES		<u>48,721,800.82</u>	<u>47,387,698.39</u>
Excess (Deficit) in Revenue		827,516.00	1,831,874.27
Adjustments to Income before Fund Balance:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year			
Statutory Excess to Surplus		827,516.00	1,831,874.27
Fund Balance, January 1,	A	<u>2,019,753.24</u>	<u>1,027,878.97</u>
		2,847,269.24	2,859,753.24
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	<u>1,600,000.00</u>	<u>840,000.00</u>
Balance, December 31,	A	<u>\$ 1,247,269.24</u>	<u>\$ 2,019,753.24</u>

See accompanying notes to financial statements.

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

Current Fund

Year Ended December 31, 2009

	Ref.	Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	1,600,000.00		1,600,000.00	
Miscellaneous Revenues - Section A: Local Revenues					
Licenses:					
Alcoholic Beverages	A-9	2,000.00		2,634.00	634.00
Other	A-2	13,000.00		9,300.00	(3,700.00)
Fees and Permits	A-2	50,000.00		64,483.04	14,483.04
Fines and Costs:					
Municipal Court	A-9	140,000.00		125,970.38	(14,029.62)
Interest and Costs on Taxes	A-9	120,000.00		122,947.68	2,947.68
Interest on Investments and Deposits	A-9	110,000.00		58,970.00	(51,030.00)
Tax Search Fees	A-9	200.00		300.00	100.00
Election Revenue	A-9	750.00		600.00	(150.00)
SMAC Fees	A-9	1,500.00		2,202.00	702.00
Park and Ride Permits	A-9	30,000.00		29,925.80	(74.20)
Sewer Rents	A-4	145,000.00		150,453.69	5,453.69
Uniform Fire Safety Act	A-4	11,500.00		11,784.50	284.50
Total Section A		623,950.00	-	579,571.09	(44,378.91)
Miscellaneous Revenues - Section B: State Aid Without Offsetting Appropriations					
Energy Receipts Tax (P.L. 1997, Ch. 162 & 167)	A-4	1,971,687.00		1,971,687.00	-
Consolidated Municipal Property Tax Relief Act (N.J.S.A. 52:27D0118034)	A-4	40,266.00		40,266.00	-
Garden State Trust PILOT Funds	A-4	67,038.26		62,693.36	(4,344.90)
Total Section B		2,078,991.26	-	2,074,646.36	(4,344.90)

See accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2009

	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):	A-9	100,000.00		91,407.00	(8,593.00)
Uniform Construction Code Fees					
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 Wanaque - Health Services	A-4	65,000.00		67,167.00	2,167.00
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		23,955.22	23,955.22	
Body Armor Grant	A-31	2,045.29		2,045.29	
Recycling Tonnage Grant	A-31		20,341.44	20,341.44	
Drunk Driving Enforcement Fund	A-31		13,765.52	13,765.52	
Alcohol Education and Rehabilitation Fund	A-31	589.00		589.00	
Neighborhood Preservation-Balanced Housing	A-31	400,000.00		400,000.00	
NJ Highway Traffic Safety-Over the Limit Under Arrest	A-31		11,000.00	11,000.00	
NJ Highlands Water Protection - Initial Assessment	A-31	15,000.00		15,000.00	
NJ Highlands Water Protection - Plan Conformance	A-31	50,000.00		50,000.00	
Homeland Security-Buffer Zone Protection Program	A-31	80,275.00		80,275.00	
NJ Dept. of Health - H1N1 Emergency Response	A-31		73,738.00	73,738.00	
NJ Transportation Trust Fund	A-31	278,000.00		278,000.00	
Total Section F		825,909.29	142,800.18	968,709.47	

See accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2009

	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	184,000.00		184,000.00	-
Capital Fund Balance	A-4	30,000.00		30,000.00	-
Total Section G		214,000.00	-	214,000.00	-
Total Miscellaneous Revenues	A-1	3,907,850.55	142,800.18	3,995,500.92	(55,149.81)
Receipts from Delinquent Taxes	A-1	534,998.74		511,793.04	(23,205.70)
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	A-2	9,140,143.00		9,361,199.41	221,056.41
Non-Budget Revenue	A-1			222,100.82	222,100.82
Grand Total		15,182,992.29	142,800.18	15,690,594.19	364,801.72
		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, 2009
Analysis of Realized Revenues		
Allocation of Current Tax Collections:		
Revenue from Collections	A-1	\$ 42,985,126.47
Allocated to:		
School, County, Regional School and Municipal Open Space Taxes		<u>34,523,927.06</u>
Balance for Support of Municipal Budget Appropriations		8,461,199.41
Add: Appropriation - Reserve for Uncollected Taxes	A-3	<u>900,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 9,361,199.41</u>
Receipts from Delinquent taxes:		
Delinquent Tax Collections	A-6	506,447.85
Tax Title Lien Collections	A-7	<u>5,345.19</u>
	A-2	<u>\$ 511,793.04</u>
Licenses - Other:		
Clerk	A-9	1,380.00
Board of Health	A-9	<u>7,920.00</u>
	A-2	<u>\$ 9,300.00</u>
Fees and Permits - Other:		
Clerk	A-9	12,752.29
Board of Health	A-9	14,844.00
Police Department	A-9	19,800.75
Treasurer	A-9	<u>17,086.00</u>
	A-2	<u>\$ 64,483.04</u>
Analysis of Non-Budget Revenues		
Miscellaneous Revenues Not Anticipated:		
Revenue Accounts Receivable:		
Non-Budget Revenues -		
Clerk	A-9	1,425.00
Health Department	A-9	12,169.00
Other Miscellaneous Items	A-4	<u>208,506.82</u>
	A-1, A-2	<u>\$ 222,100.82</u>

See accompanying notes to financial statements.

Borough of Kingwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2009

	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
<u>General Appropriations</u>						
Operations - within "CAPS"						
<b>GENERAL GOVERNMENT:</b>						
Department of Administration						
Salaries and Wages		261,215.00	262,215.00	260,561.37	1,653.63	-
Other Expenses		87,490.00	86,490.00	80,909.27	5,580.73	-
Legislation		29,000.00	29,000.00	29,000.00	-	-
Salaries and Wages		9,150.00	9,150.00	8,828.32	321.68	-
Other Expenses						
Elections		2,000.00	2,000.00	2,000.00	-	-
Salaries and Wages		8,000.00	8,000.00	7,769.70	230.30	-
Other Expenses						
<b>DEPARTMENT OF ADMINISTRATION:</b>						
Legal Services						
Salaries and Wages		214,000.00	200,000.00	179,731.39	20,268.61	-
Other Expenses						
Office of Data Processing						
Salaries and Wages		1,450.00				-
Other Expenses		37,000.00	38,450.00	38,227.98	222.02	-
Office of Emergency Management						
Salaries and Wages		4,637.00	4,977.00	4,637.00	340.00	-
Other Expenses		12,075.00	11,275.00	10,539.43	735.57	-
Division of Engineering						
Salaries and Wages		63,076.00	63,076.00	61,677.78	1,398.22	-
Other expenses		180,000.00	141,500.00	122,314.53	19,185.47	-

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2009

General Appropriations	Ref	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
<b>DEPARTMENT OF FINANCE:</b>						
Office of Treasurer		122,422.00	118,522.00	115,239.27	3,282.73	-
Salaries and Wages				3,888.99	561.01	-
Other Expenses		4,450.00	4,450.00			
<b>DIVISION OF TAX COLLECTION:</b>						
Salaries and Wages		94,755.00	94,755.00	90,387.14	4,367.86	-
Other Expenses		6,700.00	6,700.00	6,073.39	626.61	-
<b>DIVISION OF TAX ASSESSMENT:</b>						
Salaries and Wages		62,949.00	63,649.00	62,922.88	726.12	-
Other expenses		3,040.00	3,040.00	2,487.63	552.37	-
<b>DIVISION OF FINANCIAL CONTROL:</b>						
Other expenses		56,000.00	56,000.00	43,233.75	12,766.25	-
<b>Statutory Agencies</b>						
Prosecutor		17,474.00	17,474.00	17,474.00	-	-
Salaries and Wages						
<b>MUNICIPAL LAND USE LAW (N.J.S.A. 40:55D-1):</b>						
Planning Board		14,807.00	14,807.00	14,415.02	391.98	-
Salaries and Wages		24,800.00	20,800.00	19,979.83	820.17	-
Other Expenses						

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

		Current Fund				Unexpended
		Year Ended December 31, 2009				Balance
		Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
General Appropriations	Ref.					
Board of Adjustment						
Salaries and Wages		43,762.00	44,562.00	44,447.30	114.70	-
Other Expenses		18,550.00	9,250.00	6,711.85	2,538.15	-
<b>INSURANCE</b>						
Other Insurance Premiums		514,554.00	514,554.00	512,980.00	74.00	1,500.00
Group Insurance Plan - Employees		1,220,264.00	1,224,264.00	1,223,551.87	712.13	-
Industrial Commission						
Salaries and Wages		1,399.00	1,399.00	1,049.26	349.74	-
Other Expenses		600.00	600.00	600.00	600.00	-
Environmental Commission						
Salaries and Wages		1,236.00	1,236.00	1,236.00	-	-
Other Expenses		1,500.00	1,500.00	708.82	791.18	-
<b>DEPARTMENT OF POLICE:</b>						
Division of Patrol						
Salaries and Wages		2,216,580.00	2,177,480.00	2,168,843.07	8,636.93	-
Other Expenses		100,600.00	129,600.00	125,483.77	4,116.23	-
Division of Traffic/Crossing Guards						
Salaries and Wages		90,086.00	96,746.00	92,576.55	4,169.45	-
Other Expenses		400.00	400.00	333.04	66.96	-
Division of Investigation						
Salaries and Wages		252,481.00	256,381.00	252,271.08	4,109.92	-
Other Expenses		550.00	550.00	400.00	150.00	-
Division of Communications						
Salaries and Wages		272,004.00	273,404.00	270,367.96	3,036.04	-
Other Expenses		10,400.00	11,400.00	10,400.00	1,000.00	-

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2009

	<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>						
O.S.H.A. Standard Fire Fighting Equipment (CH.516, P.L. 1983)		20,100.00	20,100.00	20,100.00	-	-
Purchase of Fire Equipment						
Aid to Volunteer Fire Companies		90,000.00	90,000.00	89,925.00	75.00	-
Aid to Ambulance Corps		50,000.00	50,000.00	50,000.00	-	-
Bureau of Fire Prevention		48,200.00	45,700.00	45,670.00	30.00	-
Other Expenses - Clothing Allowance						
Uniform Fire Safety Act (P.L. 1983 C.383)		22,852.00	22,852.00	22,852.00	-	-
Fire Inspection		5,100.00	5,100.00	4,023.62	1,076.38	-
Salaries and Wages						
Other Expenses						
<b>DEPARTMENT OF PUBLIC WORKS:</b>						
Division of Streets and Roads		616,295.00	616,295.00	602,907.52	13,387.48	-
Salaries and Wages		127,700.00	121,700.00	117,292.08	4,407.92	-
Other Expenses						
Division of Snow and Ice Control		74,500.00	84,500.00	64,236.94	20,263.06	-
Salaries and Wages		151,500.00	202,100.00	202,091.33	8.67	-
Other Expenses						
Division of Equipment Maintenance		103,516.00	113,116.00	102,084.35	11,031.65	-
Salaries and Wages		201,050.00	208,050.00	200,404.64	7,645.36	-
Other Expenses						
Division of Public Buildings and Grounds		197,334.00	207,634.00	199,996.73	7,637.27	-
Salaries and Wages		199,500.00	199,500.00	194,005.10	5,494.90	-
Other Expenses						

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2009

	<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>						
Division of Solid Waste /Recycling						
Salaries and Wages		27,703.00	15,403.00	14,006.03	1,396.97	-
Other Expenses		1,158,000.00	1,158,000.00	1,157,368.31	631.69	-
Division of Sewer						
Salaries and Wages		64,006.00	63,006.00	59,797.94	3,208.06	-
Other Expenses		160,000.00	160,000.00	146,503.61	13,496.39	-
<b>DEPARTMENT OF COMMUNITY DEVELOPMENT:</b>						
Division of Public Health						
Salaries and Wages		265,286.00	260,286.00	256,138.17	4,147.83	-
Other Expenses		67,800.00	67,800.00	64,235.26	3,564.74	-
Division of Public Assistance						
Salaries and Wages		22,852.00	22,852.00	22,422.92	429.08	-
Other Expenses		475.00	475.00	146.44	328.56	-
Recreation						
Salaries and Wages		82,084.00	84,284.00	83,554.62	729.38	-
Other Expenses		50,291.00	54,891.00	53,669.71	1,221.29	-
Terminal Leave Compensation		12,000.00	12,000.00	12,000.00	-	-
Municipal Cable TV Committee						
Salaries and Wages		1,365.00	1,365.00	1,130.82	234.18	-
Other Expenses		20,100.00	20,100.00	19,937.98	162.02	-

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2009

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
<b>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)</b>						
Division of Code Enforcement						
Bureau of Building Construction		114,648.00	114,698.00	112,917.98	1,780.02	-
Salaries and Wages		3,655.00	3,605.00	3,494.07	110.93	-
Other Expenses						
Bureau of Electrical Inspection		13,572.00	13,272.00	13,177.00	95.00	-
Salaries and Wages						
Bureau of Plumbing Inspection		13,572.00	13,272.00	13,182.27	89.73	-
Salaries and Wages						
Municipal Court:						
Salaries & Wages		145,760.00	144,260.00	143,272.08	987.92	-
Other Expenses		9,810.00	10,310.00	9,927.82	382.18	-
Public Defender						
Salaries & Wages		8,583.00	8,583.00	8,583.00	-	-

See Accompanying notes to financial statements.

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

Current Fund

Year Ended December 31, 2009

	<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>
<b>UNCLASSIFIED:</b>							
Gasoline			150,000.00	142,000.00	126,243.12	15,756.88	-
Electricity			100,000.00	100,000.00	84,413.18	15,586.82	-
Natural Gas			26,000.00	22,000.00	14,863.60	7,136.40	-
Telephone and Telegraph			48,000.00	52,000.00	51,527.36	472.64	-
Transportation Contract w/ Lakeland Reg HS			59,100.00	60,300.00	60,229.97	70.03	-
Celebration of Public Events			2,500.00	2,500.00	935.22	64.78	1,500.00
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	3,456.00	844.00	-
<b>TOTAL OPERATIONS (ITEM 8(A) WITHIN "CAPS"</b>			<u>10,601,565.00</u>	<u>10,598,865.00</u>	<u>10,347,383.03</u>	<u>248,481.97</u>	<u>3,000.00</u>
<b>CONTINGENT</b>			<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>-</u>
<b>TOTAL OPERATIONS INCLUDING CONTINGENT - WITHIN "CAPS"</b>			<u>10,601,665.00</u>	<u>10,598,965.00</u>	<u>10,347,383.03</u>	<u>248,581.97</u>	<u>3,000.00</u>
<b>DETAIL:</b>							
Salaries and Wages	A-1		5,337,261.00	5,319,361.00	5,221,366.05	97,994.95	-
Other Expenses (Including Contingent)	A-1		5,264,404.00	5,279,604.00	5,126,016.98	150,587.02	3,000.00

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2009

	<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>						
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES MUNICIPAL WITHIN "CAPS"</b>						
<b>DEFERRED CHARGES:</b>						
<b>STATUTORY EXPENDITURES:</b>						
Contribution to:						
Public Employees' Retirement System		124,382.00	124,382.00	124,381.50	0.50	-
Social Security System (O.A.S.I.)		263,000.00	263,000.00	262,754.89	245.11	-
Police and Firemen's Retirement System of NJ		236,549.00	236,549.00	236,548.50	0.50	-
	A-1	623,931.00	623,931.00	623,684.89	246.11	-
<b>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</b>						
<b>JUDGMENTS</b>						
<b>CASH DEFICIT OF PRECEDING YEAR</b>						
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b>		11,225,596.00	11,222,896.00	10,971,067.92	248,828.08	3,000.00

See Accompanying notes to financial statements.

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

	Current Fund		Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
	Ref.	Budget				
Year Ended December 31, 2009						
<u>General Appropriations</u>						
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>						
Reserve for Tax Appeals		30,000.00	30,000.00		30,000.00	-
Aid to Library		679,197.00	679,197.00	669,505.36	9,691.64	-
Emergency Services Volunteer Length of Service Award Program		103,000.00	103,000.00	79,504.00	3,496.00	20,000.00
Implementation of COAH Plan (P.L. 1985, C. 222)		10,000.00	10,000.00		-	10,000.00
<b>TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS"</b>		<b>822,197.00</b>	<b>822,197.00</b>	<b>749,009.36</b>	<b>43,187.64</b>	<b>30,000.00</b>

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2009

<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>
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS		65,000.00	65,000.00	58,978.85	6,021.15	-
DEPARTMENT OF COMMUNITY DEVELOPMENT:						
Division of Public Health						
Salaries & Wages						

TOTAL INTERLOCAL MUNICIPAL SERVICE AGREEMENTS

65,000.00 65,000.00 58,978.85 6,021.15 -

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2009

	<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>						
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET</b>						
<b>BY REVENUES</b>						
Clean Communities Program		3,000.00	3,000.00	3,000.00	-	
Salaries & Wages		20,955.22	20,955.22	20,955.22	-	
Other Expenses						
Neighborhood Preservation-Balanced Housing		400,000.00	400,000.00	400,000.00	-	
Body Armor Grant						
Other Expenses		2,045.29	2,045.29	2,045.29	-	
Drunk Driving Enforcement Fund		13,765.52	13,765.52	13,765.52	-	
Recycling Tonnage Grant						
Other Expenses		20,341.44	20,341.44	20,341.44	-	
Alcohol Education and Rehabilitation Fund		589.00	589.00	589.00	-	
NJ Dept. of Health and Senior Services- H1N1 Emergency Response		73,738.00	73,738.00	73,738.00	-	
NJ Division of Law & Public Safety Over the Limit Under Arrest Grant		11,000.00	11,000.00	11,000.00	-	
NJ Office of Homeland Security & Preparedness FY 08 Buffer Zone Protection Program		80,275.00	80,275.00	80,275.00	-	

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2009

Unexpended  
Balance  
Cancelled

Reserved

Paid or  
Charged

Budget  
After  
Modification

Budget

Ref.

General Appropriations

PUBLIC AND PRIVATE PROGRAMS OFFSET  
BY REVENUES (CONT.)

NJ Highlands Water Protection & Planning Council  
Initial Assessment Grant

Plan Conformance Grant

15,000.00 15,000.00 15,000.00 -

50,000.00 50,000.00 50,000.00 -

TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET  
BY REVENUES

TOTAL OPERATIONS - EXCLUDED FROM "CAPS"

DETAIL:

Salaries and Wages  
Other Expenses

	<u>690,709.47</u>	<u>690,709.47</u>	<u>690,709.47</u>	<u>-</u>	<u>-</u>
	1,577,906.47	1,577,906.47	1,498,697.68	49,208.79	30,000.00
A-1	68,000.00	68,000.00	61,978.85	6,021.15	-
A-1	1,509,906.47	1,509,906.47	1,436,718.83	43,187.64	30,000.00

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2009

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
<b>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>						
Down Payments on Improvements Capital Improvement Fund		55,000.00	55,000.00	25,000.00	-	30,000.00
Municipal Road Program		300,000.00	300,000.00	300,000.00	-	-
Purchase of Fire Fighting Equipment		40,710.00	40,710.00	40,710.00	-	-
Drainage Improvements		45,000.00	45,000.00	45,000.00	-	-
Imp. To Building and Grounds		12,900.00	12,900.00	12,900.00	-	-
Public and Private Programs Offset by Revenues New Jersey Transportation Trust Fund Authority Act		278,000.00	278,000.00	278,000.00	-	-
<b>TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</b>	A-1	<u>731,610.00</u>	<u>731,610.00</u>	<u>701,610.00</u>	<u>-</u>	<u>30,000.00</u>

See Accompanying notes to financial statements.



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

		Current Fund				Unexpended
		Year Ended December 31, 2009				Balance
	General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Cancelled
<b>DEFERRED CHARGES:</b>						
Emergency Authorizations						
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
						XXXXXXXXXX
Deferred Charges to Future Taxation						
Unfunded:						
<b>TOTAL DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"</b>		A-1	70,000.00	70,000.00	70,000.00	-
<b>JUDGMENTS</b>						
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						
<b>TOTAL GENERAL APPROPRIATIONS FOR MUN. PURPOSES EXCLUDED FROM "CAPS"</b>			3,200,196.47	3,202,896.47	3,093,646.27	49,208.79
						60,041.41

See Accompanying notes to financial statements.

Borough of Kingwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2009

<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>
TOTAL GENERAL APPROPRIATIONS - EXCLUDED FROM "CAPS"		3,200,196.47	3,202,896.47	3,093,646.27	49,208.79	60,041.41
SUBTOTAL GENERAL APPROPRIATIONS		14,425,792.47	14,425,792.47	14,064,714.19	298,036.87	63,041.41
RESERVE FOR UNCOLLECTED TAXES		900,000.00	900,000.00	900,000.00	XXXXXXXXXX	-
TOTAL GENERAL APPROPRIATIONS		15,325,792.47	15,325,792.47	14,964,714.19	298,036.87	63,041.41
ADOPTED BUDGET	A-2		15,182,992.29			
APPROPRIATION BY 40A:4-87	A-2		142,800.18			
			15,325,792.47			
RESERVE FOR UNCOLLECTED TAXES	A-2			900,000.00		
RESERVE FOR ENCUMBRANCES	A-13			403,388.53		
DEFERRED CHARGE-EMERG. AUTH. (40A:4-55)	A-28			70,000.00		
INTERFUND-FEDERAL AND STATE GRANT FUND	A-32			968,709.47		
INTERFUND-GENERAL CAPITAL FUND	A-23			93,183.20		
DISBURSED	A-4			12,529,432.99		
				14,964,714.19		

See Accompanying notes to financial statements.

## Borough of Ringwood, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Trust Fund

December 31, 2009

With Comparative Figures for 2008

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2009</u>	<u>Balance Dec. 31, 2008</u>
<b>Animal Control Trust Fund:</b>			
Cash	B-1	192.20	88.05
		<u>192.20</u>	<u>88.05</u>
<b>Other Trust Funds:</b>			
Cash:			
Other Trust	B-1	853,148.79	607,082.98
Unemployment Insurance Trust Fund	B-1	6,785.42	25,647.99
Small Cities Economic Development Grant	B-1	174,566.86	194,726.86
Skyline Lakes Dam Trust	B-1	237,626.16	135,084.97
Assessments Receivable	B-10	1,299,155.89	
Interfund-Current Fund	B-5	750.00	8,400.00
		<u>2,572,033.12</u>	<u>970,942.80</u>
<b>Emergency Services Volunteer Length of Service Award Program (Unaudited)</b>			
Investments		685,304.25	479,176.81
Contributions Receivable		88,400.00	102,850.00
		<u>773,704.25</u>	<u>582,026.81</u>
		<u>3,345,929.57</u>	<u>1,553,057.66</u>
<u>LIABILITIES AND RESERVES</u>			
<b>Animal Control Trust Fund:</b>			
Due to State Department of Health	B-2	9.00	1.20
Reserve for Animal Control Fund Expenditures	B-3	183.20	86.85
		<u>192.20</u>	<u>88.05</u>
<b>Other Trust Funds:</b>			
Deposits Payable	B-4	165,156.57	158,255.30
Due to State of New Jersey - Building Surcharge	B-6	2,621.00	2,646.00
Due to State of New Jersey - Marriage Surcharge	B-7	550.00	750.00
Encumbrances Payable	B-8		10,513.71
Loan Payable-State of New Jersey	B-11	1,511,251.10	
Reserve for Various Other Trust Reserves	B-13	892,454.45	798,777.79
		<u>2,572,033.12</u>	<u>970,942.80</u>
<b>Emergency Services Volunteer Length of Service Award Program (Unaudited)</b>			
Net Assets Available for Benefits	B-9	773,704.25	582,026.81
		<u>3,345,929.57</u>	<u>1,553,057.66</u>

See accompanying notes to financial statements.

## Borough of Ringwood, N.J.

## Comparative Balance Sheet - Regulatory Basis

## General Capital Fund

December 31, 2009

With Comparative Figures for 2008

<u>Assets</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
Cash	C-2, C-3	2,922,716.06	4,757,405.93
Deferred Charges to Future Taxation:			
Funded	C-4	8,211,073.62	4,349,310.89
Unfunded	C-5	1,602,072.01	5,969,072.01
Interfund:			
Current Fund	C-6	98,728.89	1,093.15
Federal and State Grant Fund	C-7	270,544.60	270,544.60
		<hr/>	<hr/>
		<u>13,105,135.18</u>	<u>15,347,426.58</u>
 <u>Liabilities, Reserves and Fund Balance</u> 			
General Serial Bonds	C-8	8,112,000.00	4,243,000.00
Bond Anticipation Notes	C-9	1,515,500.00	5,479,500.00
Loan Payable	C-13	99,073.62	106,310.89
Improvement Authorizations:			
Funded	C-10	1,202,545.55	1,376,344.41
Unfunded	C-10	1,435,883.79	2,972,693.49
Capital Improvement Fund	C-11	99,758.95	95,045.00
Contracts Payable	C-12	115,755.14	476,579.84
Reserve for Various Projects	C-14	173,673.17	193,007.99
Reserve for Debt Service	C-15	344,200.00	368,200.00
Capital Fund Balance	C-1	6,744.96	36,744.96
		<hr/>	<hr/>
		<u>13,105,135.18</u>	<u>15,347,426.58</u>

See accompanying notes to financial statements.

There were bonds and notes authorized but not issued on December 31, 2009 of \$87,072.01 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, 2009**

	<u>Ref.</u>	
Balance - December 31, 2008	C	36,744.96
Decreased by:		
Budget Appropriation	C-2	<u>30,000.00</u>
Balance - December 31, 2009	C, C-3	<u><u>6,744.96</u></u>

See accompanying notes to financial statements.

Borough of Ringwood, N.J.

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31, 2009

With Comparative Figures for 2008

<u>ASSETS</u>	<u>Ref</u>	<u>Balance Dec. 31, 2009</u>	<u>Balance Dec. 31, 2008</u>
<b>Operating Fund:</b>			
Cash	D-6	53,672.59	95,521.41
Cash - Change Fund		<u>100.00</u>	<u>100.00</u>
		<u>53,772.59</u>	<u>95,621.41</u>
Receivables with Full Reserves:			
Consumers' Accounts Receivable	D-10	<u>72,054.78</u>	<u>76,976.52</u>
Deferred Charges:			
Overexpenditure of Approp. Reserves	D-29	48,677.87	22,431.11
Operating Deficit	D-1, D-29	<u>256,692.65</u>	<u>25,861.12</u>
		<u>305,370.52</u>	<u>48,292.23</u>
		<u>431,197.89</u>	<u>220,890.16</u>
<b>Assessment Trust Fund:</b>			
Cash	D-6, D-7	7,115.23	7,115.23
Assessments Receivable	D-11	<u>163,480.00</u>	<u>163,480.00</u>
		<u>170,595.23</u>	<u>170,595.23</u>
<b>Capital Fund:</b>			
Cash	D-6, D-8	826,209.26	900,513.07
Interfund:			
Water Operating	D-24	220,000.00	
Grant Receivable	D-12		270,650.24
Fixed Capital	D-13	5,245,909.99	5,245,909.99
Fixed Capital Authorized and Uncompleted	D-14	<u>14,155,000.00</u>	<u>13,679,000.00</u>
		<u>20,447,119.25</u>	<u>20,096,073.30</u>
		<u>21,048,912.37</u>	<u>20,487,558.69</u>

See accompanying notes to financial statements.

There were bonds and notes authorized and not issued of \$3,000,000.24 at December 31, 2009 as per Exhibit D-30.

Borough of Ringwood, N.J.

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31, 2009

With Comparative Figures for 2008

	<u>Ref</u>	<u>Balance Dec. 31, 2009</u>	<u>Balance Dec. 31, 2008</u>
<b><u>LIABILITIES, RESERVES AND SURPLUS</u></b>			
<b>Operating Fund:</b>			
Appropriation Reserves	D-5, D-15	30,747.38	52,120.90
Reserve for Encumbrances	D-16	25,968.12	12,295.01
Interfund:			
Water Capital Fund	D-9	220,000.00	
Accrued Interest on Bonds and Notes	D-18	81,918.42	78,988.54
		358,633.92	143,404.45
Reserve for Receivables	Contra	72,054.78	76,976.52
Operating Fund Balance	D-1	509.19	509.19
		<u>431,197.89</u>	<u>220,890.16</u>
<b>Assessment Trust Fund:</b>			
Reserve for Assessment and Liens	D-19	163,480.36	163,480.36
Assessment Fund Balance	D-2	7,114.87	7,114.87
		<u>170,595.23</u>	<u>170,595.23</u>
<b>Capital Fund:</b>			
Serial Bonds	D-20	3,877,000.00	4,113,000.00
Bond Anticipation Notes	D-21	1,841,020.00	1,157,535.00
Improvement Authorizations:			
Funded	D-22	93,354.18	95,334.18
Unfunded	D-22	2,752,664.79	2,630,448.44
Contracts Payable	D-28	63,541.00	303,363.95
Reserve for:			
Amortization	D-25	11,325,589.75	11,086,424.75
Capital Improvements	D-26	15,238.84	73,504.63
Deferred Amortization	D-27	357,300.00	357,300.00
Grants Receivable	D-17		270,650.24
Debt Service	D-23	112,898.58	
Capital Fund Balance	D-3	8,512.11	8,512.11
		<u>20,447,119.25</u>	<u>20,096,073.30</u>
		<u>21,048,912.37</u>	<u>20,487,558.69</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, 2009

With Comparative Figures for 2008

	Ref.	2009	2008
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Surplus Utilized	D-1		114,000.00
Rents and Additional Rents	D-4	1,111,250.53	1,190,233.04
Miscellaneous	D-4	22,125.37	48,751.84
Water Utility Capital Surplus			
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-15	5,130.57	1,431.00
Total Income		<u>1,138,506.47</u>	<u>1,354,415.88</u>
<u>EXPENDITURES</u>			
Operating	D-5	962,772.00	956,800.00
Capital Improvements	D-5		12,300.00
Debt Service	D-5	380,566.00	383,177.00
Deferred Charges and Statutory Expenditures	D-5	26,000.00	28,000.00
Overexpenditure of Approp. Reserve	D-15	26,246.76	
Total Expenditures		<u>1,395,584.76</u>	<u>1,380,277.00</u>
Deficit in Revenue		(257,078.29)	
Adjustments to Income before Surplus:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year		26,246.76	
Operating Deficit to be Raised in Budget of Succeeding Year		<u>(230,831.53)</u>	<u>(25,861.12)</u>
		D	D
Statutory Excess to Surplus			
FUND BALANCE - JANUARY 1,	D	<u>509.19</u>	<u>114,509.19</u>
		509.19	114,509.19
Decreased by:			
Utilization by Water Operating Budget	D-1		114,000.00
FUND BALANCE - DECEMBER 31,	D	<u>509.19</u>	<u>509.19</u>

See accompanying notes to financial statements.

**Borough of Ringwood, N.J.**

**Statement of Assessment Fund Balance - Regulatory Basis**

**December 31, 2009**

	<u>Ref.</u>	
Balance - December 31, 2008	D	<u><u>7,114.87</u></u>
Balance - December 31, 2009	D, D-7	<u><u>7,114.87</u></u>

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

**Water Utility Fund**

**December 31, 2009**

	<u>Ref.</u>	
Balance - December 31, 2008	D	<u><u>8,512.11</u></u>
Balance - December 31, 2009	D, D-8	<u><u>8,512.11</u></u>

See accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Revenues - Regulatory Basis

Water Utility Operating Fund

December 31, 2009

	Ref.	Budget	Realized	Excess or (Deficit)*
Surplus Utilized	D-1			-
Rents	D-1	1,190,000.00	1,111,250.53	(78,749.47)
Miscellaneous	D-1	48,748.00	22,125.37	(26,622.63)
Additional Water Rents	D-1	130,590.00		(130,590.00)
Budget Totals		<u>1,369,338.00</u>	<u>1,133,375.90</u>	<u>(235,962.10)</u>
Analysis of Water Rents:				
Consumer Accounts Receivable Collected	D-6, D-10		<u>1,111,250.53</u>	
Analysis of Miscellaneous Revenues:				
Treasurer:				
Interest on Investments: Water Operating Fund	D-6		7,970.15	
Water Collector:				
Main Tap		9,000.00		
Meter Charges		450.00		
Miscellaneous		<u>4,705.22</u>		
	D-6		<u>14,155.22</u>	
			<u>22,125.37</u>	

See accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Water Utility Operating Fund

December 31, 2009

Ref.	Appropriated		Budget After Modification	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Paid or Charged	Reserved	
	292,068.00	296,868.00	292,157.21	4,710.79	-	-
	670,704.00	665,904.00	645,670.05	20,233.95	-	-
D-1	962,772.00	962,772.00	937,827.26	24,944.74	-	-
<b>Total Operations</b>						
<b>Capital Improvements:</b>						
	-	-	-	-	-	-
D-1	-	-	-	-	-	-
<b>Debt Service:</b>						
	185,000.00	185,000.00	185,000.00	-	-	-
	3,165.00	3,165.00	3,165.00	-	-	-
	151,876.00	151,876.00	151,876.00	-	-	-
	40,525.00	40,525.00	40,525.00	-	-	-
D-1	380,566.00	380,566.00	380,566.00	-	-	-
<b>Total Debt Service</b>						
<b>Deferred Charges and Statutory Expenditures:</b>						
	3,000.00	3,000.00	3,000.00	3,000.00	-	-
	23,000.00	23,000.00	20,197.36	2,802.64	-	-
D-1	26,000.00	26,000.00	20,197.36	5,802.64	-	-
<b>Total Deferred Charges and Statutory Expenditures</b>						
	1,369,338.00	1,369,338.00	1,338,590.62	30,747.38	-	-
<b>Grand Total</b>				D		

Ref.

D-16	25,968.12
D-18	192,401.00
D-6	1,120,221.50
	<u>1,338,590.62</u>

See accompanying notes to financial statements.

**Borough of Ringwood, N.J.**  
**Balance Sheet - Regulatory Basis**  
**Public Assistance Fund**  
**December 31, 2009**  
**With Comparative Figures for 2008**

	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
<u>Assets</u>			
Cash	E-1	<u>14,126.32</u>	<u>14,279.32</u>
		<u>14,126.32</u>	<u>14,279.32</u>
<u>Liabilities</u>			
Reserve For Public Assistance	E-6	<u>14,126.32</u>	<u>14,279.32</u>
		<u>14,126.32</u>	<u>14,279.32</u>

See accompanying notes to financial statements.



**Borough of Ringwood, N.J.**  
**Balance Sheet - Regulatory Basis**  
**Recreation Fund**  
**December 31, 2009**  
**With Comparative Figures for 2008**

	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
<u>Assets</u>			
Cash	G-1	<u>158,229.12</u>	<u>161,890.15</u>
		<u>158,229.12</u>	<u>161,890.15</u>
<u>Liabilities</u>			
Reserve for Encumbrances		8,308.89	115.00
Reserve For Recreation	G-2	<u>149,920.23</u>	<u>161,775.15</u>
		<u>158,229.12</u>	<u>161,890.15</u>

See accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of General Fixed Assets - Regulatory Basis

December 31, 2009

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
<b><u>Assets</u></b>		
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	<u>7,792,319.18</u>	<u>7,790,384.38</u>
	<u>19,123,819.18</u>	<u>19,121,884.38</u>
<b><u>Liabilities</u></b>		
Investment in General Fixed Assets	<u>19,123,819.18</u>	<u>19,121,884.38</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, 2009 and 2008**

**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, 2009 and 2008**  
**(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.

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.

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.

**BOROUGH OF RINGWOOD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2009 and 2008**  
**(continued)**

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

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

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

**BOROUGH OF RINGWOOD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2009 and 2008**  
**(continued)**

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

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

**Basis of Accounting, (continued)**

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund 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

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.

**BOROUGH OF RINGWOOD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2009 and 2008**  
**(continued)**

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

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

**Basis of Accounting, (continued)**

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

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

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

Compensated Absences - 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.

**BOROUGH OF RINGWOOD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2009 and 2008**  
**(continued)**

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

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

**Basis of Accounting, (continued)**

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

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

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

General Fixed Assets - 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.

**BOROUGH OF RINGWOOD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2009 and 2008**  
**(continued)**

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

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

**Basis of Accounting, (continued)**

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.

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.

**BOROUGH OF RINGWOOD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2009 and 2008**  
**(continued)**

**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, 2009, \$-0- of the Borough's bank balance of \$7,710,188.61 was exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

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

**Credit Risk**

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

**Concentration of Credit Risk**

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

**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, 2009 and 2008 amounted to \$685,304.25 and \$479,176.81, respectively.

**BOROUGH OF RINGWOOD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2009 and 2008**  
**(continued)**

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

The following investments represent 5% or more of the total invested with Variable Annuity Life Insurance Company on December 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Broad Cap Value Income Fund	\$39,344.95	\$28,179.95
Large Capital Growth Fund	47,871.33	32,914.32
Mid Cap Value Fund	42,087.72	28,068.72
Money Market Funds	87,974.75	64,422.11
Vanguard Life Strategy Growth Fund	<u>36,019.40</u>	<u>25,622.02</u>
Total	<u>\$253,298.15</u>	<u>\$179,207.12</u>

**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, 2009 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2008</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	\$4,243,000.00	\$6,837,000.00	\$2,968,000.00	\$8,112,000.00	\$455,000.00
Bonds Payable - Water Utility Debt	4,113,000.00	1,870,000.00	2,106,000.00	3,877,000.00	195,000.00
Other Liabilities - Compensated Absences Payable	166,596.04		20,052.51	146,543.53	
Loan Payable - State of NJ - Skyline Lakes Dam		1,579,959.55	68,708.45	1,511,251.10	86,357.20
New Jersey - Green Trust Loans	<u>106,310.89</u>		<u>7,237.27</u>	<u>99,073.62</u>	<u>7,382.74</u>
	<u>\$8,628,906.93</u>	<u>\$10,286,959.55</u>	<u>\$5,169,998.23</u>	<u>\$13,745,868.25</u>	<u>\$743,739.94</u>

**BOROUGH OF RINGWOOD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2009 and 2008**  
**(continued)**

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

The Borough's debt is summarized as follows:

SUMMARY OF MUNICIPAL DEBT

	<u>Year 2009</u>	<u>Year 2008</u>	<u>Year 2007</u>
<u>Issued:</u>			
General Bonds and Notes	\$9,627,500.00	\$9,722,500.00	\$9,161,000.00
Water Utility - Bonds and Notes	5,718,020.00	5,270,535.00	5,193,000.00
Loan Payable - Skyline Lakes Dam	1,511,251.10		
Green Trust Loan	<u>99,073.62</u>	<u>106,310.89</u>	<u>113,405.55</u>
Total Issued	<u>16,955,844.72</u>	<u>15,099,345.89</u>	<u>14,467,405.55</u>
<u>Authorized But Not Issued</u>			
General Bonds and Notes	87,072.01	490,072.01	490,072.01
Water Utility - Bonds and Notes	<u>3,000,000.24</u>	<u>3,210,650.24</u>	<u>3,210,650.24</u>
Total Authorized But Not Issued	<u>3,087,072.25</u>	<u>3,700,722.25</u>	<u>3,700,722.25</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$20,042,916.97</u>	<u>\$18,800,068.14</u>	<u>\$18,168,127.80</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	\$1,328,000.00	\$1,328,000.00	\$0.00
Regional School District Debt	1,765,677.80	1,765,677.80	0.00
Water Utility Debt	8,718,020.24	4,111,676.82	4,606,343.42
General Debt	<u>11,324,896.73</u>	<u>1,184,200.00</u>	<u>10,140,696.73</u>
	<u>\$23,136,594.77</u>	<u>\$8,389,554.62</u>	<u>\$14,747,040.15</u>

Net Debt \$14,747,040.15 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$1,928,675,086.00 equals .76%.

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

3 ½% of Equalized Valuation Basis (Municipal)	\$67,503,628.01
Net Debt	<u>14,747,040.15</u>
Remaining Borrowing Power	<u>\$52,756,587.86</u>

**BOROUGH OF RINGWOOD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2009 and 2008**  
**(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		\$1,133,375.90
Deductions:		
Operating and Maintenance Cost	\$988,772.00	
Debt Service per Water Account	<u>380,566.00</u>	
Total Deductions		<u>1,369,338.00</u>
Deficit in Revenue		<u>(\$235,962.10)</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, 2009:

	<u>Debt Outstanding</u>
<u>Paid by Current Fund:</u>	
<u>General Serial Bonds:</u>	
General Bonds of 2001 with an interest rate of 4.70% issued February 1, 2001, due in annual installments through February 1, 2021.	\$150,000.00
General Bonds of 2004 with an interest rate of 4.00% issued January 15, 2004, due in annual installments through January 15, 2014.	1,125,000.00
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.	840,000.00
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.	1,630,000.00
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.	<u>4,367,000.00</u>
	<u>8,112,000.00</u>

**BOROUGH OF RINGWOOD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2009 and 2008**  
**(continued)**

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

Paid by Water Utility Fund:

Water Serial Bonds:

Water Bonds of 2001 with an interest rate of 4.70% issued February 1, 2001, due in annual installments through February 1, 2021.	\$125,000.00
Water Bonds of 2004 with an interest rate of 4.00% issued January 15, 2004, due in annual installments through January 15, 2024.	1,882,000.00
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>1,870,000.00</u>
	<u>3,877,000.00</u>
	<u>\$11,989,000.00</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	\$3,000,000.24
General Capital	<u>87,072.01</u>
	<u>\$3,087,072.25</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>
2010	\$475,000.00	\$352,060.00	\$195,000.00	\$159,130.00
2011	470,000.00	330,585.00	205,000.00	148,430.00
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
2015-2019	2,665,000.00	1,080,000.00	1,255,000.00	480,050.00
2020-2024	<u>2,972,000.00</u>	<u>468,350.00</u>	<u>1,562,000.00</u>	<u>164,360.00</u>
	<u>\$8,112,000.00</u>	<u>\$3,115,400.00</u>	<u>\$3,877,000.00</u>	<u>\$1,352,135.00</u>

On April 23, 2009, the Borough refunded the 1993 Sewer Bonds and advanced refunded the 2001 General and Water Bonds with a cash savings of \$295,766.34.

**BOROUGH OF RINGWOOD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2009 and 2008**  
**(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, 2009, the Borough had \$1,515,500.00 in outstanding general capital bond anticipation notes maturing on November 5, 2010 at an interest rate of 1.25% and \$1,841,020.00 in water capital bond anticipation notes maturing on November 5, 2010 at an interest rate of 1.25%.

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2009.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>General Capital Fund:</u>				
DEPFA First Albany Corp.	\$4,367,000.00	\$	\$4,367,000.00	\$0.00
Commerce Capital Markets, Inc.	1,112,500.00		1,112,500.00	0.00
TD Securities		<u>1,515,500.00</u>		<u>1,515,500.00</u>
	<u>5,479,500.00</u>	<u>1,515,500.00</u>	<u>5,479,500.00</u>	<u>1,515,500.00</u>
<u>Water Utility Capital Fund:</u>				
Commerce Capital Markets, Inc.	1,157,535.00		1,157,535.00	0.00
TD Securities		<u>1,841,020.00</u>		<u>1,841,020.00</u>
	<u>\$6,637,035.00</u>	<u>\$3,356,520.00</u>	<u>\$6,637,035.00</u>	<u>\$3,356,520.00</u>

On January 22, 2009, the Borough financed \$4,367,000 of notes through the Passaic County Improvement Authority.

**BOROUGH OF RINGWOOD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2009 and 2008**  
**(continued)**

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

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2009, the following deferred charges are shown on the balance sheet of the Current Fund:

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Added</u> <u>2009</u>	<u>2009</u> <u>Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Budget</u>
<u>Current Fund:</u>				
Emergency Authorization	\$350,000.00	\$	\$70,000.00	\$280,000.00
<u>Water Utility Operating Fund:</u>				
Operating Deficit	25,861.12	230,831.53		256,692.65
Overexpenditure of Appropriation Reserve	22,431.11	26,246.76		48,677.87

**NOTE 6. 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, 2009</u>		<u>December 31, 2008</u>	
	<u>Local</u> <u>School District</u>	<u>Regional</u> <u>High School</u>	<u>Local</u> <u>School District</u>	<u>Regional</u> <u>High School</u>
Balance of Tax	\$7,594,240.17	\$4,576,860.24	\$7,467,846.67	\$4,435,319.04
Deferred	<u>7,594,240.17</u>	<u>4,576,860.24</u>	<u>7,467,846.67</u>	<u>4,435,319.04</u>
School Tax Payable	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>

**NOTE 7. 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, 2009 and 2008**  
**(continued)**

**NOTE 7. PENSION PLANS, (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 substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and 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 1/60th 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. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55). 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.

*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 average compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years or 1/60 of final average compensation multiplied by the number of years of creditable service, whichever is greater. 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.

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.

**BOROUGH OF RINGWOOD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2009 and 2008**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

Significant Legislation

On March 17, 2009, the legislative of the State of New Jersey enacted Public Laws 2009, c.19(S-21) the "Pension Deferral Program". This law allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying their full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the Public Employees' Retirement System and/or the Police and Firemen's Retirement System obligation for payment due to the State Fiscal Year ending June 30, 2009. The amount deferred will be repaid starting in April 2012 over a 15-year period at 8¼ percent. The amount will fluctuate based on pension system investment earnings on the deferred amount. The local employer is allowed to payoff the obligation at any time prior to April 2012.

The Borough of Ringwood opted for this deferral in the amount of \$318,190.

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 5.0% for PERS and 8.5% for PFRS of the employee's annual compensation, as defined through June 30, 2007. Under Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, the PERS and employee contribution rate will increase to 5.5 percent effective July 1, 2007. 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>
2009	\$124,381.50	\$236,548.50
2008	164,192.80	464,521.00
2007	94,774.20	301,748.00

**BOROUGH OF RINGWOOD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2009 and 2008**  
**(continued)**

**NOTE 7. 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 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 annually, the official may choose to waive participation in the DCRP for that office or position. The waiver is irrevocable.

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

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

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS. A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

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

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

**BOROUGH OF RINGWOOD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2009 and 2008**  
**(continued)**

**NOTE 8 OTHER POST-RETIREMENT BENEFITS**

In addition to the pension benefits described in Note 7, 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, 2009, there are 63 current employees actively participating in the Municipal Reinsurance Health Insurance Fund, and 15 retirees and 8 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, 2009 and 2008**  
**(continued)**

**NOTE 8. 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 2008 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>
2009	\$103,559.00	\$1,183,200.00	8.75%	\$2,162,641.00
2008	100,200.00	1,183,200.00	8.5	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, 2009 and 2008**  
**(continued)**

**NOTE 8. 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 9. FUND BALANCES**

Fund balances as of December 31, 2009 that have been anticipated as revenue in the 2010 budget is as follows:

Current Fund	<u>\$925,000.00</u>
--------------	---------------------

**NOTE 10. FIXED ASSETS**

The following is a summary of changes in the general fixed assets' account group for the year 2009.

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
Land	\$7,135,500.00	\$	\$	\$7,135,500.00
Buildings	4,196,000.00			4,196,000.00
Machinery, Vehicles and Equipment	<u>7,790,384.38</u>	<u>222,329.72</u>	<u>220,394.92</u>	<u>7,792,319.18</u>
	<u>\$19,121,884.38</u>	<u>\$222,329.72</u>	<u>\$220,394.92</u>	<u>\$19,123,819.18</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, 2009 and 2008**  
**(continued)**

**NOTE 11. 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 \$146,543.53 as of December 31, 2009. This amount is not reported either as an expenditure or liability.

**NOTE 12. DUE TO/FROM OTHER FUNDS**

Balances due to/from other funds at December 31, 2009 consist of the following:

\$286,193.34	Due to Federal and State Grant Fund from Current Fund for anticipated revenue.
98,728.89	Due to General Capital Fund from Current Fund for reimbursement of expenditures.
750.00	Due to Other Trust Fund from Current Fund for receipts collected in Current Fund.
270,544.60	Due from Federal and State Grant Fund to General Capital Fund for grant revenue.
<u>220,000.00</u>	Due from Water Operating to Water capital for reimbursement of expenditures.
<u>\$876,216.83</u>	

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

**NOTE 13. LEASES**

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

**NOTE 14. 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 2009 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, 2009 and 2008**  
**(continued)**

**NOTE 14. 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 15. TAXES COLLECTED IN ADVANCE**

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

	Balance <u>Dec 31, 2009</u>	Balance <u>Dec 31, 2008</u>
Prepaid Taxes	<u>\$121,605.54</u>	<u>\$80,061.97</u>
Cash Liability for Taxes Collected in Advance	<u>\$121,605.54</u>	<u>\$80,061.97</u>

**BOROUGH OF RINGWOOD, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2009 and 2008**  
**(continued)**

**NOTE 16. 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 17. 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, 2009 and 2008**  
**(continued)**

**NOTE 17. 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, 2009 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

**NOTE 18. COMMITMENTS AND CONTINGENT LIABILITIES**

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

**NOTE 19. 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 2009. The Borough has passed a \$350,000 emergency resolution payable over five years to fund the revaluation.

**SUPPLEMENTARY DATA**

**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Tax Rate:</u>	<u>2.529</u>	<u>4.923</u>	<u>4.66</u>
<u>Apportionment of Tax Rate:</u>			
Municipal	.539	1.024	.977
County	.574	1.152	1.046
Local School	.885	1.727	1.632
Regional High School	.531	1.020	1.005

Assessed Valuation:

2009	\$1,726,539,690		
2008		\$870,375,673	
2007			\$867,317,663

**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>
2009	\$43,685,453.10	\$42,985,126.47	98.40%
2008	42,939,418.93	42,290,354.46	98.49
2007	40,609,498.09	40,019,626.25	98.55

**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>
2009	\$547,987.53	\$276,576.88	\$824,564.41	1.89%
2008	578,631.91	201,693.02	780,324.93	1.82
2007	534,347.87	221,620.85	755,968.72	1.86

**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>
2009	\$3,056,400.00
2008	1,584,100.00
2007	1,584,100.00

**COMPARISON OF WATER UTILITY LEVIES**

<u>Year</u>	<u>Levy</u>	<u>Cash Collections</u>
2009	\$1,106,328.79	\$1,111,250.53
2008	1,172,383.69	1,190,233.04
2007	1,193,624.39	1,196,595.70

**COMPARATIVE SCHEDULE OF FUND BALANCES**

	<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	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
	2006	2,217,257.54	1,850,000.00
	2005	2,525,509.74	2,009,000.00
Water Utility Operating Fund	2009	\$509.19	\$-0-
	2008	509.19	-0-
	2007	114,509.19	114,000.00
	2006	8,670.63	8,500.00
	2005	160,071.88	100,000.00

**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>
Walter J. Davison, Jr.	Mayor	
Donna S. Anderson	Deputy Mayor	
Scott R. Conley	Councilman	
William E. Marsala	Councilman	
Ted Taukus	Councilman	
Linda Schaefer	Councilwoman	
John M. Speer	Councilman	
Kelley A. Rohde	Borough Manager	
Scott Heck	Deputy Borough Manager	
Kelley A. Rohde	Borough Clerk	
Gail Bado	CFO/Treasurer, Tax Collector	(A)
Harold P. Cook	Magistrate	(A)
Margaret Conway	Court Clerk and Violations Clerk	(A)
Ralph Fava	Prosecutor	
Lisa Perry	Animal Control	
Nancy Hudson	Secretary - Board of Health	
Leonard Herman	Plumbing Inspector	
Michael Hafner	Building Inspector	
Bernard Lombardo	Chief of Police	
Marie Cannici	Welfare Director	
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.

## Statement of Current Cash -

## Collector-Treasurer

Year Ended December 31, 2009

	Ref.	<u>Current Fund</u>
Balance December 31, 2008	A	2,416,270.20
Increased by Receipts:		
Taxes Receivable	A-6	43,297,521.92
Tax Title Liens	A-7	5,345.19
Revenue Accounts Receivable	A-9	523,794.26
2010 Prepaid Taxes	A-14	121,605.54
State of New Jersey Chapter 73, Public Laws of 1976	A-16	115,345.94
Tax Overpayments	A-17	79,964.35
Miscellaneous Revenues Not Anticipated	A-2	208,506.82
Interfunds:		
- Other Trust Fund	A-10	750.00
- Federal and State Grant Fund	A-11	539,523.27
- General Capital Fund	A-23	2,005,545.69
Garden State Trust - PILOT Funds	A-2	62,693.36
Energy Receipts Tax	A-2	1,971,687.00
Consolidated Municipal Property		
Tax Relief Act	A-2	40,266.00
Uniform Fire and Safety Act	A-2	11,784.50
Sewer Rents	A-2	150,453.69
Reserve for Library Aid	A-24	12,600.00
Reserve for Debt Service	A-2	184,000.00
Capital Fund Balance	A-2	30,000.00
Borough of Wanaque - Health Services	A-2	67,167.00
Due to Outside Lien Holders	A-25	199,596.98
		<u>49,628,151.51</u>
		<u>52,044,421.71</u>

Statement of Current Cash -

Collector-Treasurer

Year Ended December 31, 2009

	<u>Ref.</u>	<u>Current Fund</u>
Decreased by Disbursements:		
2009 Appropriations	A-3	12,529,432.99
2008 Appropriation Reserves	A-12	409,763.40
Refund of Tax Overpayments	A-17	88,629.13
County Taxes	A-20	9,920,667.22
Regional High School Tax	A-21	9,022,930.09
Local District School Tax	A-22	15,156,084.50
Interfund		
- Federal and State Grant Fund	A-11	153,290.65
- Other Trust Fund	A-10	181,131.67
- General Capital Fund	A-23	2,001,093.15
Reserve for Library Aid	A-24	12,600.00
Due to Outside Lien Holders	A-25	199,652.98
Accounts Payable	A-26	23,800.00
Prior Years' Refund	A-1	39,630.59
Reserve for Revaluation of Real Property	A-27	42,325.00
		<hr/>
		49,781,031.37
		<hr/>
Balance December 31, 2009	A	<u>2,263,390.34</u>

**Borough of Ringwood, N.J.**

**Statement of Change Funds**

**Year Ended December 31, 2009**

	<u>Ref.</u>	
Balance December 31, 2008	A	\$ <u>285.00</u>
Balance December 31, 2009	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, 2009

Year	Balance, Dec. 31, 2008	2009 Levy	Added Taxes	Collections		State of N.J. Per Ch. 73 P.L. 1976	Remitted And Canceled	Transferred to Tax Title Liens	Balance, Dec. 31, 2009
				2008	2009				
2006	8,744.89			8,744.89					-
2007	13,428.42			13,421.21				7.21	-
2008	556,458.60			481,541.32		2,740.43	49,321.71	22,837.42	17.72
	578,631.91			503,707.42		2,740.43	49,321.71	22,844.63	17.72
2009		43,664,191.11	21,261.99	80,061.97	42,793,814.50	111,250.00	98,281.70	54,075.12	547,969.81
	578,631.91	43,664,191.11	21,261.99	80,061.97	43,297,521.92	113,990.43	147,603.41	76,919.75	547,987.53
A				A-2, A-14	A-2, A-4	A-2, A-16		A-7	A

Analysis of 2009 Property Tax Levy

Tax Yield	Ref.	Analysis of 2009 Property Tax Levy
General Purpose		43,664,191.11
Added Taxes ( 54:4-36 et seq.)		21,261.99
		<u>43,685,453.10</u>
Tax Levy		
Municipal Open Space Tax	A-10	172,731.67
Regional High School Tax (Abstract)	A-21	9,164,471.29
Local District School Tax (Abstract)	A-22	15,282,478.00
County Taxes	A-20	9,904,246.10
		<u>34,523,927.06</u>
Local Tax for Municipal Purposes (Abstract)	A-2	9,140,143.00
Add: Additional Tax Levies		21,383.04
		<u>9,161,526.04</u>
		<u>43,685,453.10</u>

**Exhibit A-7**

**Borough of Ringwood, N.J.**  
**Statement of Tax Title Liens**  
**Year Ended December 31, 2009**

	<u>Ref.</u>	
Balance December 31, 2008	A	201,693.02
Increased by:		
Transfer from Taxes Receivable	A-6	76,919.75
Interest and Costs		<u>3,309.30</u>
		<u>80,229.05</u>
		281,922.07
Decreased by:		
Receipts	A-4	<u>5,345.19</u>
Balance December 31, 2009	A	<u><u>276,576.88</u></u>

**Exhibit A-8**

**Statement of Property Acquired for Taxes -**  
**Assessed Valuations**  
**Year Ended December 31, 2009**

	<u>Ref.</u>	
Balance December 31, 2008	A	1,584,100.00
Increased by:		
Adjustment to Assessed Valuation		<u>1,472,300.00</u>
Balance December 31, 2009	A	<u><u>3,056,400.00</u></u>

## Borough of Ringwood, N.J.

## Statement of Revenue Accounts Receivable

Year Ended December 31, 2009

	<u>Ref.</u>	Balance, Dec. 31, <u>2008</u>	Accrued in <u>2009</u>	<u>Collected</u>	Balance Dec. 31, <u>2009</u>
Clerk					
Licenses:					
Alcoholic beverages	A-2	-	2,634.00	2,634.00	-
Other	A-2	-	1,380.00	1,380.00	-
Fees and Permits	A-2	-	12,752.29	12,752.29	-
Park and Ride	A-2	-	29,925.80	29,925.80	-
Non-Budget Revenue	A-2	-	1,425.00	1,425.00	-
Building Code Official:					
Uniform Construction Code Fees	A-2	-	91,407.00	91,407.00	-
Municipal Court:					
Fines and Costs	A-2	8,989.46	125,970.38	127,430.74	7,529.10
Board of Health:					
Licenses	A-2	-	7,920.00	7,920.00	-
Fees and Permits	A-2	-	14,844.00	14,844.00	-
S.M.A.C. Fees	A-2	-	2,202.00	2,202.00	-
Non-Budget Revenue	A-2	-	12,169.00	12,169.00	-
Police Department:					
Fees and Permits	A-2	-	19,800.75	19,800.75	-
Treasurer:					
Licenses	A-2	-	-	-	-
Fees and Permits	A-2	-	17,086.00	17,086.00	-
Non-Tenant Rent - Transferred from Ringwood					
Solid Waste Management Authority		5,061.50	-	-	5,061.50
Interest and Costs on Taxes	A-2	-	122,947.68	122,947.68	-
Election Revenue	A-2	-	600.00	600.00	-
Tax Search Officer	A-2	-	300.00	300.00	-
Interest on Investments	A-2	-	58,970.00	58,970.00	-
		<u>14,050.96</u>	<u>522,333.90</u>	<u>523,794.26</u>	<u>12,590.60</u>
		A		A-4	A

Borough of Ringwood, N.J.

Statement of Due To Other Trust Fund

	<u>Ref.</u>		
Balance December 31, 2008	A		8,400.00
Increased by:			
Municipal Open Space Taxes	A-1; A-6	172,731.67	
Fees Collected in Current	A-4	<u>750.00</u>	
			<u>173,481.67</u>
			181,881.67
Decreased by:			
Disbursements	A-4		<u>181,131.67</u>
Balance December 31, 2009	A		<u><u>750.00</u></u>

Statement of Due From/To Federal and State Grant Fund

	<u>Ref.</u>		
Balance December 31, 2008			
Due From Federal and State Grant Fund	A		100,039.48
Increased by:			
Cancellation of Appropriated Reserves	A-32	1,186.80	
Federal and State Grant Fund Expenditures	A-4	<u>153,290.65</u>	
			<u>154,477.45</u>
			254,516.93
Decreased by:			
Cancellation of Grants Receivable	A-31	1,187.00	
Federal and State Grant Receipts:			
Appropriated	A-4	538,565.93	
Unappropriated	A-4	<u>957.34</u>	
			<u>540,710.27</u>
Balance December 31, 2009			
Due To Federal and State Grant Fund	A		<u><u>286,193.34</u></u>

Borough of Ringwood

Statement of 2008 Appropriation Reserves

	Balance 12/31/08	After Modification	Paid or Charged	Balance Lapsed
<b>General Government:</b>				
<b>Department of Administration:</b>				
Office of Borough Manager:				
Salaries and Wages	2,399.66	2,899.66	713.87	2,185.79
Other Expenses	391.09	9,268.30	7,220.10	2,048.20
Legislation				
Other Expenses	599.88	599.88		599.88
Elections				
Other Expenses	858.96	858.96		858.96
Legal Services				
Other Expenses	8,280.13	51,031.53	48,957.59	2,073.94
Office of Data Processing				
Other Expenses	2,110.07	2,475.78	991.21	1,484.57
Office of Emergency Mgmt.				
Other Expenses	4.78	8,030.85	5,706.07	2,324.78
Division of Engineering				
Salaries and Wages	634.37	634.37		634.37
Other Expenses	17,815.13	27,809.42	20,257.23	7,552.19
<b>Department of Finance:</b>				
Office of Treasurer				
Salaries and Wages	457.57	457.57		457.57
Other Expenses	427.35	1,265.22	918.43	346.79
Division of Financial Control				
Other Expenses	11,384.75	18,984.75	17,600.00	1,384.75
Division of Tax Collection				
Salaries and Wages	651.08	651.08		651.08
Other Expenses	464.38	2,782.12	2,571.74	210.38
Division of Tax Assessment				
Salaries and Wages	706.46	706.46		706.46
Other Expenses	433.01	433.01		433.01
<b>Statutory Agencies:</b>				
Prosecutor				
Salaries and Wages	35.00	35.00		35.00
Planning Board				
Salaries and Wages	203.84	203.84		203.84
Other Expenses	7,899.03	2,899.03	1,788.90	1,110.13
Board of Adjustment				
Salaries and Wages	106.90	106.90		106.90
Other Expenses	7,556.49	2,674.79	1,618.30	1,056.49
Industrial Commission				
Salaries and Wages	459.65	459.65		459.65
Other Expenses	808.00	808.00		808.00
Environmental Commission				
Salaries and Wages	151.84	151.84		151.84
Other Expenses	116.18	403.09	286.91	116.18

Borough of Ringwood

Statement of 2008 Appropriation Reserves

	Balance 12/31/08	After Modification	Paid or Charged	Balance Lapsed
<b>Department of Police:</b>				
Division of Patrol				
Salaries and Wages	16,955.99	2,236.31	211.32	2,024.99
Other Expenses	3,891.33	13,917.54	12,999.83	917.71
Division of Traffic/Guards				
Salaries and Wages	1,472.03	1,472.03	1,472.03	-
Other Expenses	235.06	255.05	19.99	235.06
Division of Investigation				
Salaries and Wages	511.98	511.98		511.98
Other Expenses	70.00	570.00	500.00	70.00
Division of Communications				
Salaries and Wages	96.57	290.10		290.10
Other Expenses	6,695.65	3,401.92	1,784.93	1,616.99
<b>Aid to Ambulance Corps</b>				
Other Expenses	4,100.00	28,500.00	21,500.00	7,000.00
<b>Bureau of Fire Prevention</b>				
Other Expenses-Clothing	875.00	875.00		875.00
<b>Uniform Fire Safety Act:</b>				
Fire Inspection				
Salaries and Wages	814.00	814.00		814.00
Other Expenses	1,200.16	1,200.16	1,021.46	178.70
OSHA Fire Fighting Equipment		3,350.00	3,350.00	-
<b>Department of Public Works:</b>				
Division of Streets and Roads				
Salaries and Wages	59.44	59.44		59.44
Other Expenses	14,887.81	17,221.05	13,489.06	3,731.99
Division of Snow and Ice Control				
Salaries and Wages	15,841.93	15,841.93	15,841.93	-
Other Expenses	20,796.75	89,474.77	89,474.33	0.44
Division of Equipment Maint.				
Salaries and Wages	297.49	297.49		297.49
Other Expenses	6,102.61	46,228.60	46,134.65	93.95
Buildings and Grounds				
Salaries and Wages	2,829.78	2,829.78	2,829.78	-
Other Expenses	8,974.79	9,026.12	7,063.30	1,962.82
Solid Waste/Recycling				
Salaries and Wages	131.86	131.86		131.86
Other Expenses	7,568.10	3,568.10	1,330.00	2,238.10
Division of Sewer				
Salaries and Wages	114.84	114.84		114.84
Other Expenses	2,400.55	16,148.13	15,854.35	293.78
<b>Dept. of Community Development:</b>				
Division of Public Health				
Salaries and Wages	3,133.82	3,133.82	1,255.11	1,878.71
Other Expenses	8,266.26	10,134.27	8,031.95	2,102.32

**Borough of Ringwood**

**Statement of 2008 Appropriation Reserves**

	<u>Balance 12/31/08</u>	<u>After Modification</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Division of Public Assistance				
Salaries and Wages	567.52	567.52		567.52
Other Expenses	146.00	146.00		146.00
Recreation				
Salaries and Wages	143.96	143.96		143.96
Other Expenses	4,031.64	1,507.12	471.64	1,035.48
Municipal Cable TV Committee				
Other Expenses	1,810.78	3,010.78	3,000.00	10.78
<b>Division of Code Enforcement:</b>				
Bureau of Building Construction				
Salaries and Wages	66.17	66.17		66.17
Other Expenses	14.49	92.49	20.00	72.49
Bureau of Electrical Inspection				
Salaries and Wages	64.00	64.00		64.00
Bureau of Plumbing Inspection				
Salaries and Wages	64.00	64.00		64.00
Municipal Court				
Salaries and Wages	766.92	1,136.92		1,136.92
Other Expenses	330.60	1,461.08	1,130.48	330.60
Public Defender				
Salaries and Wages	42.00	42.00		42.00
<b>Unclassified:</b>				
Gasoline	1,936.90	12,968.47	12,953.03	15.44
Electricity	7,363.18	7,363.18	7,128.73	234.45
Natural Gas	5,530.50	4,530.50	3,399.92	1,130.58
Telephone and Telegraph	1,581.76	2,470.85	2,452.25	18.60
Transportation Contract - Lakeland HS	6,022.51	6,022.51	6,022.51	-
Celebration of Public Events	2,500.00			-
Drug and Alcohol Testing	880.00	880.00		880.00
Contingent	100.00	100.00		100.00
<b>Statutory Expenditures:</b>				
Social Security (O.A.S.I.)	87.46	87.46		87.46
Reserve for Tax Appeals	5,000.00	5,000.00		5,000.00
Aid To Library	6,215.90	7,356.72	7,259.21	97.51
Emergency Services Volunteer Length of Service Award Program	15,696.00	15,696.00	15,696.00	-
<b>Insurance:</b>				
Other Insurance Premiums	2,000.00	18,100.00	18,095.07	4.93
Group Insurance Plan - Employees	10,125.87	795.87	390.00	405.87
Implementation Of COAH Plan	7,108.90	7,108.90	5,434.40	1,674.50
Public Employees' Retirement System	0.20	0.20		0.20
<b>Interlocal Service Agreement:</b>				
Division of Public Health				
Salaries and Wages	1,684.04	1,684.04	200.00	1,484.04
<b>Capital Improvements:</b>				
Purchase of Fire Fighting Equipment	2,575.00	23,097.50	23,097.50	-
	<u>277,735.70</u>	<u>529,799.63</u>	<u>459,545.11</u>	<u>70,254.52</u>
	A		A-4	A-1
Appropriation Reserves	A-12	277,735.70		
Refunds	A-4	49,781.71		
Reserve for Encumbrances	A-13	<u>202,282.22</u>		
		<u>529,799.63</u>		

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

	<u>Ref.</u>	
Balance December 31, 2008	A	205,931.97
Increased by:		
2008 Appropriations Encumbered	A-3	<u>403,388.53</u> 609,320.50
Decreased by:		
Appropriation Reserves	A-12	<u>202,282.22</u>
Balance December 31, 2009	A	<u><u>407,038.28</u></u>

**Statement of Prepaid Taxes**

	<u>Ref.</u>	
Balance December 31, 2008	A	80,061.97
Increased by:		
Collection of 2010 Taxes	A-4	<u>121,605.54</u> 201,667.51
Decreased by:		
2009 Taxes Applied	A-6	<u>80,061.97</u>
Balance December 31, 2009	A	<u><u>121,605.54</u></u>

**Borough of Ringwood, N.J.**

**Statement of Taxes Receivable in Bankruptcy**

	<u>Ref.</u>	
Balance December 31, 2008	A	<u>14.68</u>
Decreased by:		
Cancelled		<u>14.68</u>

**Statement of Due to State of New Jersey -**

**Deduction Per Chapter 73, P.L. 1976**

	<u>Ref.</u>	
Balance December 31, 2008	A	20,100.23
Increased by:		
Cash Received	A-4	<u>115,345.94</u>
		135,446.17
Decreased by:		
Senior Citizens and Veterans Tax Deductions Per Tax Billing	A-6	<u>113,990.43</u>
Balance December 31, 2009	A	<u>21,455.74</u>

**Borough of Ringwood, N.J.**

**Statement of Tax Overpayments**

	<u>Ref.</u>		
Balance December 31, 2008	A		8,335.38
Increased by:			
Tax Appeals	A-1	329.40	
Overpayments in 2007	A-4	<u>79,964.35</u>	
			<u>80,293.75</u>
			88,629.13
Decreased by :			
Refunds	A-4		<u>88,629.13</u>
Balance December 31, 2009	A		<u><u>-</u></u>

**Statement of Reserve for Master Plan**

	<u>Ref.</u>	
Balance December 31, 2008	A	<u><u>3,701.99</u></u>
Balance December 31, 2009	A	<u><u>3,701.99</u></u>

**Borough of Ringwood, N.J.**

**Statement of Reserve for Sale of Surplus Equipment**

	<u>Ref.</u>	
Balance December 31, 2008	A	<u><u>6,666.18</u></u>
Balance December 31, 2009	A	<u><u>6,666.18</u></u>

**Statement of County Taxes**

	<u>Ref.</u>		
Balance December 31, 2008	A		23,101.54
Increased by:			
County Tax	A-1	9,899,505.99	
Added and Omitted Taxes	A-1	<u>4,740.11</u>	
	A-6		<u>9,904,246.10</u>
			9,927,347.64
Decreased by:			
Payments	A-4		<u>9,920,667.22</u>
Balance December 31, 2009	A		<u><u>6,680.42</u></u>

Borough of Ringwood, N.J.

Statement of Regional High School Tax

	Ref.	
Balance December 31, 2008 School Tax Deferred		4,435,319.04
Increased by:		
Levy - School Year - (July 1, 2009 to June 30, 2010)	A-6	<u>9,164,471.29</u>
		13,599,790.33
Decreased by :		
Payments	A-4	<u>9,022,930.09</u>
Balance December 31, 2009 School Tax Deferred		<u><u>4,576,860.24</u></u>
2009 Liability for Regional High School Tax: Tax Paid		<u>9,022,930.09</u>
Amount Charged to 2009 Operations	A-1	<u><u>9,022,930.09</u></u>

Statement of Local District School Tax

	<u>Ref.</u>	
Balance December 31, 2008 School Tax Deferred		7,467,846.67
Increased by:		
Levy - School Year - (July 1, 2009 to June 30, 2010)	A-6	<u>15,282,478.00</u>
		22,750,324.67
Decreased by :		
Payments	A-4	<u>15,156,084.50</u>
Balance December 31, 2009 School Tax Deferred		<u><u>7,594,240.17</u></u>
2009 Liability for Local District School Tax: Tax Paid		<u>15,156,084.50</u>
Amount Charged to 2009 Operations	A-1	<u><u>15,156,084.50</u></u>

Borough of Ringwood, N.J.

Statement of Due To General Capital Fund

	<u>Ref.</u>		
Balance December 31, 2008	A		1,093.15
Increased by:			
Unexpended Capital Improvements	A-3	93,183.20	
Receipts	A-4	<u>2,005,545.69</u>	
			<u>2,098,728.89</u>
			2,099,822.04
Decreased by:			
Disbursements	A-4		<u>2,001,093.15</u>
Balance December 31, 2009	A		<u><u>98,728.89</u></u>

Statement of Reserve for Library Aid

	<u>Ref.</u>	
Increased by:		
Receipts	A-4	<u><u>12,600.00</u></u>
Decreased by:		
Disbursements	A-4	<u><u>12,600.00</u></u>

Borough of Ringwood, N.J.

Statement of Due to Outside Lienholders

	<u>Ref.</u>		
Increased by:			
Adjustment	A-1	56.00	
Receipts	A-4	<u>199,596.98</u>	
			<u>199,652.98</u>
			199,652.98
Decreased by:			
Disbursements	A-4		<u><u>199,652.98</u></u>

Statement of Accounts Payable

	<u>Ref.</u>	
Balance December 31, 2008	A	24,013.85
Decreased by:		
Disbursements	A-4	<u>23,800.00</u>
Balance December 31, 2009	A	<u><u>213.85</u></u>

Borough of Ringwood, N.J.

Statement of Reserve for Revaluation of Real Property

	Ref.	
Balance December 31, 2008	A	87,660.00
Decreased by: Disbursements	A-4	<u>42,325.00</u>
Balance December 31, 2009	A	<u><u>45,335.00</u></u>

Borough of Ringwood, N.J.

Statement of Deferred Charges

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

Date Authorized	Purpose	Net Amount Authorized	1/5 of Net Amount Authorized	Balance Dec. 31, 2008	Reduced in 2009	Balance Dec. 31, 2009
07/17/07	Revaluation of Real Property	350,000.00	70,000.00	350,000.00	70,000.00	280,000.00
		<u>350,000.00</u>	<u>70,000.00</u>	<u>350,000.00</u>	<u>70,000.00</u>	<u>280,000.00</u>
				A	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, 2008	A	<u>270,544.60</u>
Balance December 31, 2009	A	<u>270,544.60</u>

## Federal and State Grant Fund

## Statement of Due to/from Current Fund

	<u>Ref.</u>		
Balance December 31, 2008			
Due to Current Fund	A		100,039.48
Increased by:			
Cancellation of Appropriated Reserves	A-32	1,186.80	
Federal and State Grant Fund Expenditures	A-32	<u>153,290.65</u>	
			<u>154,477.45</u>
			254,516.93
Decreased by:			
Cancellation of Grants Receivable	A-31	1,187.00	
State Grant Receipts-			
Unappropriated	A-33	957.34	
Appropriated	A-31	<u>538,565.93</u>	
			<u>540,710.27</u>
Balance December 31, 2009			
Due from Current Fund	A		<u>286,193.34</u>

Borough of Ringwood, N.J.

Federal and State Grant Fund

Schedule of State and Federal Grants Receivable

	Balance Dec. 31, 2008	2009 Revenue	Received	Cancelled	Balance Dec. 31, 2009
Municipal Alliance Program	29,491.00		26,455.00		3,036.00
Body Armor Grant	310.49	2,045.29	2,045.29		310.49
Clean Communities Program		23,955.22	23,955.22		-
County of Passaic - Open Space Grant	160,000.00				160,000.00
Municipal Stormwater Regulation Program	10,207.00				10,207.00
Planning Assistance Municipal Partnership	11,500.00		7,500.00		4,000.00
State of NJ Transportation Trust Fund:					
- Westbrook Road Section 4	8,044.60				8,044.60
- Westbrook Road Section 5	42,500.00		42,500.00		-
- Westbrook Road Section 6	62,500.00		62,500.00		-
- Westbrook Road Section 7	55,000.00		55,000.00		-
- Conklintown Road	53,175.49				53,175.49
- Carletondale Road	238,000.00		235,526.10		2,473.90
- Canterbury Road		278,000.00			278,000.00
Recycling Tonnage Grant		20,341.44	20,341.44		-
Drunk Driving Enforcement Fund		13,765.52	13,765.52		-
Alcohol Education and Rehabilitation		589.00	589.00		-
H1N1 Emergency Response		73,738.00	27,363.00		46,375.00
NJ Division of Law & Public Safety					
Over the Limit Under Arrest		11,000.00	5,026.65		5,973.35
Homeland Security Buffer Zone		80,275.00			80,275.00
NJ Highlands Water Protection:					
Initial Assessment Grant		15,000.00	13,813.00	1,187.00	-
Plan Conformance Grant		50,000.00	4,820.00		45,180.00
NJ Department of Community Affairs					
Neighborhood Preservation Program		400,000.00			400,000.00
	<u>670,728.58</u>	<u>968,709.47</u>	<u>541,200.22</u>	<u>1,187.00</u>	<u>1,097,050.83</u>
	A	A-2		A-30	A
Transferred from Unappropriated Reserves	A-33		2,634.29		
Received in Current Fund	A-30		<u>538,565.93</u>		
			<u>541,200.22</u>		

Borough of Ringwood, N.J.

Federal and State Grant Fund

Statement of Reserve for Federal and State Grants

<u>Grant</u>	<u>Balance,</u> <u>2008</u>	<u>Increased</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance,</u> <u>2009</u>
N.J. DEP Clean Communities Program	9,568.99	23,955.22	17,399.88		16,124.33
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	22,231.21	20,341.44	8,569.88		34,002.77
Body Armor Grant	10,086.69	2,045.29	771.25		11,360.73
Municipal Alliance Program	15,137.62		14,674.05		463.57
County of Passaic - Open Space Grant	80,580.68				80,580.68
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		278,000.00	209,814.25		68,185.75
Alcohol Education and Rehabilitation Fund	3,180.99	589.00			3,769.99
NJ Division of Law & Public Safety					
Over the Limit Under Arrest		11,000.00	6,666.11		4,333.89
Drunk Driving Enforcement Fund	10,706.53	13,765.52	14,437.03		10,035.02
NJ Dept. of Transportation -					
Road Rehabilitation Program	72,685.78		32,054.23		40,631.55
Pandemic Flu Preparedness Grant	463.67				463.67
H1N1 Emergency Response		73,738.00	44,621.26		29,116.74
Homeland Security Buffer Zone		80,275.00			80,275.00
NJ Highlands Water Protection:					
Initial Assessment Grant		15,000.00	13,813.20	1,186.80	-
Plan Conformance Grant		50,000.00	16,912.26		33,087.74
NJ Department of Community Affairs					
Neighborhood Preservation Program		400,000.00	10,100.00		389,900.00
	<u>297,510.21</u>	<u>968,709.47</u>	<u>389,833.40</u>	<u>1,186.80</u>	<u>875,199.48</u>
	A	A-3		A-30	A
Encumbrances Payable	A-34		236,542.75		
Expended	A-30		<u>153,290.65</u>		
			<u>389,833.40</u>		

**Borough of Ringwood, N.J.**

**Federal and State Grant Fund**

**Statement of Unappropriated Reserve for State Grants**

	<u>Ref.</u>	
Balance December 31, 2008	A	2,634.29
Increased by:		
Receipts in Current Fund	A-30	<u>957.34</u> 3,591.63
Decreased by:		
Transferred to 2009 Budget Appropriations	A-31	<u>2,634.29</u>
Balance December 31, 2009	A	<u><u>957.34</u></u>

**Federal and State Grant Fund**

**Statement of Encumbrances Payable**

	<u>Ref.</u>	
Increased by:		
Charges to Appropriated Reserves	A-32	<u>236,542.75</u>
Balance December 31, 2009	A	<u><u>236,542.75</u></u>

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

**Trust Fund**

**Year Ended December 31, 2009**

	<u>Ref.</u>	<u>Animal Control</u>	<u>Other Trust</u>
Balance - December 31, 2008	B	88.05	962,542.80
<b>Increased by Receipts:</b>			
State Share of Dog Licenses	B-2	2,812.80	
Reserve for Animal Control	B-3	24,227.20	
Deposits Payable	B-4		16,748.97
Interfund - Current Fund	B-5		8,400.00
Due State of New Jersey - Building Surcharge	B-6		6,592.00
Due to State of New Jersey - Marriage Surcharge	B-7		1,125.00
Assessments Receivable	B-10		184,313.71
Various Reserves	B-13		703,355.04
		<u>27,040.00</u>	<u>920,534.72</u>
		<u>27,128.05</u>	<u>1,883,077.52</u>
<b>Decreased by Disbursements:</b>			
State Share of Dog Licenses	B-2	2,805.00	
Expenditures Under R.S. 4:19-15.11	B-3	24,130.85	
Deposits Payable	B-4		9,847.70
Due State of New Jersey - Building Surcharge	B-6		6,617.00
Due to State of New Jersey - Marriage Surcharge	B-7		1,325.00
Encumbrances Payable	B-8		10,513.71
Loan Payable-State of New Jersey	B-11		68,708.45
Due to S.L.P.O.A.	B-12		14,000.00
Various Reserves	B-13		499,938.43
		<u>26,935.85</u>	<u>610,950.29</u>
Balance - December 31, 2009	B	<u>192.20</u>	<u>1,272,127.23</u>

**Recapitulation**

<u>Other Trust:</u>	
Other Trust	853,148.79
Unemployment Insurance Trust Fund	6,785.42
Small Cities EDA Grant	174,566.86
Skyline Lakes Dam Trust	<u>237,626.16</u>
	<u>1,272,127.23</u>

**Borough of Ringwood, N.J.**  
**Statement of Due to State Department of Health**

**Trust Fund**

**Year Ended December 31, 2009**

	<u>Ref.</u>	
Balance - December 31, 2008	B	1.20
Increased by:		
Receipts - State Share of Dog Licenses Fees	B-1	<u>2,812.80</u>
		2,814.00
Decreased by:		
Disbursements	B-1	<u>2,805.00</u>
Balance - December 31, 2009	B	<u><u>9.00</u></u>

**Statement of Reserve for Animal Control Fund Expenditures**

**Trust Fund**

**Year Ended December 31, 2009**

	<u>Ref.</u>	
Balance - December 31, 2008	B	86.85
Increased by:		
Dog License Fees Collected	B-1	17,863.20
Cat License Fees Collected	B-1	4,504.00
Late Fees	B-1	<u>1,860.00</u>
		<u>24,227.20</u>
		24,314.05
Decreased by:		
Expenditures under R.S. 4:19-15.11	B-1	<u>24,130.85</u>
Balance - December 31, 2009	B	<u><u>183.20</u></u>

License Fees Collected

<u>Year</u>	
2008	17,852.40
2009	<u>17,863.20</u>
	<u><u>35,715.60</u></u>

**Borough of Ringwood, N.J.**  
**Statement of Deposits Payable**  
**Trust Fund**  
**Year Ended December 31, 2009**

	<u>Ref.</u>	
Balance - December 31, 2008	B	158,255.30
Increased by:		
Cash Receipts	B-1	<u>16,748.97</u>
		175,004.27
Decreased by:		
Cash Disbursements	B-1	<u>9,847.70</u>
Balance - December 31, 2009	B	<u><u>165,156.57</u></u>

**Statement of Due From Current Fund - Other Trust Fund**  
**Trust Fund**  
**Year Ended December 31, 2009**

	<u>Ref.</u>	
Balance - December 31, 2008	B	8,400.00
Increased by:		
Fees Collected in Current Fund	B-13	<u>750.00</u>
		9,150.00
Decreased by:		
Receipts	B-1	<u>8,400.00</u>
Balance - December 31, 2009	B	<u><u>750.00</u></u>

**Borough of Ringwood, N.J.**  
**Statement of Due to State of New Jersey**  
**For Building Surcharge**  
**Trust Fund**  
**Year Ended December 31, 2009**

	<u>Ref.</u>	
Balance - December 31, 2008	B	2,646.00
Increased by:		
Receipts	B-1	<u>6,592.00</u>
		9,238.00
Decreased by:		
Disbursements	B-1	<u>6,617.00</u>
Balance - December 31, 2009	B	<u><u>2,621.00</u></u>

**Statement of Due to State of New Jersey - Marriage Surcharge**  
**Trust Fund**  
**Year Ended December 31, 2009**

	<u>Ref.</u>	
Balance - December 31, 2008	B	750.00
Increased by:		
Receipts	B-1	<u>1,125.00</u>
		1,875.00
Decreased by:		
Disbursements	B-1	<u>1,325.00</u>
Balance - December 31, 2009	B	<u><u>550.00</u></u>

**Borough of Ringwood, N.J.**  
**Statement of Encumbrances Payable**  
**Trust Fund**  
**Year Ended December 31, 2009**

	<u>Ref.</u>	
Balance - December 31, 2008	B	<u><u>10,513.71</u></u>
Decreased by:		
Disbursements	B-1	<u><u>10,513.71</u></u>

**Statement of Net Assets Available for Benefits**  
**Trust Fund**  
**Year Ended December 31, 2009**

	<u>Ref.</u>	
Balance - December 31, 2008	B	582,026.81
Increased by:		
Borough Contributions		80,750.00
Increase in Unit Value		121,164.75
Plan Earnings		<u>225.79</u>
		<u>202,140.54</u>
		784,167.35
Decreased by:		
Distributions		<u>10,463.10</u>
Balance - December 31, 2009	B	<u><u>773,704.25</u></u>

**Borough of Ringwood, N.J.**

**Statement of Assessments Receivable-Skyline Lakes Dam**

**Trust Fund**

**Year Ended December 31, 2009**

	<u>Ref.</u>	
Increased by:		
Assessments Confirmed	B-13	1,483,469.60
Decreased by:		
Receipts	B-1	<u>184,313.71</u>
Balance - December 31, 2009	B	<u><u>1,299,155.89</u></u>

**Statement of Loan Payable-State of New Jersey**

**Trust Fund**

**Year Ended December 31, 2009**

	<u>Ref.</u>	
Increased by:		
Loans Received	B-13	1,579,959.55
Decreased by:		
Disbursements	B-1	<u>68,708.45</u>
Balance - December 31, 2009	B	<u><u>1,511,251.10</u></u>

**Borough of Ringwood, N.J.**

**Statement of Due to S.L.P.O.A.-Skyline Lakes Dam**

**Trust Fund**

Ref.

Increased by:		
Assessments Confirmed	B-13	<u>14,000.00</u>
Decreased by:		
Disbursements	B-1	<u>14,000.00</u>

## Borough of Ringwood, N.J.

## Statement of Reserve for Other Trust Various Reserves

Year Ended December 31, 2009

	<u>Balance Dec. 31, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance Dec. 31, 2009</u>
<b>Reserve For:</b>				
Playground Donations	68.05			68.05
Bike Donations	0.10			0.10
Unemployment Insurance Trust Fund	25,647.99	7,300.92	26,163.49	6,785.42
Small Cities Development Grant	194,726.86		20,160.00	174,566.86
Skyline Lakes Dam	135,084.97	1,484,441.26	1,593,995.28	25,530.95
Public Defender Fees	2,177.00	750.00		2,927.00
DARE Program	5,782.03		3,085.31	2,696.72
Parking Offenses Adjudication Act	615.00			615.00
Tax Sale Premiums	140,200.00	250,100.00	142,200.00	248,100.00
Terminal Leave Compensation	36,558.70	12,000.00	24,974.00	23,584.70
GS P.O.P.S.	180.00			180.00
Developer Agreement	1,299.75			1,299.75
Fire Prevention	139.79			139.79
Affordable Housing	27,569.70	8,500.00	14,900.00	21,169.70
Ringwood Fair	3,728.24			3,728.24
Inspection Fees	8,000.00	8,000.00		16,000.00
Municipal Open Space	216,999.61	416,482.46	268,419.90	365,062.17
	<u>798,777.79</u>	<u>2,187,574.64</u>	<u>2,093,897.98</u>	<u>892,454.45</u>
	B			B
Interfund Current Fund	B-5	750.00		
Assessments Receivable	B-10	1,483,469.60		
Receipts	B-1	<u>703,355.04</u>		
		<u>2,187,574.64</u>		
Encumbrances Payable	B-9			
Loan Payable-State of New Jersey	B-11		1,579,959.55	
Due to S.L.P.O.A.	B-12		14,000.00	
Disbursements	B-1		<u>499,938.43</u>	
			<u>2,093,897.98</u>	

**Borough of Ringwood, N.J.**

**Statement of General Capital Cash Collector - Treasurer**

**General Capital Fund**

**Year Ended December 31, 2009**

	<u>Ref.</u>		
Balance - December 31, 2008	C		4,757,405.93
Increased by Receipts:			
Interfund - Current Fund	C-6	2,004,933.35	
Bond Proceeds	C-8	4,367,000.00	
Note Proceeds	C-9	1,515,500.00	
Reserve for Various Projects	C-14	60,178.68	
Reserve for Debt Service	C-15	<u>160,000.00</u>	
			<u>8,107,612.03</u>
			12,865,017.96
Decreased by Disbursements:			
Capital Surplus to Current Fund	C-1	30,000.00	
Interfund - Current Fund	C-6	2,009,385.89	
Note Payments	C-9	5,479,500.00	
Improvement Authorizations	C-10	1,643,369.84	
Contracts Payable	C-12	476,579.84	
Reserve for Various Projects	C-14	119,466.33	
Reserve for Debt Service	C-15	<u>184,000.00</u>	
			<u>9,942,301.90</u>
Balance - December 31, 2009	C		<u><u>2,922,716.06</u></u>

**Borough of Ringwood, N.J.**

**Analysis of Cash**

**General Capital Fund**

**Year Ended December 31, 2009**

	<u>Ref.</u>	
Capital Fund Balance	C-1	6,744.96
Due from Current Fund	C-6	(98,728.89)
Due from Federal and State Grant Fund	C-7	(270,544.60)
Capital Improvement Fund	C-11	99,758.95
Contracts Payable	C-12	115,755.14
Reserve for Various Projects	C-14	173,673.17
Reserve for Debt Service	C-15	344,200.00
<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)
1998-14	Purchase of Fire Truck	2,321.35
1999-01	Supplemental Appropriation - Municipal Library	35,125.49
2000-09	Purchase of a Communication System	865.90
2002-15	Various Improvements	37,907.86
2003-10	Acquisition of Vehicular Equipment	(3,240.88)
2005-19	Various Improvements	509,866.80
2006-30	Various Improvements	815,464.72
2007-12	Various Improvements	616,334.34
2008-16	Various Improvements	554,096.10
Balance - December 31, 2009	C	<u><u>2,922,716.06</u></u>

**Borough of Ringwood, N.J.**

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

**General Capital Fund**

**Year Ended December 31, 2009**

	<u>Ref.</u>	
Balance - December 31, 2008	C	4,349,310.89
Increased by:		
Serial Bonds Issued	C-8	<u>4,367,000.00</u>
		8,716,310.89
Decreased by:		
Refunding Debt Service Reduction	C-8	58,000.00
Payments by Budget Appropriation:		
Green Trust Loan	C-13	7,237.27
Serial Bonds	C-8	<u>440,000.00</u>
		<u>447,237.27</u>
Balance - December 31, 2009	C	<u><u>8,211,073.62</u></u>

Borough of Ringwood, N.J.

Statement of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2009

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2008	2009 Authoriz.	Funded Authoriz.	Balance Dec. 31, 2009	Analysis of Balance Dec. 31, 2009		
							Financed by Bond Anticipation Notes	Expenditures	Unexpended Balance of Improvement Authorizations
1996-12	Improvements to Conklintown Road	08-28-96	36,600.00			36,600.00		17,008.16	19,591.84
1997-16	Improvements to Burnt Meadow Road	07-23-97	42,572.01			42,572.01			42,572.01
2003-10	Acquisition of Vehicular Equipment	06-24-03	7,900.00			7,900.00		3,240.88	4,659.12
2005-19	Various Improvements	03-01-05	1,567,500.00		1,567,500.00				
2006-30	Various Improvements	10-24-06	2,100,500.00		1,561,500.00	539,000.00		(500.00)	
2007-12	Various Improvements	08-14-07	1,238,000.00		1,238,000.00				
2008-16	Various Improvements	06-19-08	976,000.00			976,000.00			
			<u>5,969,072.01</u>	<u>-</u>	<u>4,367,000.00</u>	<u>1,602,072.01</u>	<u>1,515,500.00</u>	<u>19,749.04</u>	<u>66,822.97</u>
			<u>C</u>			<u>C</u>			

Ref.

Improvement Authorizations- Unfunded C-10 1,435,883.79

Less: Unexpended Proceeds of

Bond Anticipation Notes:

Ordinance No:

2006-30

2008-16

814,964.72

554,096.10

66,822.97

**Borough of Ringwood, N.J.**  
**Statement of Due From Current Fund**  
**General Capital Fund**  
**Year Ended December 31, 2009**

	<u>Ref.</u>	
Balance - December 31, 2008	C	1,093.15
Increased by:		
Budget Appropriation:		
Capital Improvement Fund	C-11	25,000.00
Capital Outlays	C-14	398,610.00
Disbursements	C-2	<u>2,009,385.89</u>
		<u>2,432,995.89</u>
		2,434,089.04
Decreased by:		
Current Fund Expenditures:		
Capital Improvement Fund	C-11	20,286.05
Capital Outlays	C-14	310,140.75
Receipts	C-2	<u>2,004,933.35</u>
		<u>2,335,360.15</u>
Balance - December 31, 2009	C, C-3	<u><u>98,728.89</u></u>

**Statement of Due From Federal and State Grant Fund**  
**General Capital Fund**  
**Year Ended December 31, 2009**

	<u>Ref.</u>	
Balance - December 31, 2008	C	<u><u>270,544.60</u></u>
Balance - December 31, 2009	C	<u><u>270,544.60</u></u>

Borough of Ringwood, N.J.

Statement of General Serial Bonds

General Capital Fund

Year Ended December 31, 2009

Purpose	Date of Issue	Amount of Original Issue	Date	Amount	Interest Rate	Balance Dec. 31, 2008	Issued	Redeemed/Refunded	Balance Dec. 31, 2009
Sewer Bonds (Series 1993)	09-01-93	4,940,000.00	01-01-2009	65,000.00	5.10%	930,000.00			
			01-01-2010-2011	70,000.00	5.10%				
			01-01-2012	75,000.00	5.10%				
			01-01-2013	80,000.00	5.10%				
			01-01-2014	85,000.00	5.10%				
			01-01-2015	90,000.00	5.10%				
			01-01-2016-2017	95,000.00	5.10%				
			01-01-2018	100,000.00	5.10%				
			01-01-2019	105,000.00	5.10%				
			General Bonds of 2001	02-01-01	2,913,000.00				
General Bonds of 2004	01-15-04	2,000,000.00	01-15-2010-2014	225,000.00	4.00%	1,350,000.00		225,000.00	1,125,000.00
Sewer Refunding Bonds - Series 2009	04/23/09	840,000.00	02-01-2010	75,000.00	3.00%				
			02-01-2011	70,000.00	3.00%				
			02-01-2012	75,000.00	3.00%				
			02-01-2013	80,000.00	3.50%				
			02-01-2014	80,000.00	4.00%				
			02-01-2015	85,000.00	3.50%				
			02-01-2016	90,000.00	3.50%				
			02-01-2017	90,000.00	5.00%				
			02-01-2018	95,000.00	5.00%				
			02-01-2019	100,000.00	5.00%				
				840,000.00					840,000.00

Borough of Ringwood, N.J.

Statement of General Serial Bonds

General Capital Fund

Year Ended December 31, 2009

Purpose	Date of Issue	Amount of Original Issue	Date	Amount	Interest Rate	Balance Dec. 31, 2008	Issued	Redeemed/Refunded	Balance Dec. 31, 2009
General Refunding Bonds - Series 2009	04/23/09	1,630,000.00	02-01-2010	5,000.00	3.00%				
			02-01-2011	155,000.00	3.00%				
			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%		1,630,000.00	-		1,630,000.00



Borough of Ringwood, N.J.

Statement of Bond Anticipation Notes

General Capital Fund

Year Ended December 31, 2009

Ordinance Number	Improvement Description	Original Note	Date of Original Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2008	Increased	Decreased	Balance Dec. 31, 2009
2005-19	Various Improvements	1,567,500.00	11-10-05	02-27-09	3.50%	1,567,500.00		1,567,500.00	-
2006-30	Various Improvements	1,697,500.00	11-08-07	02-27-09	3.50%	1,561,500.00		1,561,500.00	-
2006-30	Various Improvements	136,500.00	11-06-08	11-05-10	1.25%	136,500.00	136,500.00	136,500.00	136,500.00
2006-30	Various Improvements	403,000.00	11-06-09	11-05-10	1.25%	1,238,000.00	403,000.00	1,238,000.00	403,000.00
2007-12	Various Improvements	1,238,000.00	11-08-07	02-27-09	3.50%	976,000.00	976,000.00	976,000.00	976,000.00
2008-16	Various Improvements	976,000.00	11-06-08	11-05-10	1.25%				
						<u>5,479,500.00</u>	<u>1,515,500.00</u>	<u>5,479,500.00</u>	<u>1,515,500.00</u>
						C			C
	Issued for Cash						403,000.00		
	Paid by Bond Funds							4,367,000.00	
	Renewals						<u>1,112,500.00</u>	<u>1,112,500.00</u>	
							<u>1,515,500.00</u>	<u>5,479,500.00</u>	

Borough of Ringwood, N.J.  
 Statement of Improvement Authorizations - General Capital  
 General Capital Fund  
 Year Ended December 31, 2009

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2008		2009 Authoriz.	Paid or Charged	Balance Dec. 31, 2009	
				Funded	Unfunded			Funded	Unfunded
1989-08	Acquisition of Additional Communications Equipment	03/28/89	220,000.00	123.81				123.81	
1996-12	Improvement to Conkintown Road	08/28/96	175,000.00		19,591.84				19,591.84
1997-16	Improvement to Burnt Meadow Road	07/23/97	215,000.00		42,572.01				42,572.01
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				35,125.49	
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				37,907.86	
2003-10	Acquisition of Vehicular Equipment	06/24/03	525,000.00		4,659.12				4,659.12
2005-19	Various Improvements	03/01/05	1,567,500.00		510,346.80		480.00		
2006-30	Various Improvements	10/24/06	2,667,000.00		1,008,654.26		193,689.54		
2007-12	Various Improvements	08/14/07	1,300,000.00		609,188.76		(7,145.58)		814,964.72
2008-16	Various Improvements	06/19/08	1,025,000.00		777,680.70		223,584.60		
2008-28	Various Improvements	12/18/08	1,300,000.00	1,300,000.00			1,300,000.00		554,096.10
				<u>1,376,344.41</u>	<u>2,972,693.49</u>		<u>1,710,608.56</u>	<u>1,202,545.55</u>	<u>1,435,883.79</u>
				C	C		C	C	C
	Contracts Payable	Ref.					67,238.72		
	Disbursements	C-12					<u>1,643,369.84</u>		
		C-2					<u>1,710,608.56</u>		

**Borough of Ringwood, N.J.**  
**Statement of Capital Improvement Fund**  
**General Capital Fund**  
**Year Ended December 31, 2009**

	<u>Ref.</u>	
Balance - December 31, 2008	C	95,045.00
Increased by:		
2009 Budget Appropriation	C-6	25,000.00
		120,045.00
Decreased by:		
Charges for Preliminary Improvement Costs	C-6	20,286.05
		99,758.95
Balance - December 31, 2009	C, C-3	99,758.95

**Statement of Contracts Payable**  
**General Capital Fund**  
**Year Ended December 31, 2009**

	<u>Ref.</u>	
Balance - December 31, 2008	C	476,579.84
Increased by:		
2009 Contracts:		
Reserve for Various Projects	C-14	48,516.42
Improvement Authorizations	C-10	67,238.72
		115,755.14
		592,334.98
Decreased by:		
Disbursements	C-2	476,579.84
		115,755.14
Balance - December 31, 2009	C, C-3	115,755.14

**Borough of Ringwood, N.J.**  
**Statement of Green Trust Loans Payable**  
**General Capital Fund**  
**Year Ended December 31, 2009**

	<u>Ref.</u>	
Balance - December 31, 2008	C	106,310.89
Decreased by:		
Payment by Budget Appropriation	C-4	<u>7,237.27</u>
Balance - December 31, 2009	C	<u><u>99,073.62</u></u>

**Borough of Ringwood, N.J.**  
**Statement of Reserve for Various Projects**

**General Capital Fund**

**Year Ended December 31, 2009**

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
Park and Ride	13,752.42			13,752.42
James Drive Treatment Plant	102,705.89		26,817.50	75,888.39
Road Program	51,357.61	300,000.00	339,243.00	12,114.61
Drainage Improvements		45,000.00		45,000.00
Parks and Playgrounds	134.83			134.83
Purchase of DPW Equipment	9,611.50		4,986.00	4,625.50
Computer Equipment	391.48			391.48
Purchase of Safety Equipment	710.95			710.95
Payment of BAN's	5,853.38			5,853.38
Communications Equipment	2,347.83		1,020.00	1,327.83
Public Buildings		12,900.00	12,111.00	789.00
Snake Den Paving	6,142.10			6,142.10
Fire Fighting Equipment		40,710.00	40,710.00	-
Bond Sale		60,178.68	53,236.00	6,942.68
	<u>193,007.99</u>	<u>458,788.68</u>	<u>478,123.50</u>	<u>173,673.17</u>
	C			C, C-3
Interfund-Current Fund	C-6	398,610.00		
Receipts	C-2	<u>60,178.68</u>		
		<u>458,788.68</u>		
Contracts Payable	C-12		48,516.42	
Interfund-Current Fund	C-6		310,140.75	
Disbursements	C-2		<u>119,466.33</u>	
			<u>478,123.50</u>	

**Borough of Ringwood, N.J.**  
**Statement of Reserve for Debt Service**  
**General Capital Fund**  
**Year Ended December 31, 2009**

	<u>Ref.</u>	
Balance - December 31, 2008	C	368,200.00
Increased by:		
Cash Receipts	C-2	<u>160,000.00</u> 528,200.00
Decreased by:		
Disbursements	C-2	<u>184,000.00</u>
Balance - December 31, 2009	C, C-3	<u><u>344,200.00</u></u>

**Borough of Ringwood, N.J.**  
**Statement of Bonds and Notes Authorized But Not Issued**

**General Capital Fund**

**Year Ended December 31, 2009**

<u>Date of Ordinance or Number</u>	<u>Balance Dec. 31, 2008</u>	<u>2009 Authorizations</u>	<u>Funded Authorizations</u>	<u>Balance Dec. 31, 2009</u>
1996-12	36,600.00			36,600.00
1997-16	42,572.01			42,572.01
2003-10	7,900.00			7,900.00
2006-30	403,000.00		403,000.00	-
	490,072.01	-	403,000.00	87,072.01
		C-9		Footnote C

Borough of Ringwood, N.J.

Statement of Water Utility Cash - Treasurer

December 31, 2009

	Ref.	Operating	Assessment Trust	Capital
<b>Balance - December 31, 2008</b>	D	95,521.41	7,115.23	900,513.07
<b>Increased by Receipts:</b>				
Rents	D-4	1,111,250.53		
Interest on Investments	D-4	7,970.15		
Miscellaneous	D-4	14,155.22		112,898.58
Grant Receipts	D-12			686,650.00
Note Proceeds	D-21			
Interfund:				
Water Utility Capital	D-9	220,000.00		
		<u>1,353,375.90</u>	<u>-</u>	<u>799,548.58</u>
		1,448,897.31	7,115.23	1,700,061.65
<b>Decreased by Disbursements:</b>				
2009 Appropriations	D-5	1,120,221.50		
Interfund:				
Water Utility Operating	D-24			220,000.00
Improvement Authorizations	D-22			379,763.65
Appropriation Reserves	D-15	73,237.09		
Accrued Interest on Bonds	D-18	189,471.12		
Reserve for Encumbrances	D-16	12,295.01		
Reserve for Capital Improvements	D-26			34,265.79
Contracts Payable	D-28			239,822.95
		<u>1,395,224.72</u>	<u>-</u>	<u>873,852.39</u>
<b>Balance - December 31, 2009</b>	D	<u>53,672.59</u>	<u>7,115.23</u>	<u>826,209.26</u>

**Borough of Ringwood, N.J.**

**Analysis of Water Utility Assessment Trust Cash**

**December 31, 2009**

	<u>Ref.</u>	
Reserve For Bonds		0.36
Assessment Fund Balance	D-2	<u>7,114.87</u>
Balance - December 31, 2009	D	<u><u>7,115.23</u></u>

**Analysis of Water Utility Capital Cash**

**December 31, 2009**

	<u>Ref.</u>	
Fund Balance	D-3	8,512.11
Reserve for Debt Service	D-23	112,898.58
Interfund - Water Operating	D-24	(220,000.00)
Reserve for Capital Improvements	D-26	15,238.84
Contracts Payable	D-28	63,541.00
Improvement Authorizations:		
General Improvements:		
Ordinance Date or Number:		
2003-07 Improvement of the Water Supply and Distribution System		51,134.18
2003-17 Improvement of the Water Supply and Distribution System		(118,200.97)
2005-03 Improvement of the Water Supply and Distribution System		115,460.75
2007-13 Improvement of the Water Supply and Distribution System		89,081.08
2008-05 Improvement of the Water Supply and Distribution System		287,920.00
2009-08 Improvement of the Water Supply and Distribution System		420,623.69
Balance - December 31, 2009	D	<u><u>826,209.26</u></u>

**Borough of Ringwood, N.J.**  
**Statement of Due To Water Capital Fund -**  
**Water Utility Operating Fund**

	<u>Ref.</u>	
Increased by:		
Receipts	D-6	<u>220,000.00</u>
Balance - December 31, 2009	D	<u><u>220,000.00</u></u>

**Statement of Consumer Accounts Receivable**  
**Water Utility Operating Fund**

	<u>Ref.</u>	
Balance - December 31, 2008	D	76,976.52
Increased by:		
Water Rents Levied		<u>1,106,328.79</u>
		1,183,305.31
Decreased by:		
Collections	D-4	<u>1,111,250.53</u>
Balance - December 31, 2009	D	<u><u>72,054.78</u></u>

Borough of Ringwood, N.J.

Statement of Assessments Receivable

Ordinance Date or Number	Improvement Description	Date of Confirmation	Installments	Due Date	Balance		Balance Pledged to	
					Dec. 31, 2008	Balance Dec. 31, 2009	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 Grants Receivable**  
**Water Utility Capital Fund**

**December 31, 2009**

	<u>Ref.</u>	
Balance - December 31, 2008	D	<u>270,650.24</u>
Decreased by:		
Receipts	D-6	112,898.58
Cancelled	D-17	<u>157,751.66</u>
		<u>270,650.24</u>

**Borough of Ringwood, N.J.**

**Statement of Fixed Capital**

**Water Utility Capital Fund**

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Balance</u> <u>Dec. 31, 2009</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	189,000.00	189,000.00
Plant	45,441.40	45,441.40
Roof	2,375.00	2,375.00
Hydrants	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
	<u>5,245,909.99</u>	<u>5,245,909.99</u>
	D	D

Borough of Ringwood, N.J.

Statement of Fixed Capital Authorized and Uncompleted

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2008	Authorizations	Transferred to Fixed Capital	Balance Dec. 31, 2009
		Date	Amount				
1996-04	Improvement of the Water Supply and Distribution System	03/27/96	1,000,000.00	1,000,000.00			1,000,000.00
1997-26	Improvement of the Water Supply and Distribution System	10/22/97	425,000.00	425,000.00			425,000.00
1998-04	Improvement of the Water Supply and Distribution System	03/25/98	1,000,000.00	1,000,000.00			1,000,000.00
1998-16	Improvement of the Water Supply and Distribution System	10/21/98	350,000.00	350,000.00			350,000.00
1999-02	Improvement of the Water Supply and Distribution System	03/24/99	1,000,000.00	1,000,000.00			1,000,000.00
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
2003-17	Improvement of the Water Supply and Distribution System	09/23/03	6,000,000.00	6,000,000.00			6,000,000.00
2005-03	Improvement of the Water Supply and Distribution System	03/01/05	1,400,000.00	1,400,000.00			1,400,000.00
2006-17	Improvement of the Water Supply and Distribution System	07/18/06	300,000.00	300,000.00			300,000.00
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
				<u>13,679,000.00</u>	<u>476,000.00</u>	<u>-</u>	<u>14,155,000.00</u>
				D	D-22		D

Borough of Ringwood, N.J.

Statement of 2008 Appropriation Reserves

	Balance Dec. 31, 2008	Balance After Transfers	Paid Or Charged	Balance Lapsed	Over- Expended
<b>Operating:</b>					
Salaries and Wages	529.47	529.47	172.05	357.42	
Other Expenses	46,055.04	46,055.04	72,301.80		26,246.76
<b>Statutory Expenditures:</b>					
Contribution To:					
Social Security System	5,536.39	5,536.39	763.24	4,773.15	
	<u>52,120.90</u>	<u>52,120.90</u>	<u>73,237.09</u>	<u>5,130.57</u>	<u>26,246.76</u>
	D	D	D-6	D-1	D-29

**Borough of Ringwood, N.J.**

**Statement of Reserve for Encumbrances**

	<u>Ref.</u>	
Balance - December 31, 2008	D	12,295.01
Increased by:		
Encumbrances	D-5	<u>25,968.12</u>
		38,263.13
Decreased by:		
Disbursements	D-6	<u>12,295.01</u>
Balance - December 31, 2009	D	<u><u>25,968.12</u></u>

**Statement of Reserve for Grants Receivable**

	<u>Ref.</u>		
Balance - December 31, 2008	D		<u><u>270,650.24</u></u>
Decreased by:			
Grant Received	D-23	112,898.58	
Cancelled	D-12	<u>157,751.66</u>	
			<u><u>270,650.24</u></u>

**Borough of Ringwood, N.J.**  
**Statement of Accrued Interest on Bonds and Notes**  
**December 31, 2009**

	<u>Ref.</u>	
Balance - December 31, 2008	D	78,988.54
Increased by:		
2009 Budget Appropriations		
Interest on Bonds and Notes	D-5	<u>192,401.00</u>
		271,389.54
Decreased by:		
Disbursements	D-6	<u>189,471.12</u>
Balance - December 31, 2009	D	<u><u>81,918.42</u></u>

**Statement of Reserve for Assessments and Liens**  
**Water Utility Assessment Trust**

	<u>Ref.</u>	
Balance - December 31, 2008	D	<u><u>163,480.36</u></u>
Balance - December 31, 2009	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			Interest Rate	Balance Dec. 31, 2008	Increased	Decreased	Balance Dec. 31, 2009
			Date	Outstanding Dec. 31, 2009	Amount					
Water Bonds of 2001	2/1/01	2,571,000.00	2/1/10	125,000.00		2,171,000.00		2,046,000.00	125,000.00	
Water Bonds of 2004	1/15/04	2,122,000.00	1/15/10	65,000.00	4.00%					
			1/15/11	75,000.00	4.00%					
			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%					
						1,942,000.00		60,000.00	1,882,000.00	

Borough of Ringwood, N.J.

Statement of Water Serial Bonds

Date of Issue	Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance Dec. 31, 2008	Increased	Decreased	Balance Dec. 31, 2009
		Date	Dec. 31, 2009 Amount	Dec. 31, 2008					
4/23/09	1,870,000.00	2/1/10	5,000.00	3.00%					
		2/1/11	130,000.00	3.00%					
		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%					
						1,870,000.00		1,870,000.00	
						4,113,000.00		4,113,000.00	
						D		D	
						1,870,000.00	2,106,000.00	3,877,000.00	
						D-25	D-25	D	

Borough of Ringwood, N.J.

Statement of Water Bond Anticipation Notes

Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2008	Increased	Decreased	Balance Dec. 31, 2009
Improvement to Water Supply and Distribution System (2005-03)	11/10/05	11/05/09	11/05/10	1.25%	246,835.00	243,670.00	246,835.00	243,670.00
Improvement to Water Supply and Distribution System (2007-13)	11/08/07	11/05/09	11/05/10	1.25%	665,000.00	665,000.00	665,000.00	665,000.00
Improvement to Water Supply and Distribution System (2008-05)	11/06/08	11/05/09	11/05/10	1.25%	245,700.00	245,700.00	245,700.00	245,700.00
Improvement to Water Supply and Distribution System (2005-03)	11/05/09	11/05/09	11/05/10	1.25%		210,650.00		210,650.00
Improvement to Water Supply and Distribution System (2009-08)	11/05/09	11/05/09	11/05/10	1.25%		476,000.00		476,000.00
					<u>1,157,535.00</u>	<u>1,841,020.00</u>	<u>1,157,535.00</u>	<u>1,841,020.00</u>
					D			D
						686,650.00		
Issued for Cash					D-6			
Paid by Budget Appropriation					D-25		3,165.00	
Renewals						1,154,370.00	1,154,370.00	
						<u>1,841,020.00</u>	<u>1,157,535.00</u>	

Borough of Ringwood, N.J.

Statement of Improvement Authorizations

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2008		Authorized	Paid or Charged	Balance Dec. 31, 2009	
				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	
2003-17	Improvement of the Water Supply and Distribution System	09/23/03	6,000,000.00		1,881,799.03				1,881,799.03
2005-03	Improvement of the Water Supply and Distribution System	03/01/05	1,400,000.00		115,460.99				115,460.99
2007-13	Improvement of the Water Supply and Distribution System	08/14/07	700,000.00		387,488.42		298,407.34		89,081.08
2008-05	Improvement of the Water Supply and Distribution System	03/06/08	350,000.00	44,200.00	245,700.00		1,980.00	42,220.00	245,700.00
2009-08	Improvement of the Water Supply and Distribution System	08/12/09	500,000.00			500,000.00	79,376.31		420,623.69
				<u>95,334.18</u>	<u>2,630,448.44</u>	<u>500,000.00</u>	<u>379,763.65</u>	<u>93,354.18</u>	<u>2,752,664.79</u>
				D	D		D-6	D	D
	Reserve for Capital Improvements				D-26	24,000.00			
	Notes Issued				D-21	476,000.00			
						<u>500,000.00</u>			

**Borough of Ringwood, N.J.**

**Statement of Reserve for Debt Service**

	<u>Ref.</u>	
Increased by:		
Grant Received	D-17	<u>112,898.58</u>
Balance - December 31, 2009	D	<u><u>112,898.58</u></u>

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

	<u>Ref.</u>	
Decreased by:		
Cash Disbursements	D-6	<u>220,000.00</u>
Balance - December 31, 2009	D	<u><u>220,000.00</u></u>

Borough of Ringwood, N.J.

Statement of Reserve for Amortization

	Ref.		
Balance - December 31, 2008	D		11,086,424.75
Increased by:			
Serial Bonds Paid/Refunded	D-20	2,106,000.00	
Bond Anticipation Notes Paid	D-21	<u>3,165.00</u>	
			<u>2,109,165.00</u>
			13,195,589.75
Decreased by:			
Refunding Bonds Issued	D-20		<u>1,870,000.00</u>
Balance - December 31, 2009	D		<u><u>11,325,589.75</u></u>

Statement of Reserve for Capital Improvements

	<u>Ref.</u>		
Balance - December 31, 2008	D		73,504.63
Decreased by:			
Appropriated to Finance			
Improvement Authorizations	D-22	24,000.00	
Disbursements	D-6	<u>34,265.79</u>	
			<u>58,265.79</u>
Balance - December 31, 2009	D		<u><u>15,238.84</u></u>

Borough of Ringwood, N.J.

Statement of Deferred Reserve for Amortization

Ordinance Number	Improvement Description	Ordinance Date	Balance Dec. 31, 2008	Fixed Capital Authorized	To Reserve For Amortization	Balance Dec. 31, 2009
2005-03	Improvement of the Water Supply and Distribution System	03/01/05	10,000.00			10,000.00
2006-17	Improvement of the Water Supply and Distribution System	07/18/06	300,000.00			300,000.00
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
			<u>357,300.00</u>	<u>-</u>	<u>-</u>	<u>357,300.00</u>
			D	D	D	D

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

	<u>Ref.</u>	
Balance - December 31, 2008	D	303,363.95
Decreased by:		
Cash Disbursements	D-6	<u>239,822.95</u>
Balance - December 31, 2009	D	<u><u>63,541.00</u></u>

**Exhibit D-29**

**Borough of Ringwood, N.J.**

**Statement of Deferred Charges**

	<u>Balance Dec. 31, 2008</u>	<u>Added in 2009</u>	<u>Raised In 2009 Budget</u>	<u>Balance Dec. 31, 2009</u>
Operating Deficit	25,861.12	230,831.53		256,692.65
Overexpenditure of Appropriation Reserves	22,431.11	26,246.76		48,677.87
	<u>48,292.23</u>	<u>257,078.29</u>	<u>-</u>	<u>305,370.52</u>
	D	D-1, D-15		D

Borough of Ringwood, N.J.

Statement of Bonds and Notes Authorized But Not Issued

Description	Ordinance Number	Balance Dec. 31, 2008	2009 Authorizations	Notes Issued	Balance Dec. 31, 2009
Improvement of the Water Supply and Distribution Facilities	2003-17	3,000,000.00			3,000,000.00
Improvement of the Water Supply and Distribution Facilities	2005-03	210,650.24		210,650.00	0.24
Improvement of the Water Supply and Distribution Facilities	2009-08		476,000.00	476,000.00	
		<u>3,210,650.24</u>	<u>476,000.00</u>	<u>686,650.00</u>	<u>3,000,000.24</u>
			D-22	D-21	Footnote D

**Borough of Ringwood, N.J.**  
**Schedule of Cash-Treasurer**  
**Public Assistance Fund**  
**Year Ended December 31, 2009**

	<u>Ref.</u>	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Balance - December 31, 2008	E	<u>14,279.32</u>	<u>6,961.19</u>	<u>7,318.13</u>
Increased by Receipts:				
State Aid		20,700.00		20,700.00
Other		-		
Supplemental Security Income Reimbursement		<u>420.00</u>		<u>420.00</u>
	E-4	<u>21,120.00</u>	<u>-</u>	<u>21,120.00</u>
		<u>35,399.32</u>	<u>6,961.19</u>	<u>28,438.13</u>
Decreased by Disbursements:				
Supplemental Security Income Public Assistance - 2009		<u>21,273.00</u>		<u>21,273.00</u>
	E-5	<u>21,273.00</u>	<u>-</u>	<u>21,273.00</u>
Balance - December 31, 2009	E	<u><u>14,126.32</u></u>	<u><u>6,961.19</u></u>	<u><u>7,165.13</u></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, 2009

	<u>Ref.</u>	
Balance - December 31, 2009	E-1	14,126.32
Increased by:		
Cash Receipts Record		<u>7,910.00</u>
		22,036.32
Decreased by:		
Cash Disbursements Record - 2010 Assistance		<u>12,250.00</u>
Balance - June 30, 2010		<u><u>9,786.32</u></u>

<u>Reconciliation - June 29, 2010</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>	<u>TOTAL</u>
Balance on Deposit per Statement of: Lakeland State Bank Checking	<u>6,962.19</u> 6,962.19	<u>2,966.13</u> 2,966.13	<u>9,928.32</u> 9,928.32
Less: Outstanding Checks	<u>(1.00)</u>	<u>(141.00)</u>	<u>(142.00)</u>
Balance - June 29, 2010	<u><u>6,961.19</u></u>	<u><u>2,825.13</u></u>	<u><u>9,786.32</u></u>

**Borough of Ringwood, N.J.**  
**Schedule of Public Assistance Cash And Reconciliation**  
**Public Assistance Fund**  
**Year Ended December 31, 2009**

	<u>Ref.</u>	
Balance - December 31, 2008	E-1	14,279.32
Increased by Receipts:		
Cash Receipts Record		<u>21,120.00</u>
		35,399.32
Decreased by Disbursements:		
Cash Disbursements Record:		
- 2009 Assistance		<u>21,273.00</u>
Balance - December 31, 2009		<u><u>14,126.32</u></u>

	<u>P.A.T.F.</u> <u>Account #1</u>	<u>P.A.T.F.</u> <u>Account #2</u>	<u>TOTAL</u>
<u>Reconciliation - December 31, 2009</u>			
Balance on Deposit per Statement of:			
Lakeland State Bank			
Checking	<u>6,965.74</u>	<u>7,258.76</u>	<u>14,224.50</u>
	6,965.74	7,258.76	14,224.50
Less:			
Outstanding Checks	<u>(4.55)</u>	<u>(93.63)</u>	<u>(98.18)</u>
Balance - December 31, 2009	<u><u>6,961.19</u></u>	<u><u>7,165.13</u></u>	<u><u>14,126.32</u></u>

Borough of Ringwood, N.J.

Schedule of Revenues - Cash Basis

Public Assistance Fund

Year Ended December 31, 2009

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
State Aid Payments	20,700.00	-	20,700.00
Less: Refunds to the State			
Net State Aid Payments	<u>20,700.00</u>	<u>-</u>	<u>20,700.00</u>
Interest Earned	-		
Refunds-State Matched Assistance	-		
Supplemental Security Income			
State/Municipal Refund	420.00		420.00
Client Refund	-		-
Other Revenues:			
Prior Year Void Check	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues (P.A.T.F.)	21,120.00	-	21,120.00
Intra-Fund Transfers	<u>-</u>	<u>-</u>	<u>-</u>
Total Receipts	<u><u>21,120.00</u></u>	<u><u>-</u></u>	<u><u>21,120.00</u></u>

E-1

Schedule of Expenditures - Cash Basis

Public Assistance Fund

Year Ended December 31, 2009

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Payments for Current Year Assistance (Reported):			
Current Year Assistance (State Matching):			
Maintenance Payments	<u>21,063.00</u>		<u>21,063.00</u>
Total Payments Reported	21,063.00		21,063.00
Payments for Eligible Assistance Not Reported	<u>210.00</u>		<u>210.00</u>
Total P.A.T.F. Eligible Payments	21,273.00		21,273.00
Intra-Fund Transfers			
SSI Payments:			
Reimbursement to Clients	<u>-</u>		<u>-</u>
Total Disbursements (P.A.T.F.)	<u><u>21,273.00</u></u>	<u><u>-</u></u>	<u><u>21,273.00</u></u>

E-1

**Borough of Ringwood, N.J.**  
**Schedule of Reserve for Public Assistance**  
**Public Assistance Fund**  
**Year Ended December 31, 2009**

	<u>Ref.</u>	
Balance - December 31, 2008	E	14,279.32
Increased by:		
Receipts		<u>21,120.00</u>
		35,399.32
Decreased by:		
Disbursements		<u>21,273.00</u>
Balance - December 31, 2009	E	<u><u>14,126.32</u></u>
<u>Analysis of Balance:</u>		
Account #1		6,961.19
Account #2		<u>7,165.13</u>
		<u><u>14,126.32</u></u>

Borough of Ringwood, N.J.

Schedule of Payroll Deductions

Payroll Fund

Year Ended December 31, 2009

	Balance Dec. 31, 2008	Receipts	Disbursed	Balance Dec. 31, 2009
Federal Withholding	-	695,749.20	695,749.20	-
Social Security / Medicare	0.07	561,095.90	561,095.91	0.06
NJ Withholding	-	183,543.94	183,543.94	-
Unemployment Insurance	-	9,988.30	9,988.30	-
Disability	-	6,727.73	6,727.72	0.01
Family Leave Insurance	-	2,114.96	2,114.96	-
Union Dues	-	31,763.60	31,763.60	-
P.E.R.S. , Insurance, Annuity	-	229,980.34	229,980.34	-
P.F.R.S. , Insurance, Annuity	-	279,017.49	279,017.49	-
AFLAC	-	9,720.90	9,720.90	-
Other	-	54,796.04	54,796.04	-
Dental Insurance	-	33,752.25	33,752.25	-
VALIC	-	158,921.48	158,921.48	-
Net Payroll	-	3,674,524.84	3,674,524.84	-
	0.07	5,931,696.97	5,931,696.97	0.07
	F			F

**Borough of Ringwood, N.J.**  
**Recreation Fund**  
**Statement of Cash Reconciliation**  
**Year Ended December 31, 2009**

	<u>Ref.</u>	
Balance - December 31, 2008	G	161,890.15
Increased by:		
Receipts		<u>216,125.98</u>
		378,016.13
Decreased by:		
Disbursements		<u>219,787.01</u>
Balance - December 31, 2009	G	<u><u>158,229.12</u></u>

**Schedule of Reserve for Recreation Expenditures**

	<u>Ref.</u>	
Balance - December 31, 2008	G	161,775.15
Increased by:		
Receipts		<u>216,125.98</u>
		377,901.13
Decreased by:		
Encumbrances	8,308.89	
Disbursements	<u>219,672.01</u>	
		<u><u>227,980.90</u></u>
Balance - December 31, 2009	G	<u><u>149,920.23</u></u>

**BOROUGH OF RINGWOOD**

**PART II**

**LETTER ON COMPLIANCE AND INTERNAL CONTROL**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2009**

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

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

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

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

## **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, 2009, and have issued our report thereon dated September 3, 2010. 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

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.



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

September 3, 2010



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

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

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

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

## **REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR STATE PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04 AS AMENDED**

Honorable Mayor and  
Members of the Borough Council  
Borough of Ringwood  
County of Passaic, New Jersey

### Compliance

We have audited the compliance of the financial statements of the Borough of Ringwood in the County of Passaic with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey State Office of Management and Budget's State Aid/Grant Compliance Supplement that are applicable to each of its major state programs for the year ended December 31, 2009. Borough of Ringwood's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Borough of Ringwood's management. Our responsibility is to express an opinion on the Borough of Ringwood's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"; and the provisions of the New Jersey State Treasury Circular Letter 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Those standards and OMB Circular A-133 and N.J. OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Ringwood's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Borough of Ringwood's compliance with those requirements.



In our opinion, the Borough of Ringwood complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended December 31, 2009.

#### Internal Control Over Compliance

The management of the Borough of Ringwood is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the Borough of Ringwood's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Ringwood's internal control over compliance.

A deficiency in internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. The Borough of Ringwood's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Borough of Ringwood's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of the 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 the specified parties.



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



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

September 3, 2010

**BOROUGH OF RINGWOOD, N.J.**  
**Schedule of Expenditures of Federal Awards**  
**Fiscal Year Ended December 31, 2009**

Federal Grantor/Pass-Through Grantor/Program	Federal CFDA Number	Pass-Through Entity ID Number	Program Amount	Accrued (Deferred) Revenue 12/31/08	Revenue/Receipts	Expended	Adjustments	Accrued (Deferred) Revenue 12/31/09	Cumulative Expenditures
<u>Department of Law and Public Safety:</u> Over The Limit-Under Arrest	20.601	n/a	\$ 11,000.00		5,026.65	6,666.11		1,639.46	6,666.11
<u>Department of Environmental Protection:</u> Municipal Stormwater Regulation	66.605	n/a	\$ 10,207.00	5,103.00				5,103.00	10,207.00
Municipal Stormwater Regulation	66.605	n/a	\$ 10,207.00	1,524.05				1,524.05	6,627.05
				6,627.05				6,627.05	
<u>Social Security Administration:</u> Supplemental Security Income	96.006	n/a	\$ 420.00		420.00	420.00			420.00
<u>Department of Housing and Urban Development:</u> Community Development Block Grants	14.218	n/a	\$ 204,239.00		194,726.00	20,160.00		(174,566.00)	29,673.00
<b>Total Federal Awards</b>				6,627.05	200,172.65	27,246.11		(166,299.49)	

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, 2009

State Grantor/Pass-Through Grantor/Program	Pass Through Entity ID No.	State Account Number	Program Amount	Accrued (Deferred) Revenue 12/31/08	Revenue/Receipts	Expended	Adjustments	Accrued (Deferred) Revenue 12/31/09	Cumulative Expenditures
<u>New Jersey Department of Environmental Protection:</u>									
Clean Communities Program	n/a	4900-765-042-4900-004	\$ 23,955.22	(9,568.99)	23,955.22	7,830.89	-	(16,124.33)	7,830.89
Clean Communities Program	n/a	4900-765-042-4900-004	\$ 20,259.03	(9,568.99)	23,955.22	17,399.88	-	(16,124.33)	20,259.03
Recycling Tonnage Grant	n/a	4900-752-042-4900-004	\$ 20,341.44	(22,231.21)	20,341.44	8,569.88	-	(20,341.44)	13,989.07
Environmental Services Grant	n/a	4900-752-042-4900-004	\$ 27,650.40	(22,231.21)	20,341.44	8,569.88	-	(13,561.33)	634.91
Water Line Contract	n/a	4800-100-042-4800-090	\$ 1,960.00	(1,325.09)	1,960.00	-	(1,325.09)	-	1,200,000.00
Water Line Contract	n/a	OWR-ASI-05	\$ 1,200,000.00	270,650.24	112,898.58	-	(157,751.66)	-	243,750.00
Green Acres Program	n/a	4800-533-042-4800-003	\$ 243,750.00	(243,750.00)	-	243,750.00	-	-	243,750.00
General Assistance	n/a	7550-100-054-7550-121	\$ 21,273.00	-	21,273.00	21,273.00	-	-	21,273.00
<u>New Jersey Department of Health and Senior Services:</u>									
Pandemic Flu Preparedness Grant	n/a	4320-100-046-6120	\$ 7,597.00	(463.67)	-	-	-	(463.67)	7,133.33
H1N1 Emergency Response	n/a		\$ 73,738.00	-	27,363.00	44,621.26	-	17,258.26	44,621.26
<u>New Jersey Division of Criminal Justice:</u>									
Body Armor Replacement Grant	n/a	1020-718-066-1020-001	\$ 2,045.29	-	2,045.29	-	-	(2,045.29)	-
Body Armor Replacement Grant	n/a	1020-718-066-1020-001	\$ 2,349.72	(2,349.72)	-	-	-	(2,349.72)	-
Body Armor Replacement Grant	n/a	1020-718-066-1020-001	\$ 2,081.27	(2,081.27)	-	-	-	(2,081.27)	-
Body Armor Replacement Grant	n/a	1020-718-066-1020-001	\$ 8,155.91	(5,643.86)	-	771.25	-	(4,872.61)	3,283.30
Body Armor Replacement Grant	n/a	1020-718-066-1020-001	\$ 7,839.60	298.65	2,045.29	771.25	-	298.65	7,839.60
Body Armor Replacement Grant	n/a	1020-718-066-1020-001	\$ 7,839.60	(9,776.20)	2,045.29	-	-	(11,050.24)	-



BOROUGH OF RINGWOOD, N.J.

Schedule of Expenditures of State Awards  
Fiscal Year Ended December 31, 2009

State Grantor/Pass-Through Grantor/Program	Pass Through Entity ID No.	State Account Number	Program Amount	Accrued (Deferred) Revenue 12/31/08	Revenue/ Receipts	Disbursed/ Expenditures	Adjustments	Accrued (Deferred) Revenue 12/31/09	Cumulative Expenditures
<b>Highlands Water Protection and Planning Council:</b>									
Planning Assistance Municipal Planning Pilot Grant (MP3)	n/a	100-082-2078-033	\$ 11,500.00	7,500.00	7,500.00			-	7,500.00
Planning Assistance Grant (Council on Affordable Housing 3rd Round)	n/a		\$ 7,500.00	(2,500.00)				(2,500.00)	5,000.00
Initial Assessment Grant	n/a		\$ 15,000.00		13,813.00	13,813.20	(0.20)	-	13,813.20
Plan Conformance Grant	n/a		\$ 50,000.00		4,820.00	16,912.26		12,092.26	16,912.26
<b>New Jersey Office of Homeland Security &amp; Preparedness:</b>									
Buffer Zone Protection Program			\$ 80,275.00						-
<b>County of Passaic:</b>									
Municipal Drug Alliance	n/a		\$ 56,400.00	12,152.38	24,254.00	14,674.05		2,572.43	55,935.36
Municipal Drug Alliance	n/a		\$ 56,400.00	2,201.00	2,201.00			-	56,400.00
				14,353.38	26,455.00	14,674.05		2,572.43	
<b>Open Space and Farmland Trust</b>									
Martini field	n/a		\$ 80,000.00						1,056,250.00
Acquisition of Property	n/a		\$ 1,056,250.00	(1,056,250.00)		1,056,250.00		-	80,000.00
Acq. Of Lands for Recreation & Conservation	n/a		\$ 440,000.00	80,000.00				80,000.00	440,000.00
C. William Hoffman Complex	n/a		\$ 65,000.00	(380.68)				(380.68)	64,419.32
				(976,830.68)		1,056,250.00		79,419.32	
<b>Federal Emergency Management Funds</b>									
				(3,007.11)				(3,007.11)	
<b>Total State Financial Assistance</b>				(662,052.94)	670,345.15	1,704,440.29	(157,751.86)	214,290.34	

**BOROUGH OF RINGWOOD  
 NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE  
 AWARDS  
 FOR THE YEAR ENDED DECEMBER 31, 2009**

**NOTE 1. GENERAL**

The accompanying schedules of expenditures of awards present the activity of all federal and state financial assistance programs of the Borough of Ringwood. The Borough is defined in Note 1A to the Borough's financial statements. All federal and state financial assistance received directly from federal and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal and state awards.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards are presented using the modified accrual basis of accounting as prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. This basis of accounting is described in Note 1(B) to the Borough's financial statements.

**NOTE 3. RELATIONSHIP TO FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's financial statements. Financial assistance revenues are reported in the Borough's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Grant Fund	\$6,666.11	\$383,167.29	\$389,833.40
General Capital Fund		1,300,000.00	1,300,000.00
Other Trust Funds	20,160.00		20,160.00
Public Assistance Trust Fund	<u>420.00</u>	<u>21,273.00</u>	<u>21,693.00</u>
Total Financial Awards	<u>\$27,246.11</u>	<u>\$1,704,440.29</u>	<u>\$1,731,686.40</u>

**BOROUGH OF RINGWOOD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2009**

*Section I--Summary of Auditor's Results*

**Financial Statement Section**

Type of auditor's report issued:		<u>Unqualified</u>
Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ yes	_____ X _____ no
2) Reportable condition(s) identified that are not considered to be material weaknesses reported?	_____ yes	_____ X _____ none
Noncompliance material to general-purpose financial statements noted?	_____ yes	_____ X _____ no

**State Awards**

Dollar threshold used to distinguish between type A and type B programs:		\$ <u>300,000</u>
Auditee qualified as low-risk auditee?	_____ X _____ yes	_____ no
Internal Control over major programs:		
1) Material weakness(es) identified?	_____ yes	_____ X _____ no
2) Reportable condition(s) identified that are not considered to be material weaknesses reported?	_____ yes	_____ X _____ none
Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04?	_____ yes	_____ X _____ no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
4800-533-042-4800-003-V22G-6020	Green Trust Grants

**BOROUGH OF RINGWOOD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2009**

*Section II--Financial Statement Findings*

No matters were reported.

*Section III--Federal Awards and State Financial Assistance Findings and Questioned Costs*

No matters were reported.

**BOROUGH OF RINGWOOD  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2009**

**STATUS OF PRIOR YEAR FINDINGS**

No matters were reported.

## 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, 2005, the bid threshold was increased to \$21,000.

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 \$21,000 after July 1, 2005, 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 \$17,500 or \$21,000 after July 1, 2005 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:

Security System/Alarm Work - Borough Hall  
Centerbury Road Improvements  
2010 Four Wheel Drive Chassis Truck

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 6, 2009 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>
2009	36	0	0
2008	32	0	0
2007	27	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, 2009 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**

The Borough had an overexpenditure of its Water Utility Fund appropriation reserves.

### **Purchasing**

In some instances, New Jersey Business Registration Certificates were unavailable on contracts awarded by the Borough.

In several instances, 1099 forms were not issued to eligible vendors.

### **Recreation Department**

In some instances, collections were not turned over to the Municipal Treasurer within 48 hours as required by statute.

### **Public Assistance Trust**

There was an overclaim of \$140.00 in the Public Assistance Trust Fund.

## **RECOMMENDATIONS**

1. That old water assessments receivable balances be collected or cancelled.
2. That expenditures be reviewed to ensure that budgetary overexpenditures are not created in the Borough's accounts.
3. That New Jersey Business Registration Certificates be obtained on all contracts awarded by the Borough.
4. That I.R.S. Form 1099 be issued to all required vendors.
5. That fees collected by the Recreation Department be turned over to the Municipal Treasurer within 48 hours of receipt.
6. That Public Assistance expenditures be reconciled with requests for reimbursement to prevent overclaims.

**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. That expenditures be reviewed to ensure that budgetary overexpenditures are not created in the Borough's accounts.
4. That Public Assistance expenditures be reconciled with requests for reimbursement to prevent overclaims.

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