

BOROUGH OF RINGWOOD

COUNTY OF PASSAIC

DECEMBER 31, 2015

BOROUGH OF RINGWOOD, N. J.
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BOROUGH OF RINGWOOD

PART I

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2015

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INDEPENDENT AUDITOR'S REPORT

August 18, 2016

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

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Ringwood in the County of Passaic, as of December 31, 2015 and 2014, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



The Honorable Mayor and
Members of the Borough Council
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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Ringwood on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Ringwood as of December 31, 2015 and 2014, or changes in financial position for the years then ended.



The Honorable Mayor and
Members of the Borough Council
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Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Note 18 of the financial statements, the Borough participates in a Length of Service Award Program (LOSAP) for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$1,281,457.82 and \$1,315,885.10 for 2015 and 2014, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2015 and 2014, the regulatory basis statements of operations for the years the ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2015 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Ringwood's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the



The Honorable Mayor and
Members of the Borough Council
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supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 18, 2016 on our consideration of the Borough of Ringwood's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Ringwood's internal control over financial reporting and compliance.



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



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

August 18, 2016



Borough of Ringwood, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2015

<u>ASSETS</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Cash	A-4	\$ 5,038,080.18	\$ 4,015,734.94
Change Funds	A-5	285.00	285.00
		<u>5,038,365.18</u>	<u>4,016,019.94</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	614,709.68	664,588.38
Tax Title Liens Receivable	A-7	548,883.10	568,133.18
Property Acquired for Taxes - Assessed Valuation	A-8	3,056,400.00	3,056,400.00
Revenue Accounts Receivable	A-9	28,604.12	27,219.30
Interfund:			
Other Trust Fund	A-10	1,936.00	5,731.00
Federal and State Grant Fund	A-11	15,741.25	120,406.95
Assessment Trust Fund	A-26	6,703.97	7,034.38
		<u>4,272,978.12</u>	<u>4,449,513.19</u>
Deferred Charges:			
Special Emergency Authorizations (40A:4-55)	A-27		152,000.00
		<u>-</u>	<u>152,000.00</u>
		<u>9,311,343.30</u>	<u>8,617,533.13</u>
Federal and State Grant Funds:			
State Grants Receivable	A-29	230,757.75	401,264.89
		<u>230,757.75</u>	<u>401,264.89</u>
		<u>\$ 9,542,101.05</u>	<u>\$ 9,018,798.02</u>

See accompanying notes to financial statements.

Borough of Ringwood, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2015

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Liabilities:			
Appropriation Reserves	A-3, A-12	\$ 535,891.15	\$ 447,198.61
Reserve for Encumbrances	A-13	643,719.47	639,011.82
Prepaid Taxes	A-14	229,549.08	199,550.00
Tax Overpayments	A-19	11,651.37	
Due to State of New Jersey, Chapter 73, P. L. 1976	A-16	33,383.43	31,551.40
Interfund:			
Water Operating Fund	A-17	722.09	722.09
General Capital Fund	A-22	209,229.07	209,229.07
Reserve for Tax Appeals	A-15	26,453.28	8,179.63
Accounts Payable	A-25	213.85	213.85
Local School Taxes Payable	A-21	563,422.67	378,046.17
Regional School Taxes Payable	A-20	50,998.31	50,998.31
Due County for Added and Omitted Taxes	A-18	50,240.19	118,386.62
		<u>2,355,473.96</u>	<u>2,083,087.57</u>
Reserve for Receivables	Contra	4,272,978.12	4,449,513.19
Fund Balance	A-1	<u>2,682,891.22</u>	<u>2,084,932.37</u>
		<u>9,311,343.30</u>	<u>8,617,533.13</u>
Federal and State Grant Funds:			
Interfund-Current Fund	A-28	15,741.25	120,406.95
Reserve for Federal and State Grant Funds:			
Appropriated	A-30	215,016.50	264,303.15
Unappropriated	A-31		16,554.79
		<u>230,757.75</u>	<u>401,264.89</u>
		<u>\$ 9,542,101.05</u>	<u>\$ 9,018,798.02</u>

See accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Operations and Changes in Fund Balance - Regulatory Basis

Current Fund

Year Ended December 31, 2015

With comparative figures for 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>REVENUE AND OTHER INCOME REALIZED:</u>			
Surplus Utilized	A-2	\$ 1,200,000.00	\$ 1,030,000.00
Miscellaneous Revenue Anticipated	A-2	2,808,472.54	2,883,584.78
Receipts from Delinquent Taxes	A-2	750,376.94	427,049.56
Receipts from Current Taxes	A-2	51,144,265.45	49,336,996.92
Non-Budget Revenue	A-2	404,430.66	349,829.18
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-12	166,571.64	179,357.72
Cancellation of Appropriations Payable	A-3	90,338.60	93.40
Interfunds Returned		<u>160,419.87</u>	<u>6,159.00</u>
 TOTAL INCOME		 <u>\$ 56,724,875.70</u>	 <u>\$ 54,213,070.56</u>
 <u>EXPENDITURES:</u>			
Budget and Emergency Appropriations:			
Operations Within CAP:			
Salaries and wages	A-3	\$ 5,872,327.00	\$ 5,710,676.00
Other expenses	A-3	4,997,475.00	5,040,502.00
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	1,224,943.00	1,059,971.00
Operations Excluded from CAP:			
Salaries and Wages	A-3	149,200.00	133,200.00
Other Expenses	A-3	975,112.83	936,591.26
Capital Improvements	A-3	445,635.00	458,735.00
Municipal Debt Service	A-3	809,374.00	896,204.00
Deferred Charges	A-3	152,000.00	200,000.00
County Taxes	A-18	12,458,584.14	11,507,204.70
Due County for Added and Omitted Taxes:			
Current Year	A-18	48,253.13	108,730.46

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, 2015

With comparative figures for 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>EXPENDITURES (Continued)</u>			
Local District School Tax	A-21	\$ 18,069,328.50	\$ 17,690,786.50
Regional High School Tax	A-20	9,525,564.75	8,750,268.00
Municipal Open Space Tax	A-10	147,490.74	147,524.20
Prior Year Refunds			11,650.25
Interfund Loans		<u>51,628.76</u>	<u>129,257.91</u>
 TOTAL EXPENDITURES		 <u>54,926,916.85</u>	 <u>52,781,301.28</u>
 Excess (Deficit) in Revenue		 1,797,958.85	 1,431,769.28
Adjustments to Income before Fund Balance:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year			
		<u>1,797,958.85</u>	<u>1,431,769.28</u>
 Statutory Excess to Surplus		 1,797,958.85	 1,431,769.28
 Fund Balance, January 1,	 A	 <u>2,084,932.37</u>	 <u>1,683,163.09</u>
		3,882,891.22	3,114,932.37
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	<u>1,200,000.00</u>	<u>1,030,000.00</u>
 Balance, December 31,	 A	 <u>\$ 2,682,891.22</u>	 <u>\$ 2,084,932.37</u>

See accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	Ref.	Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	1,200,000.00		1,200,000.00	
Miscellaneous Revenues - Section A: Local Revenues					
Licenses:					
Alcoholic Beverages	A-9	3,100.00		3,720.00	620.00
Other	A-2	6,750.00		8,055.00	1,305.00
Fees and Permits	A-2	66,000.00		83,122.97	17,122.97
Fines and Costs:					
Municipal Court	A-9	129,000.00		129,330.18	330.18
Interest and Costs on Taxes	A-9	120,000.00		198,787.98	78,787.98
Election Revenue	A-9	600.00		300.00	(300.00)
Park and Ride Permits	A-9	30,000.00		25,385.00	(4,615.00)
Sewer Rents	A-4	149,000.00		147,133.64	(1,866.36)
Uniform Fire Safety Act	A-4	10,000.00		12,077.65	2,077.65
Total Section A		514,450.00	-	607,912.42	93,462.42
Miscellaneous Revenues - Section B: State Aid Without Offsetting Appropriations					
Energy Receipts Tax (P.L. 1997, Ch. 162 & 167)	A-4	1,600,509.00		1,600,509.00	-
Total Section B		1,600,509.00	-	1,600,509.00	-

See accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	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	125,000.00		148,347.00	23,347.00
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		75,612.60	10,612.60
Borough of Wanaque - Municipal Court	A-4	40,000.00		38,853.81	(1,146.19)
Borough of Bloomingdale - Snake Den Rd. Maint.	A-4	30,000.00		35,180.00	5,180.00
Borough of Pompton Lakes - Stormwater Cleaning		13,000.00		(13,000.00)	
Total Section D		148,000.00	-	149,646.41	1,646.41
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-29	26,365.03	5,667.93	32,032.96	
Body Armor Grant	A-29	2,335.00	3,443.08	5,778.08	
Recycling Tonnage Grant	A-29	14,219.79		14,219.79	
NJ Transportation Trust Fund	A-29	310,000.00		220,000.00	(90,000.00)
Total Section F		352,919.82	9,111.01	272,030.83	(90,000.00)

See accompanying notes to financial statements.

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

Current Fund					
Year Ended December 31, 2015					
	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:					
Sale of Recycling Materials	A-4	45,000.00		30,026.88	(14,973.12)
Total Section G		45,000.00	-	30,026.88	(14,973.12)
Total Miscellaneous Revenues	A-1	2,785,878.82	9,111.01	2,808,472.54	13,482.71
Receipts from Delinquent Taxes	A-1	535,000.00		750,376.94	215,376.94
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	A-2	10,976,077.00		11,297,444.44	321,367.44
Non-Budget Revenue.	A-1			404,430.66	404,430.66
Grand Total		15,496,955.82	9,111.01	16,460,724.58	954,657.75
		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, 2015

<u>Analysis of Realized Revenues</u>		
Allocation of Current Tax Collections:		
Revenue from Collections	A-1	\$ 51,144,265.45
Allocated to:		
School, County, Regional School and Municipal Open Space Taxes	A-6	<u>40,726,821.01</u>
Balance for Support of Municipal Budget Appropriations		10,417,444.44
Add: Appropriation - Reserve for Uncollected Taxes	A-3	<u>880,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$ <u>11,297,444.44</u>
Receipts from Delinquent taxes:		
Delinquent Tax Collections	A-6, A-7	<u>750,376.94</u>
	A-2	\$ <u>750,376.94</u>
Licenses - Other:		
Clerk	A-9	1,335.00
Board of Health	A-9	<u>6,720.00</u>
	A-2	\$ <u>8,055.00</u>
Fees and Permits - Other:		
Clerk	A-9	21,755.10
Board of Health	A-9	19,924.00
Police Department	A-9	17,431.87
Treasurer	A-9	<u>24,012.00</u>
	A-2	\$ <u>83,122.97</u>
<u>Analysis of Non - Budget Revenues</u>		
Miscellaneous Revenues Not Anticipated:		
Revenue Accounts Receivable:		
Non-Budget Revenues - Clerk's Department	A-9	585.00
Health Department	A-9	2,555.00
Other Miscellaneous Items	A-4	<u>401,310.66</u>
	A-1, A-2	\$ <u>404,430.66</u>

See accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Operations - within "CAPS"						
GENERAL GOVERNMENT:						
Department of Administration		258,593.00	261,193.00	257,527.60	3,665.40	-
Salaries and Wages		85,900.00	85,900.00	82,377.77	3,522.23	-
Other Expenses						
Legislation						
Salaries and Wages		29,000.00	29,000.00	29,000.00	-	-
Other Expenses		4,225.00	4,225.00	3,445.00	780.00	-
Elections						
Salaries and Wages		1,200.00	1,200.00	869.52	330.48	-
Other Expenses		7,600.00	7,600.00	7,443.02	156.98	-
DEPARTMENT OF ADMINISTRATION:						
Legal Services						
Other Expenses		140,000.00	140,000.00	136,996.16	3,003.84	-
Office of Data Processing						
Other Expenses		36,000.00	36,000.00	34,742.09	1,257.91	-
Office of Emergency Management						
Salaries and Wages		5,183.00	5,287.00	5,287.00	-	-
Other Expenses		17,000.00	16,896.00	15,528.20	1,367.80	-
Division of Engineering						
Salaries and Wages		81,900.00	84,600.00	84,596.57	3.43	-
Other expenses		79,000.00	75,150.00	74,557.09	592.91	-

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

<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>
DEPARTMENT OF FINANCE:						
Office of Treasurer		198,442.00	198,442.00	172,547.65	25,894.35	-
Salaries and Wages		3,705.00	3,705.00	3,475.33	229.67	-
Other Expenses						
DIVISION OF TAX COLLECTION:						
Salaries and Wages		101,296.00	101,296.00	100,548.42	747.58	-
Other Expenses		4,405.00	4,405.00	2,879.24	1,525.76	-
DIVISION OF TAX ASSESSMENT:						
Salaries and Wages		75,118.00	77,118.00	76,738.83	379.17	-
Other expenses		1,990.00	1,990.00	1,690.40	299.60	-
DIVISION OF FINANCIAL CONTROL:						
Other expenses		48,000.00	48,000.00	43,411.25	4,588.75	-
Statutory Agencies						
Prosecutor						
Salaries and Wages		19,920.00	19,920.00	19,920.00	-	-
MUNICIPAL LAND USE LAW (N.J.S.A. 40:55D-1):						
Planning Board						
Salaries and Wages		17,021.00	17,371.00	17,371.00	-	-
Other Expenses		16,450.00	16,450.00	16,267.48	182.52	-

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	<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>						
Board of Adjustment						
Salaries and Wages		50,810.00	51,610.00	51,564.13	45.87	-
Other Expenses		7,850.00	7,850.00	6,735.45	1,114.55	-
INSURANCE						
Other Insurance Premiums		443,052.00	441,852.00	440,695.69	1,156.31	-
Group Insurance Plan - Employees		1,155,598.00	1,155,598.00	1,151,620.53	3,977.47	-
Health Benefit Waiver		61,000.00	61,000.00	61,000.00	-	-
Industrial Commission						
Salaries and Wages		125.00	125.00		125.00	-
Environmental Commission						
Salaries and Wages		1,410.00	1,410.00	1,174.40	235.60	-
Other Expenses		850.00	850.00	350.00	500.00	-
DEPARTMENT OF POLICE:						
Division of Patrol						
Salaries and Wages		2,285,700.00	2,285,700.00	2,261,245.43	24,454.57	-
Other Expenses		124,464.00	124,464.00	122,428.02	2,035.98	-
Division of Traffic/Crossing Guards						
Salaries and Wages		29,580.00	29,580.00	26,326.87	3,253.13	-
Other Expenses		300.00	300.00	299.96	0.04	-
Division of Investigation						
Salaries and Wages		295,012.00	295,012.00	292,735.98	2,276.02	-
Other Expenses		400.00	400.00	400.00	-	-
Division of Communications						
Salaries and Wages		258,465.00	270,465.00	265,837.57	4,627.43	-
Other Expenses		8,100.00	8,100.00	7,786.10	313.90	-

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

<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>
O.S.H.A. Standard Fire Fighting Equipment (CH.516, P.L. 1983)						
Purchase of Fire Equipment		27,000.00	27,000.00	27,000.00	-	-
Education Seminars		5,000.00	5,000.00	5,000.00	-	-
Aid to Volunteer Fire Companies		90,000.00	90,000.00	90,000.00	-	-
Aid to Ambulance Corps		43,000.00	43,000.00	43,000.00	-	-
Bureau of Fire Prevention		43,000.00	44,200.00	44,200.00	-	-
Other Expenses - Clothing Allowance						
Uniform Fire Safety Act (P.L. 1983 C.383)						
Fire Inspection		26,114.00	26,114.00	26,114.00	-	-
Salaries and Wages		4,331.00	4,331.00	4,162.31	168.69	-
Other Expenses						
DEPARTMENT OF PUBLIC WORKS:						
Division of Streets and Roads		816,820.00	847,820.00	840,607.99	7,212.01	-
Salaries and Wages		155,590.00	155,590.00	145,197.15	10,392.85	-
Other Expenses						
Division of Snow and Ice Control		63,360.00	63,360.00	34,715.15	28,644.85	-
Salaries and Wages		149,500.00	149,500.00	67,004.72	82,495.28	-
Other Expenses						
Division of Equipment Maintenance		124,659.00	96,659.00	89,930.50	6,728.50	-
Salaries and Wages		272,250.00	254,250.00	253,328.94	921.06	-
Other Expenses						
Division of Public Buildings and Grounds		351,037.00	378,037.00	376,668.68	1,368.32	-
Salaries and Wages		284,000.00	284,000.00	276,147.64	7,852.36	-
Other Expenses						

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	<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		62,904.00	57,904.00	54,558.80	3,345.20	-
Other Expenses		927,300.00	932,300.00	928,664.20	3,635.80	-
Division of Sewer						
Salaries and Wages		16,543.00	16,543.00	14,462.08	2,080.92	-
Other Expenses		182,000.00	182,000.00	123,742.78	58,257.22	-
DEPARTMENT OF COMMUNITY DEVELOPMENT:						
Division of Public Health						
Salaries and Wages		227,264.00	255,264.00	254,518.24	745.76	-
Other Expenses		56,530.00	56,530.00	41,467.97	15,062.03	-
Recreation						
Salaries and Wages		135,697.00	79,597.00	72,593.41	7,003.59	-
Other Expenses		60,935.00	60,935.00	58,916.57	2,018.43	-
Terminal Leave Compensation		12,000.00	12,000.00	12,000.00	-	-
Municipal Cable TV Committee						
Salaries and Wages		200.00	200.00		200.00	-
Other Expenses		21,150.00	21,150.00	21,150.00	-	-

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)						
Division of Code Enforcement						
Bureau of Building Construction		152,380.00	149,980.00	147,439.28	2,540.72	-
Salaries and Wages		4,134.00	4,534.00	4,530.28	3.72	-
Other Expenses						
Bureau of Electrical Inspection		14,549.00	14,549.00	14,129.33	419.67	-
Salaries and Wages						
Bureau of Plumbing Inspection		14,549.00	14,549.00	14,129.33	419.67	-
Salaries and Wages						
Municipal Court:						
Salaries & Wages		118,518.00	118,518.00	116,990.26	1,527.74	-
Other Expenses		7,170.00	7,170.00	4,789.94	2,380.06	-
Public Defender						
Salaries & Wages		11,904.00	11,904.00	358.55	11,545.45	-

See Accompanying notes to financial statements.

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

Current Fund

Year Ended December 31, 2015

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
UNCLASSIFIED:						
Gasoline		205,000.00	194,000.00	116,680.87	77,319.13	-
Electricity		62,000.00	70,000.00	65,784.79	4,215.21	-
Natural Gas		20,000.00	20,000.00	14,374.10	5,625.90	-
Telephone and Telegraph		42,000.00	45,000.00	43,222.04	1,777.96	-
Grantsman						-
Transportation Contract w/ Lakeland Reg HS		68,000.00	68,000.00	67,476.34	523.66	-
Celebration of Public Events		32,850.00	32,850.00	32,699.83	150.17	-
Contribution to A.W.A.R.E.		1,000.00	1,000.00	1,000.00	-	-
Drug and Alcohol Testing		4,300.00	4,300.00		4,300.00	-
TOTAL OPERATIONS (ITEM 8(A) WITHIN "CAPS"		10,871,202.00	10,869,702.00	10,426,175.82	443,526.18	-
CONTINGENT		100.00	100.00		100.00	-
TOTAL OPERATIONS INCLUDING CONTINGENT - WITHIN "CAPS"		10,871,302.00	10,869,802.00	10,426,175.82	443,626.18	-
DETAIL:						
Salaries and Wages	A-1	5,857,273.00	5,872,327.00	5,732,506.57	139,820.43	-
Other Expenses (Including Contingent)	A-1	5,014,029.00	4,997,475.00	4,693,669.25	303,805.75	-

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
DEFERRED CHARGES AND STATUTORY EXPENDITURES MUNICIPAL WITHIN "CAPS"						
DEFERRED CHARGES:						
STATUTORY EXPENDITURES:						
Contribution to:						
Public Employees' Retirement System		346,253.00	346,253.00	346,253.00	-	-
Social Security System (O.A.S.I.)		290,000.00	290,000.00	279,915.78	10,084.22	-
Police and Firemen's Retirement System of NJ		569,690.00	569,690.00	569,066.64	623.36	-
Unemployment		10,000.00	10,000.00	10,000.00	-	-
Defined Contribution Retirement Plan		7,500.00	9,000.00	7,801.67	1,198.33	-
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	A-1	1,223,443.00	1,224,943.00	1,213,037.09	11,905.91	-
JUDGMENTS						
CASH DEFICIT OF PRECEDING YEAR						
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"		12,094,745.00	12,094,745.00	11,639,212.91	455,532.09	-

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS"						
Group Insurance Plan - Employees		37,507.00	37,507.00	37,507.00	-	-
Reserve for Tax Appeals		100,000.00	100,000.00	100,000.00	-	-
Aid to Library		701,775.00	701,775.00	686,283.94	15,491.06	-
Emergency Services Volunteer Length of Service Award Program		85,000.00	85,000.00	56,950.00	28,050.00	-
TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS"		924,282.00	924,282.00	880,740.94	43,541.06	-

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

<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						
DEPARTMENT OF COMMUNITY DEVELOPMENT:						
Division of Public Health		65,000.00	65,000.00	58,182.00	6,818.00	-
Salaries & Wages						
Municipal Court		40,000.00	40,000.00	40,000.00	-	-
Borough of Wanaque						
Salaries & Wages						
Borough of Bloomingdale		30,000.00	30,000.00		30,000.00	-
Salaries & Wages						
Streets and Roads		13,000.00	13,000.00	13,000.00	-	-
Borough of Pompton Lakes - Stormwater						
Salaries & Wages						
TOTAL INTERLOCAL MUNICIPAL SERVICE AGREEMENTS		148,000.00	148,000.00	111,182.00	36,818.00	-

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

<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>
PUBLIC AND PRIVATE PROGRAMS OFFSET						
BY REVENUES						
Clean Communities Program		1,200.00	1,200.00	1,200.00	-	
Salaries & Wages		30,832.96	30,832.96	30,832.96	-	
Other Expenses						
Body Armor Grant		5,778.08	5,778.08	5,778.08	-	
Other Expenses						
Recycling Tonnage Grant		14,219.79	14,219.79	14,219.79	-	
Other Expenses						

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

<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>
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES (CONT.)						
		<u>52,030.83</u>	<u>52,030.83</u>	<u>52,030.83</u>	<u>-</u>	<u>-</u>
TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES		1,124,312.83	1,124,312.83	1,043,953.77	80,359.06	-
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"						
DETAIL:						
Salaries and Wages	A-1	149,200.00	149,200.00	112,382.00	36,818.00	-
Other Expenses	A-1	975,112.83	975,112.83	931,571.77	43,541.06	-

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Down Payments on Improvements Capital Improvement Fund		35,000.00	35,000.00	35,000.00	-	-
Purchase of Fire Fighting Equipment		40,635.00	40,635.00	40,635.00	-	-
Improvements to Buildings and Grounds		60,000.00	60,000.00	60,000.00	-	-
Public and Private Programs Offset by Revenues New Jersey Transportation Trust Fund Authority Act		310,000.00	310,000.00	220,000.00		90,000.00
TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"	A-1	<u>445,635.00</u>	<u>445,635.00</u>	<u>355,635.00</u>	<u>-</u>	<u>90,000.00</u>

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

<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>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Payment of Bond Principal		510,000.00	510,000.00	510,000.00	XXXXXXXXXX	-
Payment of Bond Anticipation and Capital Notes		259,598.00	259,598.00	259,596.73	XXXXXXXXXX	-
Interest on Bonds		30,446.00	30,446.00	30,111.19	XXXXXXXXXX	1.27
Interest on Notes					XXXXXXXXXX	334.81
Green Trust Loan Program:						
Loan Repayments for Principal and Interest		9,330.00	9,330.00	9,327.48	XXXXXXXXXX	2.52
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	A-1	809,374.00	809,374.00	809,035.40	-	338.60

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
DEFERRED CHARGES:						
Emergency Authorizations					XXXXXXXXXX	
Special Emergency Authorizations -						
5 Years (N.J.S. 40A:4-55)		152,000.00	152,000.00	152,000.00	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:						
TOTAL DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"	A-1	152,000.00	152,000.00	152,000.00	-	-
JUDGMENTS						
TRANSFERRED TO BOARD OF EDUCATION FOR USE OF LOCAL SCHOOL (N.J.S.A. 40:48-17.1 & 17.3)						
WITH PRIOR CONSENT OF LOCAL FINANCE BOARD: CASH DEFICIT OF PRECEDING YEAR						
TOTAL GENERAL APPROPRIATIONS FOR MUN. PURPOSES EXCLUDED FROM "CAPS"		2,531,321.83	2,531,321.83	2,360,624.17	80,359.06	90,338.60

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

<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"		<u>2,531,321.83</u>	<u>2,531,321.83</u>	<u>2,360,624.17</u>	<u>80,359.06</u>	<u>90,338.60</u>
SUBTOTAL GENERAL APPROPRIATIONS		<u>14,626,066.83</u>	<u>14,626,066.83</u>	<u>13,999,837.08</u>	<u>535,891.15</u>	<u>90,338.60</u>
RESERVE FOR UNCOLLECTED TAXES		<u>880,000.00</u>	<u>880,000.00</u>	<u>880,000.00</u>	<u>XXXXXXXXXX</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS		<u>15,506,066.83</u>	<u>15,506,066.83</u>	<u>14,879,837.08</u>	<u>535,891.15</u>	<u>90,338.60</u>
					<u>A</u>	<u>A-1</u>
ADOPTED BUDGET	A-2		<u>15,496,955.82</u>			
APPROPRIATION BY 40A:4-87	A-2		<u>9,111.01</u>			
			<u>15,506,066.83</u>			
RESERVE FOR UNCOLLECTED TAXES	A-2			<u>880,000.00</u>		
RESERVE FOR ENCUMBRANCES	A-13			<u>643,719.47</u>		
RESERVE FOR TAX APPEALS	A-15			<u>100,000.00</u>		
DEFERRED CHARGE-EMERG. AUTH. (40A:4-55)	A-27			<u>152,000.00</u>		
INTERFUND-FEDERAL AND STATE GRANT FUND DISBURSED	A-30			<u>272,030.83</u>		
	A-4			<u>12,832,086.78</u>		
				<u>14,879,837.08</u>		

See Accompanying notes to financial statements.

Borough of Ringwood, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Fund

December 31, 2015

With Comparative Figures for 2014

	Ref.	Balance Dec. 31, 2015	Balance Dec. 31, 2014
ASSETS			
Animal Control Trust Fund:			
Cash	B-1	84.00	2,469.38
		<u>84.00</u>	<u>2,469.38</u>
Assessment Fund:			
Cash	B-1	432,314.48	391,816.40
Assessments Receivable	B-11	1,240,263.04	1,393,268.88
Assessment Liens	B-12	13,554.65	12,517.94
Amount to be Raised by Taxation Cancelled Assessments	B-17	4,232.56	4,232.56
		<u>1,690,364.73</u>	<u>1,801,835.78</u>
Other Trust Funds:			
Cash:			
Other Trust	B-1	1,703,552.16	3,183,404.02
Unemployment Insurance Trust Fund	B-1	89,884.41	80,948.25
Small Cities Economic Development Grant	B-1	172,125.53	178,377.22
		<u>1,965,562.10</u>	<u>3,442,729.49</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Investments		1,209,207.82	1,230,885.10
Contributions Receivable		72,250.00	85,000.00
		<u>1,281,457.82</u>	<u>1,315,885.10</u>
		<u>4,937,468.65</u>	<u>6,562,919.75</u>

See accompanying notes to financial statements.

Borough of Ringwood, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Fund

December 31, 2015

With Comparative Figures for 2014

	Ref.	Balance Dec. 31, 2015	Balance Dec. 31, 2014
<u>LIABILITIES AND RESERVES</u>			
Animal Control Trust Fund:			
Due to State Department of Health	B-2	19.20	12.00
Reserve for Animal Control Fund Expenditures	B-3	64.80	2,457.38
		<u>84.00</u>	<u>2,469.38</u>
Assessment Fund:			
Interfund-Current Fund	B-13	6,703.97	7,034.38
Loan Payable-State of New Jersey	B-14	1,638,067.57	1,749,230.91
Reserve for Assessment and Liens	B-15	45,593.19	45,570.49
		<u>1,690,364.73</u>	<u>1,801,835.78</u>
Other Trust Funds:			
Deposits Payable	B-4	280,850.13	134,011.48
Due to State of New Jersey - Building Surcharge	B-6	3,778.00	10.00
Due to State of New Jersey - Marriage Surcharge	B-7	175.00	275.00
Encumbrances Payable	B-8	2,023.00	76,902.25
Other Trust Reserves	B-16	1,676,799.97	3,225,799.76
Interfund-Current Fund	B-5	1,936.00	5,731.00
		<u>1,965,562.10</u>	<u>3,442,729.49</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Net Assets Available for Benefits	B-9	1,281,457.82	1,315,885.10
		<u>4,937,468.65</u>	<u>6,562,919.75</u>

See accompanying notes to financial statements.

Borough of Ringwood, N.J.

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31, 2015

With Comparative Figures for 2014

<u>Assets</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2015</u>	<u>Balance Dec. 31, 2014</u>
Cash	C-2, C-3	5,811,066.41	2,764,198.87
Deferred Charges to Future Taxation:			
Funded	C-4	8,719,490.74	5,697,645.87
Unfunded	C-5	2,533,360.65	5,373,360.65
Interfund:			
Current Fund	C-6	209,229.07	209,229.07
		<hr/>	<hr/>
		<u>17,273,146.87</u>	<u>14,044,434.46</u>
 <u>Liabilities, Reserves and Fund Balance</u> 			
General Serial Bonds	C-7	8,667,000.00	5,637,000.00
Bond Anticipation Notes	C-8	1,813,113.00	5,353,113.00
Improvement Authorizations:			
Funded	C-9	253,617.95	87,817.44
Unfunded	C-9	954,417.33	2,326,962.91
Capital Improvement Fund	C-10	80,758.95	80,758.95
Contracts Payable	C-11	675,338.31	95,858.35
Loan Payable	C-12	52,490.74	60,645.87
Reserve for Capital Project	C-13	4,508,534.58	
Reserve for Various Projects	C-14	248,043.75	399,830.80
Capital Fund Balance	C-1	19,832.26	2,447.14
		<hr/>	<hr/>
		<u>17,273,146.87</u>	<u>14,044,434.46</u>

See accompanying notes to financial statements.

There were bonds and notes authorized but not issued on December 31, 2015 of \$720,247.65 as per Exhibit C-15.

Borough of Ringwood, N.J.

Statement of General Capital Fund Balance - Regulatory Basis

General Capital Fund

Year Ended December 31, 2015

	<u>Ref.</u>		
Balance - December 31, 2014	C		2,447.14
Increased by:			
Improvement Authorizations Cancelled	C-9	308,820.19	
Premiums	C-2	<u>17,385.12</u>	
			<u>326,205.31</u>
			328,652.45
Decreased by:			
Appropriation to Finance Improvement Authorization	C-9		<u>308,820.19</u>
Balance - December 31, 2015	C, C-3		<u><u>19,832.26</u></u>

See accompanying notes to financial statements.

Borough of Ringwood, N.J.

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31, 2015

With Comparative Figures for 2014

<u>ASSETS</u>	<u>Ref</u>	<u>Balance Dec. 31, 2015</u>	<u>Balance Dec. 31, 2014</u>
Operating Fund:			
Cash	D-5	302,710.27	123,212.67
Cash - Change Fund		100.00	100.00
Interfund:			
Water Capital	D-8	9,060.75	9,060.75
Current Fund	D-26	722.09	722.09
		<u>312,593.11</u>	<u>133,095.51</u>
Receivables with Full Reserves:			
Consumers' Accounts Receivable	D-9	147,943.47	135,276.76
Water Utility Liens	D-25	396.85	
		<u>148,340.32</u>	<u>135,276.76</u>
		<u>460,933.43</u>	<u>268,372.27</u>
Assessment Trust Fund:			
Cash	D-5, D-6	0.36	0.36
Assessments Receivable	D-10		163,480.00
		<u>0.36</u>	<u>163,480.36</u>
Capital Fund:			
Cash	D-5, D-7	1,163,737.34	1,991,174.17
Fixed Capital	D-11	14,723,649.97	14,723,649.97
Fixed Capital Authorized and Uncompleted	D-12	6,180,000.00	6,180,000.00
		<u>22,067,387.31</u>	<u>22,894,824.14</u>
		<u>22,528,321.10</u>	<u>23,326,676.77</u>

See accompanying notes to financial statements.

There were bonds and notes authorized and not issued of \$1,283,201.21 at December 31, 2015 as per Exhibit D-27.

Borough of Ringwood, N.J.

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31, 2015

With Comparative Figures for 2014

	Ref	Balance Dec. 31, 2015	Balance Dec. 31, 2014
<u>LIABILITIES, RESERVES AND SURPLUS</u>			
Operating Fund:			
Appropriation Reserves	D-4, D-13	41,079.58	68,249.90
Reserve for Encumbrances	D-14	28,609.73	26,663.16
Accrued Interest on Bonds and Notes	D-15	21,459.54	20,567.97
		<u>91,148.85</u>	<u>115,481.03</u>
Reserve for Receivables	Contra	148,340.32	135,276.76
Operating Fund Balance	D-1	221,444.26	17,614.48
		<u>460,933.43</u>	<u>268,372.27</u>
Assessment Trust Fund:			
Reserve for Assessment and Liens	D-16	0.36	163,480.36
		<u>0.36</u>	<u>163,480.36</u>
Capital Fund:			
Serial Bonds	D-17	5,610,000.00	2,817,000.00
Bond Anticipation Notes	D-18	817,312.00	3,917,312.00
Interfund:			
Water Operating Fund	D-20	9,060.75	9,060.75
Improvement Authorizations:			
Funded	D-19	385,821.52	135,000.00
Unfunded	D-19	1,894,982.34	3,085,040.66
Contracts Payable	D-24	100,825.00	45,014.62
Reserve for:			
Amortization	D-21	12,995,837.00	12,688,837.00
Capital Improvements	D-22	45,238.84	238.84
Deferred Amortization	D-23	197,300.00	197,300.00
Surplus	D-2	11,009.86	20.27
		<u>22,067,387.31</u>	<u>22,894,824.14</u>
		<u>22,528,321.10</u>	<u>23,326,676.77</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, 2015

With Comparative Figures for 2014

	Ref.	2015	2014
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Surplus Utilized	D-1		53,000.00
Rents and Additional Rents	D-3	1,461,688.85	1,443,556.97
Miscellaneous	D-3	40,114.22	11,614.73
Capital Fund Balance	D-3		8,600.00
Reserve for Debt Service	D-3		460.75
Other Credits to Income:			
Interfunds Returned	D-26		722.09
Unexpended Balance of Appropriation Reserves	D-13	51,475.71	12,878.32
Total Income		<u>1,553,278.78</u>	<u>1,530,832.86</u>
<u>EXPENDITURES</u>			
Operating	D-4	915,940.00	952,895.00
Capital Improvements	D-4		135,000.00
Debt Service	D-4	403,509.00	394,030.00
Deferred Charges and Statutory Expenditures	D-4	30,000.00	32,000.00
Total Expenditures		<u>1,349,449.00</u>	<u>1,513,925.00</u>
Excess in Revenue		203,829.78	16,907.86
Adjustments to Income before Surplus:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year			
Statutory Excess to Surplus		203,829.78	16,907.86
FUND BALANCE - JANUARY 1,	D	<u>17,614.48</u>	<u>53,706.62</u>
		221,444.26	70,614.48
Decreased by:			
Utilization by Water Operating Budget	D-1		53,000.00
FUND BALANCE - DECEMBER 31,	D	<u>221,444.26</u>	<u>17,614.48</u>

See accompanying notes to financial statements.

Borough of Ringwood, N.J.
Statement of Capital Fund Balance - Regulatory Basis
Water Utility Capital Fund

	<u>Ref.</u>	
Balance - December 31, 2014	D	20.27
Increased by:		
Premiums Received	D-5	<u>10,989.59</u>
Balance - December 31, 2015	D	<u><u>11,009.86</u></u>

See accompanying notes to financial statements.

Borough of Ringwood, N.J.
Statement of Revenues - Regulatory Basis
Water Utility Operating Fund

December 31, 2015

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)*</u>
Rents	D-1	1,339,449.00	1,461,688.85	122,239.85
Miscellaneous	D-1	10,000.00	40,114.22	30,114.22
		<hr/>	<hr/>	<hr/>
Budget Totals		<u>1,349,449.00</u>	<u>1,501,803.07</u>	<u>152,354.07</u>
Analysis of Water Rents:				
Consumer Accounts Receivable Collected	D-5, D-9		<u>1,461,688.85</u>	
Analysis of Miscellaneous Revenues:				
Treasurer:				
Interest on Investments:				
Water Operating Fund	D-5		3,861.85	
Water Collector:				
Main Tap		24,000.00		
Meter Charges		1,650.00		
Other		<u>10,602.37</u>		
	D-5		<u>36,252.37</u>	
			<u>40,114.22</u>	

See accompanying notes to financial statements.

Borough of Ringwood, N.J.
Balance Sheet - Regulatory Basis
Public Assistance Fund
December 31, 2015
With Comparative Figures for 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Cash	E-1	<u>6,961.19</u>	<u>6,961.19</u>
		<u>6,961.19</u>	<u>6,961.19</u>
<u>Liabilities</u>			
Reserve For Public Assistance	E-4	<u>6,961.19</u>	<u>6,961.19</u>
		<u>6,961.19</u>	<u>6,961.19</u>

See accompanying notes to financial statements.

Borough of Ringwood, N.J.
Balance Sheet - Regulatory Basis
Payroll Fund
December 31, 2015
With Comparative Figures for 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Cash	F -1	3.25	46,292.30
		3.25	46,292.30
<u>Liabilities</u>			
Payroll Deductions Payable	F -1	3.25	46,592.30
		3.25	46,592.30

See accompanying notes to financial statements.

Borough of Ringwood, N.J.
Balance Sheet - Regulatory Basis
Recreation Fund
December 31, 2015
With Comparative Figures for 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Cash	G-1	<u>252,711.44</u>	<u>267,435.80</u>
		<u>252,711.44</u>	<u>267,435.80</u>
<u>Liabilities</u>			
Reserve for Encumbrances		1,878.22	10,968.86
Reserve For Recreation	G-2	<u>250,833.22</u>	<u>256,466.94</u>
		<u>252,711.44</u>	<u>267,435.80</u>

See accompanying notes to financial statements.

Borough of Ringwood, N.J.

Statement of General Fixed Assets - Regulatory Basis

December 31, 2015

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
<u>Assets</u>		
General Fixed Assets:		
Land	7,135,500.00	7,135,500.00
Buildings	4,196,000.00	4,196,000.00
Machinery, Vehicles and Equipment	8,741,792.86	8,741,792.86
	<u>20,073,292.86</u>	<u>20,073,292.86</u>
<u>Liabilities</u>		
Investment in General Fixed Assets	<u>20,073,292.86</u>	<u>20,073,292.86</u>

(1) See Notes to Financial Statements - (Note 11)

See accompanying notes to financial statements.

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014

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 a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the 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, 2015 and 2014
(continued)

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

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

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

The Borough has the following funds and account groups:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Borough as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

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

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

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

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

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

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

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

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

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes. The Borough has transferred administration of the General Assistance Program to the Passaic County Board of Social Services. The funds remaining in the Public Assistance Fund are to be used to assist certain residents who do not qualify for the General Assistance Program.

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

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

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

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

Basis of Accounting, (continued)

any municipal lien, or part thereof, on real property, remains in arrears on the 11th day of the 11th month in the fiscal year levied, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

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

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

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

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

General Capital Fund
Trust Fund
Public Assistance Fund
Water Capital Fund

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

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

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

Basis of Accounting, (continued)

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2015, several budget transfers were approved by the governing body.

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

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

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

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

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

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

Basis of Accounting, (continued)

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

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

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

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

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

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

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

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

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

Basis of Accounting, (continued)

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

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

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

No depreciation has been provided for in the financial statements.

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

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

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

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

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

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

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

Basis of Accounting, (continued)

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

Recent Accounting Pronouncements

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the entity's financial reporting. However, the provisions of this statement required significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

In April of 2013, the Government Accounting Standards Board issued GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement is effective for reporting periods beginning after June 15, 2013 and will not have any impact on the entity's financial statement disclosures.

In November 2013, the Government Accounting Standards Board issued GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The provisions of this Statement required significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

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

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

Basis of Accounting, (continued)

Recent Accounting Pronouncements, (continued)

In February 2015, the Government Accounting Standards Board issued GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement also provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement is effective for periods beginning after June 15, 2015. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement is effective for periods beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for periods beginning after June 15, 2016. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement applies to OPEB plans and basically parallels GASB Statement 67 and replaces GASB Statement 43 and is effective for periods beginning after June 15, 2016. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

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

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

Basis of Accounting, (continued)

Recent Accounting Pronouncements, (continued)

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for periods beginning after June 15, 2017. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, which reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the American Institute of Certified Public Accountants that is cleared by the GASB. This Statement is effective for periods beginning after June 15, 2015. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

In August 2015, the Government Accounting Standards Board issued GASB Statement No. 77, Tax Abatement Disclosures, which improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

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

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

Basis of Accounting, (continued)

Recent Accounting Pronouncements, (continued)

In December 2015, the Government Accounting Standards Board issued GASB Statement No. 78, Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement is effective for reporting periods beginning after December 15, 2015. The Borough is currently reviewing what effects, if any, this Statement might have on future financial statements.

In December 2015, the Government Accounting Standards Board issued GASB Statement No. 79, Certain External Investment Pools and Pool Participants. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it established criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. This Statement is effective for periods beginning after June 15, 2015, and for certain provisions, periods beginning after December 15, 2015. The Borough is currently reviewing what effects, if any, this Statement might have on future financial statements.

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, 2015 and 2014
(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, 2015, \$-0- of the Borough's bank balance of \$15,156,397.36 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.

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

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

As more fully described in Note 18, 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, 2015 and 2014 amounted to \$1,209,207.82 and \$1,230,885.10, respectively.

The following investments represent 5% or more of the total invested with Variable Annuity Life Insurance Company on December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Broad Cap Value Income Fund	\$70,080.15	\$75,183.54
Large Capital Growth Fund	81,247.19	84,711.89
Mid Cap Index Fund	75,396.06	76,474.50
Mid Cap Value Fund		65,266.50
Money Market Funds	104,933.05	98,654.27
Vanguard Life Strategy Growth Fund	70,737.11	69,612.67
Health Sciences Fund	<u>61,740.94</u>	<u> </u>
Total	<u>\$464,134.50</u>	<u>\$469,903.37</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.

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

Long-term debt as of December 31, 2015 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2014</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	\$5,637,000.00	\$3,540,000.00	\$ 510,000.00	\$8,667,000.00	\$635,000.00
Bonds Payable - Water Utility Debt	2,817,000.00	4,475,000.00	1,682,000.00	5,610,000.00	345,000.00
Other Liabilities - Compensated Absences Payable	157,709.57	116,610.38	1,137.69	273,182.26	
Loan Payable - State of NJ - Skyline Lakes Dam	1,079,465.08		86,357.20	993,107.88	86,357.22
New Jersey - Green Trust Loans	60,645.87		8,155.13	52,490.74	8,319.05
Loan Payable - State of NJ - Erskine Lakes Dam	<u>669,765.83</u>	<u> </u>	<u>24,806.14</u>	<u>644,959.69</u>	<u>49,612.29</u>
	<u>\$10,421,586.35</u>	<u>\$8,131,610.38</u>	<u>\$2,312,456.16</u>	<u>\$16,240,740.57</u>	<u>\$1,124,288.56</u>

The Borough's debt is summarized as follows:

SUMMARY OF MUNICIPAL DEBT (EXCLUDING CURRENT AND OPERATING DEBT AND TYPE II SCHOOL DEBT)

	<u>Year 2015</u>	<u>Year 2014</u>	<u>Year 2013</u>
<u>Issued:</u>			
General Bonds and Notes	\$10,480,113.00	\$10,990,113.00	\$9,763,671.00
Water Utility - Bonds and Notes	6,427,312.00	6,734,312.00	5,483,550.00
Assessment Loans Payable	1,638,067.57	1,749,230.91	1,885,200.39
Green Trust Loan	<u>52,490.74</u>	<u>60,645.87</u>	<u>68,640.32</u>
Total Issued	<u>18,597,983.31</u>	<u>19,534,301.78</u>	<u>17,201,061.71</u>
<u>Authorized But Not Issued</u>			
General Bonds and Notes	720,247.65	20,247.65	20,247.65
Water Utility - Bonds and Notes	<u>1,283,201.21</u>	<u>1,283,201.21</u>	<u>118,201.21</u>
Total Authorized But Not Issued	<u>2,003,448.86</u>	<u>1,303,448.86</u>	<u>138,448.86</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$20,601,432.17</u>	<u>\$20,837,750.64</u>	<u>\$17,339,510.57</u>

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

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 .742%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$10,695,000.00	\$10,695,000.00	\$0.00
Regional School District Debt	1,585,000.00	1,585,000.00	0.00
Water Utility Debt	7,710,513.21	7,710,513.21	0.00
General Debt	<u>12,890,918.96</u>	<u>772,213.76</u>	<u>12,118,705.20</u>
	<u>\$32,881,432.17</u>	<u>\$20,762,726.97</u>	<u>\$12,118,705.20</u>

Net Debt \$12,118,705.20 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$1,632,800,113.00 equals .742%.

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

3 ½% of Equalized Valuation Basis (Municipal)	\$57,148,003.95
Net Debt	<u>12,118,705.20</u>
Remaining Borrowing Power	<u>\$45,029,298.75</u>

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	\$1,501,803.07
Deductions:	
Operating and Maintenance Cost	\$945,940.00
Debt Service per Water Account	<u>403,509.00</u>
Total Deductions	<u>1,349,449.00</u>
Excess in Revenue	<u>\$152,354.07</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.

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

The Borough's long term debt consisted of the following at December 31, 2015:

<u>Paid by Current Fund:</u>	<u>Debt Outstanding</u>
<u>General Serial Bonds:</u>	
\$840,000.00 Sewer Refunding Bonds of 2009 with interest rates of 3.00% to 5.00% issued April 23, 2009, due in annual installments through February 1, 2019.	\$375,000.00
\$1,630,000.00 General Refunding Bonds of 2009 with interest rates of 3.00% to 5.00% issued April 23, 2009, due in annual installments through February 1, 2021.	880,000.00
\$4,367,000.00 County Guaranteed Governmental Loan Revenue Bonds of 2009 with interest rates of 4.25% to 5.50% issued January 15, 2009, due in annual installments through October 1, 2024.	3,872,000.00
\$3,540,000.00 General Improvement Bonds of 2015 with interest rates of 2.00% to 3.125% issued April 16, 2015, due in annual installments through April 1, 2034	3,540,000.00
\$150,000.00 New Jersey Green Trust Loans dated February 2002 with an interest rate of 2% payable in installments through 2021	<u>52,490.74</u>
	<u>8,719,490.74</u>
<u>Paid by Assessment Fund:</u>	
\$1,579,959.55 Loan payable - NJDEP - dated March 3, 2009 with an interest rate of 2% payable in installments through 2027	993,107.88
\$930,996.16 Loan payable - NJDEP - dated October 14, 2009 with an interest rate of 2% payable in installments through 2028	<u>644,959.69</u>
	<u>1,638,067.57</u>
<u>Paid by Water Utility Fund:</u>	
<u>Water Serial Bonds:</u>	
\$1,870,000.00 Water Bonds of 2009 with interest rates of 3.00% to 5.00% issued April 23, 2009, due in annual installments through February 1, 2021	\$1,145,000.00
\$1,375,000.00 Water Refunding Bonds of 2014 with interest rates of 2.00% to 4.00% issued May 21, 2015, due in annual installments through January 15, 2024.	1,365,000.00
\$3,100,000.00 Water Improvement Bonds of 2015 with interest rates of 2.00% to 3.125% issued April 16, 2015, due in annual installments through April 1, 2035.	<u>3,100,000.00</u>
	<u>5,610,000.00</u>
	<u>\$15,967,558.31</u>

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

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	\$1,283,201.21
General Capital	<u>720,247.65</u>
	<u>\$2,003,448.86</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>
2016	\$635,000.00	\$360,348.33	\$345,000.00	\$214,853.47
2017	635,000.00	300,372.50	340,000.00	170,550.00
2018	690,000.00	273,997.50	360,000.00	157,100.00
2019	735,000.00	246,472.50	355,000.00	142,900.00
2020	720,000.00	220,072.50	375,000.00	128,300.00
2021-2025	3,452,000.00	626,277.50	1,835,000.00	421,200.00
2026-2030	1,000,000.00	192,625.00	1,000,000.00	223,875.00
2031-2035	<u>800,000.00</u>	<u>48,875.00</u>	<u>1,000,000.00</u>	<u>77,000.00</u>
	<u>\$8,667,000.00</u>	<u>\$2,269,040.83</u>	<u>\$5,610,000.00</u>	<u>\$1,535,778.47</u>

NOTE 4. BOND ANTICIPATION NOTES

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

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 4. BOND ANTICIPATION NOTES, (continued)

On December 31, 2015, the Borough had \$1,813,113.00 in outstanding general capital bond anticipation notes maturing on April 14, 2016 at an interest rate of 1.00% and \$817,312.00 in water capital bond anticipation notes maturing on April 14, 2016 at an interest rate of 1.00%.

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2015.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>General Capital Fund:</u>				
TD Securities	\$5,353,113.00	\$	\$5,353,113.00	\$0.00
Jefferies, LLC	<u>0.00</u>	<u>1,813,113.00</u>	<u> </u>	<u>1,813,113.00</u>
	<u>5,353,113.00</u>	<u>1,813,113.00</u>	<u>5,353,113.00</u>	<u>1,813,113.00</u>
<u>Water Utility Capital Fund:</u>				
TD Securities	3,917,312.00		3,917,312.00	0.00
Jefferies, LLC	<u>0.00</u>	<u>817,312.00</u>	<u> </u>	<u>817,312.00</u>
	<u>3,917,312.00</u>	<u>817,312.00</u>	<u>3,917,312.00</u>	<u>817,312.00</u>
	<u>\$9,270,425.00</u>	<u>\$2,630,425.00</u>	<u>\$9,270,425.00</u>	<u>\$2,630,425.00</u>

NOTE 5. LOAN AGREEMENTS

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

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

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$8,319.05	\$1,008.43	\$9,327.48
2017	8,486.26	841.22	9,327.48
2018	8,656.84	670.64	9,327.48
2019	8,830.84	496.64	9,327.48
2020	9,008.34	319.14	9,327.48
2021	<u>9,189.41</u>	<u>138.06</u>	<u>9,327.47</u>
	<u>\$52,490.74</u>	<u>\$3,474.13</u>	<u>\$55,964.87</u>

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 5. LOAN AGREEMENTS, (continued)

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

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$107,530.18	\$28,439.33	\$135,969.51
2017	109,691.53	26,277.96	135,969.49
2018	111,896.32	24,073.16	135,969.48
2019	114,145.44	21,824.05	135,969.49
2020	116,439.77	19,529.73	135,969.50
2021-2025	618,260.57	61,586.90	679,847.47
2026-2028	<u>270,751.03</u>	<u>7,621.60</u>	<u>278,372.63</u>
	<u>\$1,448,714.84</u>	<u>\$189,352.73</u>	<u>\$1,638,067.57</u>

NOTE 6. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015, the following deferred charges are shown on the balance sheet of the Current Fund:

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Cancelled</u> <u>2015</u>	<u>2015</u> <u>Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Budget</u>
<u>Current Fund:</u>				
Emergency Authorization	<u>\$152,000.00</u>	<u>\$</u>	<u>\$152,000.00</u>	<u>\$0.00</u>

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 7. LOCAL AND REGIONAL HIGH SCHOOL TAXES

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

The Borough of Ringwood has elected to defer school taxes as follows:

	December 31, 2015		December 31, 2014	
	Local	Regional	Local	Regional
	<u>School District</u>	<u>High School</u>	<u>School District</u>	<u>High School</u>
Balance of Tax	\$9,690,509.17	\$4,960,158.06	\$9,320,288.17	\$4,667,402.81
Deferred	<u>9,127,086.50</u>	<u>4,909,159.75</u>	<u>8,942,242.00</u>	<u>4,616,404.50</u>
School Tax Payable	<u>\$563,422.67</u>	<u>\$50,998.31</u>	<u>\$378,046.17</u>	<u>\$50,998.31</u>

NOTE 8. PENSION PLANS

Description of Systems:

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemens' 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 Firemens' 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.

Public Employees' Retirement System (PERS)

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

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 8. PENSION PLANS, (continued)

Description of Systems, (continued)

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

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

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

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

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

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

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 8. PENSION PLANS, (continued)

Description of Systems, (continued)

Police and Firemens' Retirement System (PFRS)

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

Enrolled members of the Police and Firemens' Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Special retirement is permitted to members who have 25 or more years of creditable service in the system.

Benefits fully vest on reaching 10 years of service. Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

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

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, 2015 and 2014
(continued)

NOTE 8. PENSION PLANS, (continued)

Description of Systems, (continued)

Defined Contribution Retirement Program

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

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to 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, 2015 and 2014
(continued)

NOTE 8. PENSION PLANS, (continued)

Description of Systems, (continued)

Defined Contribution Retirement Program, (continued)

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

Contribution Requirements

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

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

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2015	\$346,253.00	\$569,066.64	\$7,801.67
2014	285,648.00	494,323.00	0.00
2013	299,242.00	604,744.00	0.00

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

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 8. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS)

At December 31, 2015, the Borough had a liability of \$9,163,311 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the Borough's proportion was .0408201719 percent, which was an increase/(decrease) of .0006621428 percent from its proportion measured as of June 30, 2014.

Public Employees Retirement System (PERS), (continued)

For the year ended December 31, 2015, the Borough recognized pension expense of \$346,253.00. At December 31, 2015, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$218,604.00	\$
Changes of assumptions	984,066.00	
Net difference between projected and actual earnings on pension plan investments		147,328.00
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>510,359.00</u>	<u> </u>
Total	<u>\$1,713,029.00</u>	<u>\$147,328.00</u>

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 8. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2015) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$192,125.00
2017	192,125.00
2018	192,125.00
2019	305,991.00
2020	172,975.00

Additional Information

Local Group Collective balances at June 30, 2015 and June 30, 2014 are as follows:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Collective deferred outflows of resources	\$3,578,755,666	\$952,194,675
Collective deferred inflows of resources	993,410,455	1,479,224,662
Collective net pension liability	22,447,996,119	18,722,735,003
Borough's Proportion	.0408201719%	.0401580291%

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 8. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.04 Percent
Salary Increases:	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Mortality Rates

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 8. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Returns	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 8. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2015 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2015		
	1% Decrease <u>3.90%</u>	At Current Discount Rate <u>4.90%</u>	1% Increase <u>5.90%</u>
Borough's proportionate share of the pension liability	\$11,388,874	\$9,163,311	\$7,297,414

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 8. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

Police and Firemen's Retirement System (PFRS)

At December 31, 2015, the Borough had a liability of \$12,171,486.00 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the Borough's proportion was .0730734309 percent, which was an increase/(decrease) of .0031735973 percent from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the Borough recognized pension expense of \$569,066.64. At December 31, 2015, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$	\$104,983.00
Changes of assumptions	2,247,159.00	
Net difference between projected and actual earnings on pension plan investments		211,834.00
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>937,031.00</u>	<u> </u>
Total	<u>\$3,184,190.00</u>	<u>\$316,817.00</u>

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 8. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System, (continued)

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2015) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$366,607.00
2017	366,607.00
2018	366,607.00
2019	601,109.00
2020	229,411.00

Additional Information

Local Group Collective balances at June 30, 2015 and June 30, 2014 are as follows:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Collective deferred outflows of resources	\$3,512,729,953	\$750,532,959
Collective deferred inflows of resources	871,083,367	1,561,923,934
Collective net pension liability	16,656,514,197	13,933,627,178
Borough's Proportion	.0730734309%	.0698998336%

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 8. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System, (continued)

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.04 Percent
Salary Increases:	
2012-2021	2.60-9.48 Percent (based on age)
Thereafter	3.60-10.48 Percent (based on age)
Investment Rate of Return	7.90 Percent

Mortality Rates

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 8. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System, (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Returns	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

Discount Rate

The discount rate used to measure the total pension liability was 5.79% and 6.32% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 8. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System, (continued)

assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2015, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	<u>June 30, 2015</u>		
	<u>1%</u> Decrease <u>4.79%</u>	<u>At Current</u> Discount Rate <u>5.79%</u>	<u>1%</u> Increase <u>6.79%</u>
Borough's proportionate share of the pension liability	\$17,453,053.00	\$13,238,885.00	\$9,802,607.00

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 9. OTHER POST-RETIREMENT BENEFITS

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

Eligibility for Retired Group Coverage

Under the collective bargaining agreement between the Borough and the P.B.A., employees who retire from the Borough with twenty-five (25) or more years of service as defined by PFRS, shall be provided with retiree medical and prescription coverage (for Employee and their eligible dependents) under the Aetna Plan Patriot 20 QPOS with the Passive Prescription benefits plan as per Article VII, Paragraph 1, set forth above, as proposed for all active employees with no deductible or a plan equal to or better than said plan.

Under the Borough's other collective bargaining agreements, for those employees who retire at age 60 or thereafter and have completed at least thirty (30) years of employment with the Borough (employment in other governmental jurisdictions shall not be calculated to determine years of employment with the Borough), the Borough shall continue the said employee and spouse under the medical insurance policy, the prescription plan and the vision plan then current and applicable to persons covered by this Agreement. The said coverage shall terminate upon employee attaining the age of 65 years irrespective of the age of the spouse and neither the employee nor the spouse shall thereafter be covered. The Borough shall annually be responsible to pay only five thousand forty dollars (\$5,040.00) toward the premium for the coverage and said employee shall pay the balance of the cost of the said premium. Upon said employee attaining 65 years of age, the Borough shall no longer be responsible to pay any amount toward premiums and, as stated above, the said employee and his/her spouse shall no longer be covered by the Borough's insurance policy. The scope and extent of coverage shall pursuant to the terms of the then-current Agreement.

Employees retiring from the Borough with thirty (30) or more years of service shall be entitled to the continuation of prescription and vision coverage into retirement at no cost to the employee, provided that this provision is not in conflict with P.L. 2011, c. 78 § 39 and 42. To the extent any of this provision conflicts with the aforesaid statute, State Law shall control.

The Borough funds these benefits on a pay-as-you-go basis and therefore does not record accrued expenses related to these benefits. During 2015, there were twenty-six (26) retired employees who received this benefit at a cost of \$326,784.00.

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

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

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.

Annual OPEB Cost

For 2014, the Borough’s annual OPEB cost (expense) of \$1,229,127.00 (based on actuarial valuation as of December 31, 2014) was equal to the ARC (Annual Required Contribution). The Borough’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014, 2013 and 2012 are 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>
2015	\$326,784.00	\$1,229,127.00	26.59%	\$8,618,544.00
2014	306,657.00	1,229,127.00	24.95	7,716,201.00
2013	284,632.00	1,434,776.00	19.84	6,793,731.00

Funding Status and Funding Progress

The funded status of the plan as of December 31, 2014 (based on an actuarial study as of December 31, 2014) was as follows:

Actuarial Accrued Liability (AAL)	\$14,200,860.00
Actuarial Value of Plan Assets	-0-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$14,200,860.00</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

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

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

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

Actuarial Methods and Assumptions

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

NOTE 10. FUND BALANCES

Fund balances as of December 31, 2015 that have been anticipated as revenue in the 2016 budget is as follows:

Current Fund	\$1,356,000.00
Water Operating Fund	<u>77,000.00</u>
	<u>\$1,433,000.00</u>

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 11. FIXED ASSETS

The following is a summary of changes in the general fixed assets' account group for the year 2015.

	Balance <u>Dec. 31, 2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2015</u>
Land	\$7,135,500.00	\$	\$	\$7,135,500.00
Buildings	4,196,000.00			4,196,000.00
Machinery, Vehicles and Equipment	<u>8,741,792.86</u>	_____	_____	<u>8,741,792.86</u>
	<u>\$20,073,292.86</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$20,073,292.86</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. The Borough has not updated its fixed assets inventory to reflect 2015 additions and disposals.

NOTE 12. ACCRUED SICK AND VACATION BENEFITS

The Borough permits employees to accrue (with certain restrictions) unused sick and vacation pay, which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$273,182.26 as of December 31, 2015. This amount is not reported either as an expenditure or liability.

NOTE 13. DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at December 31, 2015 consist of the following:

\$15,741.25	Due from Federal and State Grant Fund to Current Fund for anticipated revenue.
209,229.07	Due to General Capital Fund from Current Fund for reimbursement of expenditures.
1,936.00	Due from Other Trust Fund to Current Fund for reimbursement of expenditures.
722.09	Due from Current Fund to Water Operating Fund for lien collected.
9,060.75	Due from Water Capital Fund to Water Operating Fund for budgeted revenue.
<u>6,703.97</u>	Due from Assessment Trust Fund to Current Fund for receipts collected in Assessment Trust Fund.
<u>\$243,393.13</u>	

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

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 14. LEASES

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

NOTE 15. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During the 2015 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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

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

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

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

NOTE 16. TAXES COLLECTED IN ADVANCE

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

	<u>Balance Dec 31, 2015</u>	<u>Balance Dec 31, 2014</u>
Prepaid Taxes	<u>\$229,549.08</u>	<u>\$199,550.00</u>
Cash Liability for Taxes Collected in Advance	<u>\$229,549.08</u>	<u>\$199,550.00</u>

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 17. DEFERRED COMPENSATION PLAN

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

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

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

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

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

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

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

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

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

- b. Five (5) years of service are required for vesting. A member who fails to meet eligibility criteria for two (2) consecutive years shall forfeit all rights toward vesting and the monies contributed to that member's account shall go into the pool for distribution in accordance with Item C. any member with ten (10) years of service as of January 1, 2000 shall be vested immediately upon adoption of the plan.
- c. The Borough of Ringwood's annual contribution was originally equivalent to one (1) tax point, based on the prior year's tax rate. In March of 2003, the Borough adopted Ordinance 2003-2 amending the Borough's annual contribution as follows:

The Borough's annual contribution shall be \$850.00 for the base year of 2000 for each eligible member. In addition, contributions which are forfeited by members who do not become vested throughout that calendar year will be distributed in accordance with LOSAP rules and regulations.

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, 2015 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

NOTE 19. COMMITMENTS AND CONTINGENT LIABILITIES

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

EPA REGULATORY ACTION (against Ford and Ringwood)

- a. The proceeding. The EPA has issued regulatory orders requiring Ford to clean up and remediate toxic waste deposits in Upper Ringwood. Ford has asserted claims that Ringwood has some responsibility regarding the same. EPA issued an order requiring Ringwood and Ford to cooperate in the remediation process.

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 19. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)

EPA REGULATORY ACTION (against Ford and Ringwood), (continued)

- b. The claims asserted. The amount of damages can not be determined at this time. Ford is cleaning up the affected areas under the control and regulation of the EPA. A dispute exists over responsibility for the removal of hazardous substances from an area entitled SR-6. NJDEP has remediated the area and advised Ford and Ringwood that it will hold them responsible for the costs. Ringwood denies any responsibility regarding the hazardous waste. EPA recently issued an order that Ringwood clean up the St. George's pit area.
- c. Amount of monetary damages sought. Precise amounts have not been determined, but Ringwood asserts that its insurance policies provide coverage.
- d. Objective sought by EPA is remediation; Ford is demanding contribution toward certain costs.
2. Progress of case: DEP has removed hazardous substances from SR-6. Ringwood and its insurance carriers and Ford are in discussions as to responsibility for further clean-up and apportionment of cost for work done.
3. Management and response to litigation: Borough denies any responsibility for hazardous waste remediation.
4. Evaluation of likelihood of outcome: Technical data received from Ringwood's experts indicates that any non solid waste substances on SR-6 are hazardous substances whose remediation is the responsibility of Ford. For the overwhelming bulk of remediation, the responsibility lies with Ford.
5. The EPA has finalized its plan to address contamination in three areas of the site: Peter's Mine Pit - Contaminated soil and other material will be removed from around the opening of the mine pit and the pit will be capped; Cannon Mine Pit - The mine pit will be capped; O'Connor Disposal Area - The area will be excavated with a contingency to consolidate and cap waste if the Borough of Ringwood builds a recycling center on this area of the site. A referendum has been proposed that would require the waste to be removed rather than consolidated and capped. If this referendum is voted on and passes, and the waste must be removed, the costs will be substantially higher.
6. Amount or range of potential loss: Cannot be determined at this time.

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 19. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)

DEP REQUIRING SOLID WASTE CLEAN-UP

- a. The proceeding. DEP has issued an administrative order requiring Ringwood to remove materials identified as SR-6.
 - b. The claim asserted. That Ringwood remove all waste substances located on SR-6.
 - c. Monetary damages. Cannot be determined at this time.
 - d. Whether or not damage covered by insurance. Dispute as to insurance coverage with Ringwood asserting coverage.
 - e. Objective sought by plaintiff. Removal of solid and toxic waste from SR-6.
2. Progress of Case. Ringwood has removed certain solid waste; DEP is removing the toxic waste and asserts that it will hold Ringwood and/or Ford liable for costs.
 3. Ringwood is contesting any requirement to contribute to the cost of removing toxic waste.
 4. Tests conducted by Ringwood's engineer indicates responsibility for toxic waste removal resides solely with Ford.
 5. Estimate amount or range of potential loss. Can not be determined at this time.

ROGER DEGROAT, 9 SHEEHAN DRIVE

Roger DeGroat, 9 Sheehan Drive: Part of the property owner's land collapsed resulting in a sink hole possibly stemming from surface mining activities. The property owner asserts that it is the Borough's responsibility to remediate the same. Open issue as to whether insurance coverage is available. The Borough is exploring ways to resolve the matter. DeGroat has agreed to a remediation plan proposed by the Borough wherein the Borough would use the proceeds of a state grant to pay for the work. Bid documents were prepared and the work was publicly advertised with only one bidder whose bid exceeded the budget amount and was rejected. A second public advertisement was conducted and no bids were received.

However, Mr DeGroat's property is now under mortgage foreclosure and the Borough has put any remediation effort on hold pending resolution of that suit.

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 19. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)

ROGER DEGROAT, 9 SHEEHAN DRIVE, (continued)

Mr. DeGroat has filed a Notice of Tort Claim which has been forwarded to the Borough's carrier. More than two (2) years have passed since the filing of the same.

VARIOUS TAX COURT APPEALS

North Jersey District Water Supply Commission v. Ringwood. Plaintiff contends that the assessment is in excess of the value of the premises. Plaintiff is the largest taxpayer in the Borough and any reduction in assessment could sufficiently impact tax revenues. Outcome of the case cannot be determined at this time.

UNASSERTED CLAIMS

DEP has conducted micro-gravity and toxic substance testing in Upper Ringwood and the results may indicate unstable infrastructure or health problems and/or residences which may result in claims similar to that of DeGroat above and claims about adverse health effects.

The Borough's Special Counsel has reported the following:

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

Since reaching these settlements with Ford and the insurance carriers, all of the parties have complied with their respective settlement obligations. Furthermore, the parties continue to work together and to negotiate resolution on the remaining issues including selection of the remedies by the EPA. To date, the Borough of Ringwood does not owe this firm any money for services or expenses as the insurance carriers are obligated to pay (and have been paying) for same pursuant to the settlement agreement.”

BOROUGH OF RINGWOOD, N.J.
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 20. OTHER MATTERS

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

The Borough experienced damage during the year ended December 31, 2011. On September 13, 2011, the Borough passed a special emergency resolution for \$1,600,000 payable over five years to fund the repairs. On December 21, 2011, the Borough passed Resolution number 2011-328 reducing the amount of the special emergency resolution by \$600,000 to \$1,000,000. On May 7, 2013, the Borough passed Resolution number 2013-162 reducing the amount of the special emergency resolution by \$248,000 to \$752,000.

NOTE 21. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events through August 18, 2016, the date which the financial statements were available to be issued and the following items were noted for disclosure:

On July 1, 2016, pursuant to the Faulkner Act (pursuant to which the governing body of the Borough of Ringwood was formed) a Petition Committee comprised of Ringwood residents submitted a proposed Petition with the requisite number of signatures of Ringwood residents requesting that a certain public question be placed on the general ballot for the November 2016 election, accompanied by a proposed Ordinance which, if approved, would change the partial settlements with Ford and the Ringwood insurance carriers set forth above. On or about August 18, 2016, the Borough of Ringwood filed a summary action in Superior Court against the Petition Committee challenging the legal validity of the public question was presented.

On September 19, 2016, the Hon. Ernest M. Caposela, A.J.S.C. signed an Order in favor of the Borough and granting the relief sought by the Borough and invalidated the Petition.

SUPPLEMENTARY DATA

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Tax Rate:</u>	<u>3.516</u>	<u>3.397</u>	<u>3.279</u>
<u>Apportionment of Tax Rate:</u>			
Municipal	.747	.754	.749
County	.858	.787	.766
Local School	1.243	1.224	1.198
Regional High School	.668	.632	.566
 <u>Assessed Valuation:</u>			
2015	\$1,469,218,300		
2014		\$1,461,359,600	
2013			\$1,460,834,800

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>
2015	\$51,885,148.69	\$51,144,265.45	98.57%
2014	50,139,392.37	49,336,996.92	98.40
2013	48,012,821.50	47,490,397.47	98.91

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>
2015	\$614,709.68	\$548,883.10	\$1,163,592.78	2.24%
2014	664,588.38	568,133.18	1,232,721.56	2.46
2013	424,985.93	496,504.61	921,490.54	1.92

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>
2015	\$3,056,400.00
2014	3,056,400.00
2013	3,056,400.00

COMPARISON OF WATER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Cash Collections</u>
2015	\$1,474,752.41	\$1,461,688.85
2014	1,431,879.82	1,443,556.97
2013	1,375,956.77	1,374,129.20

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2015	\$2,682,891.22	\$1,356,000.00
	2014	2,084,932.37	1,200,000.00
	2013	1,683,163.09	1,030,000.00
	2012	1,076,972.66	860,184.00
	2011	851,817.79	697,000.00
Water Utility Operating Fund	2015	\$221,444.26	\$77,000.00
	2014	17,614.48	-0-
	2013	53,706.62	53,000.00
	2012	73,826.34	70,000.00
	2011	2,462.81	-0-

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	
John M. Speer	Deputy Mayor	
Donna S. Anderson	Councilwoman	
Jim Martocci	Councilman	
Linda Schaefer	Councilwoman	
William E. Marsala	Councilman	
Sean Noonan	Councilman	
Scott Heck	Borough Manager/Director, DPW	
Kelley A. Halewicz	Deputy Borough Manager/Borough Clerk	
Gail Bado	CFO/Treasurer, Tax Collector	(A)
Joseph Perconti	Magistrate	(A)
Kathleen Quinn	Court Clerk and Violations Clerk	(A)
Ralph Fava	Prosecutor	
Lisa Perry	Animal Control	
Allen Spinozzi	Plumbing Inspector	
Michael Hafner	Building Inspector	
Joseph Walker	Chief of Police	
Helen Forsa	Secretary - Board of Adjustment	
Rich Motyka	Tax Assessor	
Richard J. Clemack	Attorney	
Charles J. Ferraioli	Auditor	

(A) Covered by a \$1,000,000 commercial crime policy issued through the Morris Municipal Joint Insurance Fund.

BOROUGH OF RINGWOOD, N.J.
Schedule of Expenditures of Federal Awards
Fiscal Year Ended December 31, 2015

Federal Grantor/Pass-Through Grantor/Program	Federal CFDA Number	State Agency Account Number	Program Amount	Grant Period		Cash Received		Program Expenditures		(MEMO) Cumulative Expenditures
				From	To	Prior Years	Current Year	Prior Years	Current Year	
U.S. Department of Housing and Urban Development:										
Community Development Block Grants	14.218	N/A	\$ 204,239	01/01/15	12/31/15	204,239		25,862	6,251	32,113
U.S. Department of Homeland Security:										
<i>Pass Through New Jersey Department of Law and Public Safety:</i>										
Disaster Grants - Public Assistance	97.036	066-1200-A92	218,652	01/01/13	12/31/13	108,844	6,814	218,652		218,652
Emergency Management Performance Grants	97.042	N/A	\$ 55,000	01/01/10	12/31/10	35,924		55,000		55,000
Subtotal						144,768	6,814	273,652	-	273,652
Total Federal Awards						<u>349,007</u>	<u>6,814</u>	<u>299,514</u>	<u>6,251</u>	<u>305,765</u>

Note: This schedule was not subject to an audit in accordance with Title 2, U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

BOROUGH OF RINGWOOD, N.J.
Schedule of Expenditures of State Financial Assistance
Fiscal Year Ended December 31, 2015

	State Grant Account Number	Program Amount	Grant Period		Cash Received		Program Expenditures		(MEMO) Cumulative Expenditures
			From	To	Prior Years	Current Year	Prior Years	Current Year	
State Funding Department									
New Jersey Department of Environmental Protection:									
Clean Communities Program	765-042-4900-004	\$ 28,108	01/01/13	12/31/13	28,108	4,511	23,597	28,108	*
	765-042-4900-004	26,365	01/01/14	12/31/14	26,365	4,368	4,368	4,368	*
	765-042-4900-004	32,033	01/01/15	12/31/15	32,033	27,965	0	0	*
					54,473	4,511	27,965	32,476	*
Recycling Tonnage Grant	752-042-4900-001	\$ 30,397	01/01/13	12/31/13	30,397	16,578	13,819	30,397	*
	752-042-4900-001	14,220	01/01/14	12/31/14	14,220	401	401	401	*
					44,617	16,578	14,220	30,798	*
New Jersey Department of Law and Public Safety:									
Body Armor Replacement Fund	718-066-1020-001	\$ 493	01/01/09	12/31/09	183	493	1,771	493	*
	718-066-1020-001	2,204	01/01/11	12/31/11	2,204	433	1,989	2,204	*
	718-066-1020-001	1,989	01/01/12	12/31/12	1,989	5,685	3,051	1,989	*
	718-066-1020-001	5,685	01/01/13	12/31/13	5,685	4,606	3,443	0	*
	718-066-1020-001	4,606	01/01/14	12/31/14	4,606	3,443	6,811	0	*
	718-066-1020-001	3,443	01/01/15	12/31/15	3,443	926	6,811	7,737	*
					14,667	926	6,811	7,737	*
New Jersey Department of Community Affairs:									
Neighborhood Preservation Program	100-022-8020-092-02-3510	\$ 365,000	01/01/09	12/31/09	365,000	352,737	197,368	352,737	*
Sinkhole Remediation Grant	N/A	\$ 238,000	01/01/06	12/31/06	238,000	197,368	550,105	197,368	*
					603,000	550,105	-	550,105	*
New Jersey Department of Justice:									
Alcohol Education and Rehabilitation Fund	760-098-Y900-001	\$ 3,181	01/01/08	12/31/08	3,181	200	-	200	*
	760-098-Y900-001	589	01/01/09	12/31/09	589	-	-	-	*
	760-098-Y900-001	1,520	01/01/11	12/31/11	1,520	699	-	-	*
					699	200	-	-	*
					5,989	200	-	200	*

BOROUGH OF RINGWOOD, N.J.
Schedule of Expenditures of State Financial Assistance
Fiscal Year Ended December 31, 2015

State Funding Department	State Grant Account Number	Program Amount	Grant Period		Cash Received		Program Expenditures		(MEMO) Cumulative Expenditures
			From	To	Prior Years	Current Year	Prior Years	Current Year	
<u>New Jersey Division of Motor Vehicles:</u> Drunk Driving Enforcement Fund	100-078-6400-YYYY	\$ 5,923	01/01/13	12/31/13	5,923	-	3,172	2,751	5,923
	100-078-6400-YYYY	4,697	01/01/14	12/31/14	4,697	-	-	1,167	1,167
			10,620			-	3,172	3,918	7,090
<u>Highlands Water Protection and Planning Council:</u> Plan Conformance Grant	100-082-2078-033	\$ 104,000	01/01/12	12/31/12	17,819	4,384	17,668	18,655	36,323
					17,819	4,384	17,668	18,655	36,323
<u>New Jersey Department of Transportation:</u> Highway Planning and Construction Highway Planning and Construction	078-6320-480	\$ 235,000	01/01/14	12/31/14		176,250		235,000	235,000
	078-6320-480	\$ 220,000	01/01/15	12/31/15		165,000		220,000	220,000
						341,250		455,000	455,000
<u>Pass-Through County of Passaic:</u> Municipal Alliance on Alcoholism and Drug Abuse	N/A	69,101	01/01/14	12/31/14	8,405	44,873	38,267	29,748	68,015
					8,405	44,873	38,267	29,748	68,015
					759,590	425,983	631,427	556,317	1,187,744
Total State Financial Assistance									

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

Statement of Current Cash -

Collector-Treasurer

Year Ended December 31, 2015

	Ref.	<u>Current Fund</u>
Balance December 31, 2014	A	4,015,734.94
Increased by Receipts:		
Taxes Receivable	A-6	51,492,877.94
Tax Title Liens	A-7	110,714.45
Revenue Accounts Receivable	A-9	600,168.13
2014 Appropriation Reserves	A-12	22,486.39
2015 Prepaid Taxes	A-14	229,549.08
State of New Jersey Chapter 73, Public Laws of 1976	A-16	93,332.03
Tax Overpayments	A-19	20,617.86
Miscellaneous Revenues Not Anticipated	A-2	401,310.66
Interfunds:		
- Other Trust Fund	A-10	3,795.00
- Federal and State Grant Fund	A-11	425,983.18
- Assessment Trust Fund	A-26	330.41
- General Capital Fund	A-22	1,000,000.00
Energy Receipts Tax	A-2	1,600,509.00
Uniform Fire and Safety Act	A-2	12,077.65
Sewer Rents	A-2	147,133.64
Reserve for Library Aid	A-23	5,347.00
Borough of Wanaque - Health Services	A-2	75,612.60
Borough of Wanaque - Municipal Court	A-2	38,853.81
Borough of Bloomingdale - Snake Den Rd.	A-2	35,180.00
Sale of Recycling Materials	A-2	30,026.88
Due to Outside Lien Holders	A-24	364,637.97
		<u>56,710,543.68</u>
		<u>60,726,278.62</u>

Statement of Current Cash -

Collector-Treasurer

Year Ended December 31, 2015

	<u>Ref.</u>	<u>Current Fund</u>
Decreased by Disbursements:		
2015 Appropriations	A-3	12,832,086.78
2014 Appropriation Reserves	A-12	940,427.19
Reserve for Encumbrances	A-13	1,697.99
Reserve for Tax Appeals	A-15	81,726.35
County Taxes	A-18	12,574,983.70
Tax Overpayments	A-19	8,966.49
Regional High School Tax	A-20	9,525,564.75
Local District School Tax	A-21	17,883,952.00
Interfund		
- Federal and State Grant Fund	A-11	321,317.48
- Other Trust Fund	A-10	147,490.74
- General Capital Fund	A-22	1,000,000.00
Reserve for Library Aid	A-23	5,347.00
Due to Outside Lien Holders	A-24	364,637.97
		<hr/>
		55,688,198.44
		<hr/>
Balance December 31, 2015	A	5,038,080.18
		<hr/> <hr/>

Borough of Ringwood, N.J.

Statement of Change Funds

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ <u>285.00</u>
Balance December 31, 2015	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, 2015

Year	Balance, Dec. 31, 2014	2015 Levy	Collections		State of N.J. Per Ch. 73 P.L. 1976	Remitted And Canceled Title Liens	Transferred to Tax Title Liens	Balance, Dec. 31, 2015
			2014	2015				
2009	39.00							39.00
2010	0.25							0.25
2011	50.00							50.00
2014	664,499.13		8,942.55	639,662.49		2,765.20	22,160.69	8,853.30
	664,588.38		8,942.55	639,662.49	-	2,765.20	22,160.69	8,942.55
2015		51,466,324.31	418,824.38	199,550.00	91,500.00	65,812.43	69,303.68	605,767.13
	664,588.38	51,466,324.31	427,766.93	199,550.00	91,500.00	68,577.63	91,464.37	614,709.68
A			A-2, A-14	A-2, A-4	A-2, A-16		A-7	A
Analysis of 2015 Property Tax Levy								
<u>Tax Yield</u>								
General Purpose					51,466,324.31			
Added Taxes (54:4-36 et seq.)					418,824.38		51,885,148.69	
<u>Tax Levy</u>								
Municipal Open Space Tax					147,490.74			
Regional High School Tax (Abstract)					9,818,320.00			
Local District School Tax (Abstract)					18,254,173.00			
County Taxes					12,506,837.27		40,726,821.01	
Local Tax for Municipal Purposes (Abstract)					10,976,077.00			
Add: Additional Tax Levies					182,250.68		11,158,327.68	
							51,885,148.69	

Exhibit A-7

Borough of Ringwood, N.J.
Statement of Tax Title Liens
Year Ended December 31, 2015

	<u>Ref.</u>	
Balance December 31, 2014	A	568,133.18
Increased by:		
Transfer from Taxes Receivable	A-6	<u>91,464.37</u>
		659,597.55
Decreased by:		
Receipts	A-4	<u>110,714.45</u>
Balance December 31, 2015	A	<u><u>548,883.10</u></u>

Exhibit A-8

Statement of Property Acquired for Taxes -
Assessed Valuations
Year Ended December 31, 2015

	<u>Ref.</u>	
Balance December 31, 2014	A	<u><u>3,056,400.00</u></u>
Balance December 31, 2015	A	<u><u>3,056,400.00</u></u>

Borough of Ringwood, N.J.

Statement of Revenue Accounts Receivable

Year Ended December 31, 2015

	<u>Ref.</u>	<u>Balance,</u> <u>Dec. 31,</u> <u>2014</u>	<u>Accrued</u> <u>in</u> <u>2015</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31,</u> <u>2015</u>
Clerk					
Licenses:					
Alcoholic beverages	A-2	-	3,720.00	3,720.00	-
Other	A-2	-	1,335.00	1,335.00	-
Fees and Permits	A-2	-	21,755.10	21,755.10	-
Park and Ride	A-2	-	25,385.00	25,385.00	-
Non-Budget Revenue	A-2	-	585.00	585.00	-
Building Code Official:					
Uniform Construction Code Fees	A-2	-	148,347.00	148,347.00	-
Municipal Court:					
Fines and Costs	A-2	9,157.80	130,715.00	129,330.18	10,542.62
Board of Health:					
Licenses	A-2	-	6,720.00	6,720.00	-
Fees and Permits	A-2	-	19,924.00	19,924.00	-
Non-Budget Revenue	A-2	-	2,535.00	2,535.00	-
Police Department:					
Fees and Permits	A-2	-	17,431.87	17,431.87	-
Treasurer:					
Fees and Permits	A-2	-	24,012.00	24,012.00	-
Non-Tenant Rent - Transferred from Ringwood					
Solid Waste Management Authority		5,061.50			5,061.50
Borough of Pompton Lakes -					
Stormwater System Cleaning		13,000.00			13,000.00
Interest and Costs on Taxes	A-2	-	198,787.98	198,787.98	-
Election Revenue	A-2	-	300.00	300.00	-
		<u>27,219.30</u>	<u>601,552.95</u>	<u>600,168.13</u>	<u>28,604.12</u>
		A		A-4	A

Exhibit A-10

Borough of Ringwood, N.J.

Statement of Due From Other Trust Fund

	<u>Ref.</u>	
Balance December 31, 2014	A	5,731.00
Increased by:		
Disbursements	A-4	<u>147,490.74</u>
		153,221.74
Decreased by:		
Municipal Open Space Taxes	A-1; A-6	147,490.74
Public Defender Fees Collected in Current	A-4	<u>3,795.00</u>
		<u>151,285.74</u>
Balance December 31, 2015	A	<u><u>1,936.00</u></u>

Exhibit A-11

Statement of Due From Federal and State Grant Fund

	<u>Ref.</u>	
Balance December 31, 2014	A	120,406.95
Increased by:		
Federal and State Grant Fund Expenditures	A-4	<u>321,317.48</u>
		441,724.43
Decreased by:		
Federal and State Grant Receipts:		
Appropriated	A-4	<u>425,983.18</u>
Balance December 31, 2015		
Due From Federal and State Grant Fund	A	<u><u>15,741.25</u></u>

Borough of Ringwood, N.J.

Statement of 2014 Appropriation Reserves

	<u>Balance 12/31/14</u>	<u>After Modification</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
General Government:				
Department of Administration:				
Office of Borough Manager:				
Salaries and Wages	731.57	731.57	681.50	50.07
Other Expenses	1,511.73	8,731.06	8,730.55	0.51
Legislation				
Other Expenses	979.12	179.12		179.12
Elections				
Salaries and Wages	656.96	56.96		56.96
Other Expenses	20.89	20.89		20.89
Legal Services				
Other Expenses	2,889.17	56,914.37	56,912.03	2.34
Office of Data Processing				
Other Expenses	1,013.62	49,118.28	48,016.72	1,101.56
Office of Emergency Mgmt.				
Salaries and Wages	1,295.72	1,295.72		1,295.72
Other Expenses	844.57	12,473.57	12,236.50	237.07
Division of Engineering				
Salaries and Wages	171.15	171.15	155.96	15.19
Other Expenses	338.54	50,967.42	46,244.92	4,722.50
Department of Finance:				
Office of Treasurer				
Salaries and Wages	2,055.45	2,055.45	2,055.45	-
Other Expenses	686.48	1,786.48	1,572.38	214.10
Division of Tax Collection				
Salaries and Wages	1,264.75	1,264.75	1,264.75	-
Other Expenses	1,184.79	1,283.79	1,047.20	236.59
Division of Tax Assessment				
Salaries and Wages	501.40	1,601.40	1,558.46	42.94
Other Expenses	261.60	261.60		261.60
Division of Financial Control				
Other Expenses	635.00	8,135.00	8,135.00	-
Statutory Agencies:				
Municipal Prosecutor				
Salaries and Wages	3,471.00	71.00		71.00
Planning Board				
Salaries and Wages	345.39	345.39	340.32	5.07
Other Expenses	616.01	616.01	600.00	16.01
Board of Adjustment				
Salaries and Wages	949.02	949.02	949.02	-
Other Expenses	335.05	335.05	161.15	173.90
Industrial Commission				
Salaries and Wages	125.00	125.00		125.00
Environmental Commission				
Salaries and Wages	238.60	238.60		238.60
Other Expenses	247.50	247.50		247.50
Insurance:				
Other Insurance Premiums	9,679.52	679.52		679.52
Group Insurance Plan - Employees	28,648.82	5,548.82	2,734.69	2,814.13

Borough of Ringwood, N.J.

Statement of 2014 Appropriation Reserves

	<u>Balance 12/31/14</u>	<u>After Modification</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Department of Police:				
Division of Patrol				
Salaries and Wages	2,598.73	4,135.33	1,067.22	3,068.11
Other Expenses	7,550.29	72,000.78	63,942.48	8,058.30
Division of Traffic/Crossing Guards				
Salaries and Wages	1,620.14	820.14	800.63	19.51
Other Expenses	256.02	300.00	43.98	256.02
Division of Investigation				
Salaries and Wages	1,406.07	406.07		406.07
Division of Communications				
Salaries and Wages	11,302.31	7,302.31	5,334.28	1,968.03
Other Expenses	3,591.06	3,793.86	457.76	3,336.10
O.S.H.A. Standard Fire Fighting Equip.				
Purchase of Fire Equipment	0.01	0.01		0.01
Aid To Volunteer Fire Companies				
Other Expenses	0.01	0.01		0.01
Bureau of Fire Prevention:				
Other Expenses	1,350.00	350.00	64.00	286.00
Uniform Fire Safety Act:				
Fire Inspection				
Salaries and Wages	501.00	501.00	500.00	1.00
Other Expenses	47.15	147.15		147.15
Department of Public Works:				
Division of Streets and Roads				
Salaries and Wages	19,715.67	12,815.67	11,719.39	1,096.28
Other Expenses	482.87	59,332.29	59,265.31	66.98
Division of Snow and Ice Control				
Salaries and Wages	31,934.43	52,909.91	52,909.91	-
Other Expenses	48,558.77	161,551.93	160,437.97	1,113.96
Division of Equipment Maint.				
Salaries and Wages	3,397.93	3,397.93	2,589.39	808.54
Other Expenses	526.10	23,934.45	23,586.18	348.27
Buildings and Grounds				
Salaries and Wages	14,064.67	7,564.67	6,683.69	880.98
Other Expenses	770.18	202,675.62	200,075.96	2,599.66
Solid Waste/Recycling				
Salaries and Wages	2,831.53	1,631.53	1,376.66	254.87
Other Expenses	261.52	261.52	245.00	16.52
Division of Sewer				
Salaries and Wages	9,234.97	9,234.97	9,212.00	22.97
Other Expenses	43,843.22	55,827.88	55,823.35	4.53
Dept. of Community Development:				
Division of Public Health				
Other Expenses	9,187.26	13,357.31	6,802.81	6,554.50
Recreation				
Salaries and Wages	4,976.14	1,976.14	1,092.87	883.27
Other Expenses	2,304.48	11,835.95	9,439.15	2,396.80
Municipal Cable TV Committee				
Salaries and Wages	50.00	50.00		50.00
Division of Code Enforcement:				
Bureau of Building Construction				
Salaries and Wages	1,228.91	3,228.91	2,965.27	263.64
Other Expenses	1,223.12	1,223.12		1,223.12
Bureau of Plumbing Inspection				
Salaries and Wages	411.45	11.45		11.45

Borough of Ringwood, N.J.

Statement of 2014 Appropriation Reserves

	Balance 12/31/14	After Modification	Paid or Charged	Balance Lapsed
Municipal Court				
Salaries and Wages	3,461.41	3,461.41	2,588.48	872.93
Other Expenses	232.49	593.69	361.20	232.49
Public Defender				
Salaries and Wages	501.00	501.00		501.00
Unclassified:				
Gasoline	14,599.90	18,877.52	18,277.62	599.90
Electricity	10,656.57	6,399.82	4,969.18	1,430.64
Natural Gas	10,628.72	4,787.95	4,787.95	-
Telephone and Telegraph	475.18	959.57	508.06	451.51
Transportation Contract - Lakeland HS	86.17	86.17	86.17	-
Celebration of Public Events	575.44	10,739.28	9,163.91	1,575.37
Drug and Alcohol Testing	3,884.00	3,939.00	55.00	3,884.00
Contingent	100.00	100.00		100.00
Statutory Expenditures:				
Social Security (O.A.S.I.)	221.41	12,626.73	6,761.12	5,865.61
Unemployment	4,449.72	10,449.72	10,000.00	449.72
Reserve for Tax Appeals	60,000.00	60,000.00		60,000.00
Aid To Library	8,453.55	12,745.95	8,237.14	4,508.81
LOSAP	37,000.00	37,000.00		37,000.00
Interlocal Service Agreement:				
Division of Public Health				
Salaries and Wages	4,948.62	4,948.62	4,799.50	149.12
	447,198.61	1,106,998.83	940,427.19	166,571.64
	A		A-4	A-1
Appropriation Reserves	A-12	447,198.61		
Refunds	A-4	22,486.39		
Reserve for Encumbrances	A-13	637,313.83		
		1,106,998.83		

Borough of Ringwood, N.J.

Statement of Reserve for Encumbrances

	<u>Ref.</u>		
Balance December 31, 2014	A		639,011.82
Increased by:			
2015 Appropriations Encumbered	A-3		<u>643,719.47</u>
			1,282,731.29
Decreased by:			
Disbursed - Fed. & State Grants	A-4	1,697.99	
Appropriation Reserves	A-12	<u>637,313.83</u>	
			<u>639,011.82</u>
Balance December 31, 2015	A		<u><u>643,719.47</u></u>

Statement of Prepaid Taxes

	<u>Ref.</u>		
Balance December 31, 2014	A		199,550.00
Increased by:			
Collection of 2016 Taxes	A-4		<u>229,549.08</u>
			429,099.08
Decreased by:			
2014 Taxes Applied	A-6		<u>199,550.00</u>
Balance December 31, 2015	A		<u><u>229,549.08</u></u>

Borough of Ringwood, N.J.
Statement of Reserve for Tax Appeals

	<u>Ref.</u>	
Balance December 31, 2014	A	8,179.63
Increased by:		
Budget Appropriation	A-3	100,000.00
		108,179.63
Decreased by:		
Disbursements	A-4	81,726.35
		26,453.28
Balance December 31, 2015	A	26,453.28

Statement of Due to State of New Jersey -
Deduction Per Chapter 73, P.L. 1976

	<u>Ref.</u>	
Balance December 31, 2014	A	31,551.40
Increased by:		
Cash Received	A-4	93,332.03
		124,883.43
Decreased by:		
Senior Citizens and Veterans Tax Deductions Per Tax Billing	A-6	91,500.00
		33,383.43
Balance December 31, 2015	A	33,383.43

Borough of Ringwood, N.J.

Statement of Due to Water Operating Fund

	<u>Ref.</u>	
Balance December 31, 2014	A	<u>722.09</u>
Balance December 31, 2015	A	<u>722.09</u>

Statement of County Taxes

	<u>Ref.</u>		
Balance December 31, 2014	A		118,386.62
Increased by:			
County Tax	A-1	12,458,584.14	
Added and Omitted Taxes	A-1	<u>48,253.13</u>	
	A-6		<u>12,506,837.27</u>
			<u>12,625,223.89</u>
Decreased by:			
Payments	A-4		<u>12,574,983.70</u>
Balance December 31, 2015	A		<u>50,240.19</u>

Borough of Ringwood, N.J.
Statement of Tax Overpayments

	<u>Ref:</u>	
Increased by:		
2015 Overpayments	A-4	<u>20,617.86</u>
		20,617.86
Decreased by:		
Refunds	A-4	<u>8,966.49</u>
Balance December 31, 2015	A	<u><u>11,651.37</u></u>

Borough of Ringwood, N.J.

Statement of Regional High School Tax

	Ref.		
Balance December 31, 2014			
School Tax Payable	A	50,998.31	
School Tax Deferred		<u>4,616,404.50</u>	
			4,667,402.81
Increased by:			
Levy - School Year - (July 1, 2015 to June 30, 2016)	A-6		<u>9,818,320.00</u>
			14,485,722.81
Decreased by :			
Payments	A-4		<u>9,525,564.75</u>
Balance December 31, 2015			
School Tax Payable	A	50,998.31	
School Tax Deferred		<u>4,909,159.75</u>	
			<u>4,960,158.06</u>
2015 Liability for Regional High School Tax:			
Tax Paid			9,525,564.75
Tax Payable 12-31-2015			<u>50,998.31</u>
			9,576,563.06
Less: Tax Payable 12-31-2014			<u>50,998.31</u>
Amount Charged to 2015 Operations	A-1		<u>9,525,564.75</u>

Statement of Local District School Tax

	Ref.		
Balance December 31, 2014			
School Tax Payable	A	378,046.17	
School Tax Deferred		<u>8,942,242.00</u>	
			9,320,288.17
Increased by:			
Levy - School Year - (July 1, 2015 to June 30, 2016)	A-6		<u>18,254,173.00</u>
			27,574,461.17
Decreased by :			
Payments	A-4		<u>17,883,952.00</u>
Balance December 31, 2015			
School Tax Payable	A	563,422.67	
School Tax Deferred		<u>9,127,086.50</u>	
			<u>9,690,509.17</u>
2015 Liability for Local District School Tax:			
Tax Paid			17,883,952.00
Tax Payable 12-31-15			<u>563,422.67</u>
			18,447,374.67
Less: Tax Payable 12-31-2014			<u>378,046.17</u>
Amount Charged to 2015 Operations	A-1		<u>18,069,328.50</u>

Borough of Ringwood, N.J.

Statement of Due To General Capital Fund

	<u>Ref.</u>	
Balance December 31, 2014	A	209,229.07
Increased by:		
Receipts	A-4	<u>1,000,000.00</u>
		1,209,229.07
Decreased by:		
Disbursements	A-4	<u>1,000,000.00</u>
		209,229.07
Balance December 31, 2015	A	<u><u>209,229.07</u></u>

Statement of Reserve for Library Aid

	<u>Ref.</u>	
Increased by:		
Receipts	A-4	<u>5,347.00</u>
Decreased by:		
Disbursements	A-4	<u>5,347.00</u>

Exhibit A-24

Borough of Ringwood, N.J.

Statement of Due to Outside Lienholders

	<u>Ref.</u>	
Increased by:		
Receipts	A-4	<u>364,637.97</u>
Decreased by:		
Disbursements	A-4	<u>364,637.97</u>

Exhibit A-25

Statement of Accounts Payable

	<u>Ref.</u>	
Balance December 31, 2014	A	<u>213.85</u>
Balance December 31, 2015	A	<u>213.85</u>

Borough of Ringwood, N.J.

Statement of Due from Assessment Trust Fund

	Ref.	
Balance December 31, 2014	A	7,034.38
Decreased by:		
Receipts	A-4	<u>330.41</u>
Balance December 31, 2015	A	<u><u>6,703.97</u></u>

Borough of Ringwood, N.J.

Statement of Deferred Charges

N.J.S. 40:A4-55 Special Emergency - Hurricane Damage

Date Authorized	Purpose	Net Amount Authorized	1/5 of Net Amount Authorized	Balance Dec. 31, 2014	Added In 2015	Reduced in 2015	Balance Dec. 31, 2015
09/13/11	Hurricane Damage	1,000,000.00	200,000.00	152,000.00	-	152,000.00	-
		<u>1,000,000.00</u>	<u>200,000.00</u>	<u>152,000.00</u>	<u>-</u>	<u>152,000.00</u>	<u>-</u>
				<u>A</u>		<u>A-3</u>	<u>A</u>

Borough of Ringwood, N.J.

Federal and State Grant Fund

Statement of Due to Current Fund

Balance December 31, 2014	<u>Ref.</u> A		120,406.95
Increased by:			
Federal and State Grant Fund Expenditures	A-30	<u>321,317.48</u>	<u>321,317.48</u>
			441,724.43
Decreased by:			
State Grant Receipts- Appropriated	A-29	<u>425,983.18</u>	<u>425,983.18</u>
Balance December 31, 2015	A		<u><u>15,741.25</u></u>

Borough of Ringwood, N.J.

Federal and State Grant Fund

Schedule of State and Federal Grants Receivable

	Balance Dec. 31, 2014	2015 Revenue	Received	Cancelled	Balance Dec. 31, 2015
Municipal Alliance Program	60,696.47		44,872.94		15,823.53
Body Armor Grant	310.49	5,778.08	5,778.08		310.49
Clean Communities Program		32,032.96	32,032.96		-
Recycling Tonnage Grant		14,219.79	14,219.79		-
State of NJ Transportation Trust Fund:					
- Cupsaw Drive, Section 4&5	235,000.00		176,250.00		58,750.00
- Cupsaw Drive, Section 5		220,000.00	165,000.00		55,000.00
FEMA Emergency Management	19,076.69				19,076.69
NJ Highlands Water Protection:					
Plan Conformance Grant	86,181.24		4,384.20		81,797.04
Drunk Driving Enforcement Fund					-
Alcohol Education and Rehabilitation Fund					-
	<u>401,264.89</u>	<u>272,030.83</u>	<u>442,537.97</u>	-	<u>230,757.75</u>
	A	A-2			A
Cash Received		A-28	425,983.18		
Transfer from Unappropriated Reserves		A-31	<u>16,554.79</u>		
			<u>442,537.97</u>		

Borough of Ringwood, N.J.

Federal and State Grant Fund

Statement of Appropriated Reserves for Grants

<u>Grant</u>	<u>Balance, Dec. 31, 2014</u>	<u>Increased</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance, Dec. 31, 2015</u>
N.J. DEP Clean Communities Program	49,962.57	32,032.96	27,965.10		54,030.43
Federal Emergency Management Funds	3,007.11				3,007.11
Recycling Tonnage Grant	13,819.14	14,219.79	14,219.79		13,819.14
Body Armor Grant	11,717.21	5,778.08	6,811.30		10,683.99
Municipal Alliance Program	30,834.43		29,748.47		1,085.96
Planning Assistance COAH Grant	2,500.00				2,500.00
New Jersey Transportation Trust - Cupsaw Drive, Section 5		220,000.00	220,000.00		-
Alcohol Education and Rehabilitation Fund	5,788.71				5,788.71
Drunk Driving Enforcement Fund	7,448.29		3,917.87		3,530.42
DCA Small Cities Block Grant - Sheehan Drive	40,631.55				40,631.55
NJ Highlands Water Protection: Plan Conformance Grant	86,331.50		18,654.95		67,676.55
NJ Department of Community Affairs Neighborhood Preservation Program	12,262.64				12,262.64
	<u>264,303.15</u>	<u>272,030.83</u>	<u>321,317.48</u>	<u>-</u>	<u>215,016.50</u>
	A	A-3	A-28		A

Borough of Ringwood, N.J.

Federal and State Grant Fund

Statement of Unappropriated Reserves for Grants

<u>Grant</u>	<u>Balance, Dec. 31, 2014</u>	<u>Transfer to 2015 Budget</u>	<u>Receipts</u>	<u>Balance, Dec. 31, 2015</u>
Recycling Tonnage Grant	14,219.79	14,219.79		-
Body Armor Grant	2,335.00	2,335.00		-
	<u>16,554.79</u>	<u>16,554.79</u>	<u>-</u>	<u>-</u>
	A	A-29		A

Borough of Ringwood, N.J.

Statement of Trust Cash Collector - Treasurer

Trust Fund

Year Ended December 31, 2015

Ref.	Animal Control	Assessment Trust	Other Trust
B	2,469.38	391,816.40	3,442,729.49
Increased by Receipts:			
B-2	2,991.00		
B-3	26,614.00		
B-4		187,463.63	
B-13		1,493.57	
B-6		10,289.00	
B-7		950.00	
B-11		150,145.15	
B-15		22.70	
B-16	29,605.00	151,661.42	4,031,078.70
	<u>32,074.38</u>	<u>543,477.82</u>	<u>7,473,808.19</u>
Decreased by Disbursements:			
B-2	2,983.80		
B-3	29,006.58		
B-4		38,601.98	
B-5			
B-6		6,521.00	
B-7		1,050.00	
B-8		76,902.25	
B-14		111,163.34	
B-16			5,385,170.86
	<u>31,990.38</u>	<u>111,163.34</u>	<u>5,508,246.09</u>
B	<u>84.00</u>	<u>432,314.48</u>	<u>1,965,562.10</u>

Recapitulation

Other Trust	1,703,552.16
Unemployment Insurance Trust Fund	89,884.41
Small Cities EDA Grant	172,125.53
	<u>1,965,562.10</u>

Borough of Ringwood, N.J.
Statement of Due to State Department of Health
Trust Fund
Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	B	12.00
Increased by:		
Receipts - State Share of Dog Licenses Fees	B-1	2,991.00
		3,003.00
Decreased by:		
Disbursements	B-1	2,983.80
		19.20
Balance - December 31, 2015	B	19.20

Statement of Reserve for Animal Control Fund Expenditures
Trust Fund
Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	B	2,457.38
Increased by:		
Dog License Fees Collected	B-1	20,304.00
Cat License Fees Collected	B-1	3,000.00
Late Fees	B-1	3,310.00
		26,614.00
		29,071.38
Decreased by:		
Expenditures under R.S. 4:19-15.11	B-1	29,006.58
		64.80
Balance - December 31, 2015	B	64.80

License Fees Collected

<u>Year</u>	
2014	21,621.60
2015	20,304.00
	41,925.60
	41,925.60

Exhibit B-4

Borough of Ringwood, N.J.

Statement of Deposits Payable

Trust Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	B	134,011.48
Increased by:		
Cash Receipts	B-1	<u>187,463.63</u>
		321,475.11
Decreased by:		
Encumbrances	B-8	2,023.00
Cash Disbursements	B-1	<u>38,601.98</u>
		<u>40,624.98</u>
Balance - December 31, 2015	B	<u><u>280,850.13</u></u>

Exhibit B-5

Statement of Due To Current Fund - Other Trust Fund

Trust Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	B	5,731.00
Decreased by:		
Fees Collected in Current Fund	B-16	<u>3,795.00</u>
Balance - December 31, 2015	B	<u><u>1,936.00</u></u>

Borough of Ringwood, N.J.
Statement of Due to State of New Jersey
For Building Surcharge
Trust Fund
Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	B	10.00
Increased by:		
Receipts	B-1	10,289.00
		10,299.00
Decreased by:		
Disbursements	B-1	6,521.00
		6,521.00
Balance - December 31, 2015	B	3,778.00

Statement of Due to State of New Jersey - Marriage Surcharge
Trust Fund
Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	B	275.00
Increased by:		
Receipts	B-1	950.00
		1,225.00
Decreased by:		
Disbursements	B-1	1,050.00
		1,050.00
Balance - December 31, 2015	B	175.00

Borough of Ringwood, N.J.
Statement of Encumbrances Payable
Trust Fund
Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	B	76,902.25
Increased by:		
Charges to:		
Deposits Payable	B-4	2,023.00
		<u>78,925.25</u>
Decreased by:		
Disbursements	B-1	76,902.25
		<u>76,902.25</u>
Balance - December 31, 2015	B	<u><u>2,023.00</u></u>

Statement of Net Assets Available for Benefits
Trust Fund
Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	B	1,315,885.10
Increased by:		
Borough Contributions		44,200.00
Plan Earnings		671.37
		<u>44,871.37</u>
		<u>1,360,756.47</u>
Decreased by:		
Decrease in Unit Value		10,825.98
Distributions		68,472.67
		<u>79,298.65</u>
Balance - December 31, 2015	B	<u><u>1,281,457.82</u></u>

Borough of Ringwood, N.J.

Analysis of Assessment Trust Cash

Assessment Trust Fund

Year Ended December 31, 2015

	Balance Dec. 31, 2014	Receipts		Disbursements	Transfers		Balance Dec. 31, 2015
		Assessments	Miscellaneous		To	From	
<u>Assessment Loans Payable:</u>							
2007-01 Skyline Lakes Dam Reconstruction	258,355.70	85,943.31		86,357.20	1,823.98		259,765.79
2010-01 Erskine Lakes Dam Restoration	101,926.32	62,094.77		24,806.14			139,214.95
<u>Other Liabilities</u>	24,500.00	2,107.07	22.70				26,629.77
<u>Trust Surplus</u>	7,034.38		1,493.57			1,823.98	6,703.97
<u>Current Fund</u>	391,816.40	150,145.15	1,516.27	111,163.34	1,823.98	1,823.98	432,314.48
	<u>B</u>	<u>B-11</u>	<u>B-13, B-15</u>	<u>B-14</u>			<u>B</u>

Borough of Ringwood, N.J.
Statement of Assessments Receivable
Assessment Trust Fund
Year Ended December 31, 2015

Ordinance Date or Number	Improvement Description	Date of Confirmation	Installments	Due Date	Balance Dec. 31, 2014	Trans. To Assessment Liens	Collected	Audit Adjustment	Balance Dec. 31, 2015	Balance Pledged to	
										Loan Payable	Reserve
2007-01	Skyline Lakes Dam Reconstruction	06-04-09	18	07-15-09-26	809,403.64	1,681.25	85,943.31	(1,026.00)	720,753.08	720,753.08	
2010-01	Erskine Lakes Dam Restoration	06-15-10	18	06-30-10-27	562,794.75	153.44	62,094.77		500,546.54	500,546.54	
2014-16	Old Logging Road Improvement	12-18-14	10	02-20-15-24	21,070.49		2,107.07		18,963.42		18,963.42
					<u>1,393,268.88</u>	<u>1,834.69</u>	<u>150,145.15</u>	<u>(1,026.00)</u>	<u>1,240,263.04</u>	<u>1,221,299.62</u>	<u>18,963.42</u>
					B	B-12	B-1	B-13	B		B

Borough of Ringwood, N.J.

Statement of Assessment Liens

Assessment Trust Fund

Year Ended December 31, 2015

Ordinance Date or Number	Improvement Description	Balance Dec. 31, 2014	Trans. From Assessments Receivable	Audit Adjustment	Balance Dec. 31, 2015	Balance Pledged to	
						Loan Payable	Reserve
2007-01	Skyline Lakes Dam Reconstruction	11,705.74	1,681.25	(797.98)	12,589.01	12,589.01	
2010-01	Erskine Lakes Dam Restoration	812.20	153.44		965.64	965.64	
		<u>12,517.94</u>	<u>1,834.69</u>	<u>(797.98)</u>	<u>13,554.65</u>	<u>13,554.65</u>	<u>-</u>
		B	B-11	B-13	B		

Borough of Ringwood, N.J.
Statement of Due To Current Fund
Assessment Trust Fund
Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	B	7,034.38
Increased by:		
Receipts	B-1	1,493.57
		8,527.95
Decreased by:		
Audit Adjustment	B-11, B-12	1,823.98
		6,703.97
Balance - December 31, 2015	B	6,703.97

Borough of Ringwood, N.J.

Statement of Loans Payable - State of New Jersey

Assessment Trust Fund

Year Ended December 31, 2015

Ordinance Date or Number	Improvement Description	Balance Dec. 31, 2014	Loans Received	Loan Repayments	Balance Dec. 31, 2015
2007-01	Skyline Lakes Dam Reconstruction	1,079,465.08		86,357.20	993,107.88
2010-01	Erskine Lakes Dam Restoration	669,765.83		24,806.14	644,959.69
		<u>1,749,230.91</u>		<u>111,163.34</u>	<u>1,638,067.57</u>
		B		B-1	B

Borough of Ringwood, N.J.

Statement of Reserve For Assessments and Liens

Assessment Trust Fund

Year Ended December 31, 2015

Ordinance Date or Number	Improvement Description	Balance	
		Dec. 31, 2014	Dec. 31, 2015
2007-01	Skyline Lakes Dam Reconstruction	24,500.00	24,500.00
2014-16	Old Logging Road Improvements	21,070.49	21,093.19
		<u>45,570.49</u>	<u>45,593.19</u>
		B	B
		<u>B-1</u>	<u>B</u>

Borough of Ringwood, N.J.

Statement of Other Trust Various Reserves

Year Ended December 31, 2015

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Reserve For:				
Unemployment Insurance Trust Fund	80,948.25	28,464.66	19,528.50	89,884.41
Small Cities Development Grant	178,377.22		6,251.69	172,125.53
Community Center	2,002,396.71	2,506,137.87	4,508,534.58	
Flexible Spending Account	1,248.67	2,050.05	2,014.38	1,284.34
Public Defender Fees	11,925.73	3,795.00	11,925.73	3,795.00
DARE Program	7,903.58	3,745.00	4,654.28	6,994.30
Parking Offenses Adjudication Act	531.02	4.00		535.02
Tax Sale Premiums	299,800.00	842,000.00	715,300.00	426,500.00
Terminal Leave Compensation	42,294.51	12,000.00	28,411.52	25,882.99
Developer Agreement	1,299.75			1,299.75
Fire Prevention	2,259.79	100.00		2,359.79
Affordable Housing	55,695.76	10,008.06	42,500.00	23,203.82
Ringwood Fair	2,038.75			2,038.75
Inspection Fees	113.76	16,000.00	7,845.27	8,268.49
LOSAP	53,146.03			53,146.03
Super Fund Traffic Study	2,200.00			2,200.00
Tennessee Gas Pipeline	85,759.96		1,832.00	83,927.96
Municipal Open Space	397,860.27	411,866.43	36,372.91	773,353.79
Total	<u>3,225,799.76</u>	<u>3,836,171.07</u>	<u>5,385,170.86</u>	<u>1,676,799.97</u>
	B		B-1	B
Interfund Current Fund	B-5	3,795.00		
Cash Receipts	B-1	<u>3,832,376.07</u>		
		<u>3,836,171.07</u>		

Borough of Ringwood, N.J.

Statement of Amount to be Raised by Taxation for Canceled Assessments

Assessment Trust Fund

Year Ended December 31, 2015

<u>Ordinance Date or Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2014</u>	<u>Raised by Budget Appropriation</u>	<u>Balance Dec. 31, 2015</u>	<u>Balance Pledged to Loan Payable</u>
2010-01	Erskine Lakes Dam Restoration	4,232.56		4,232.56	4,232.56
		<u>4,232.56</u>		<u>4,232.56</u>	<u>4,232.56</u>
		B		B	

Borough of Ringwood, N.J.

Statement of General Capital Cash Collector - Treasurer

General Capital Fund

Year Ended December 31, 2015

	<u>Ref.</u>		
Balance - December 31, 2014	C		2,764,198.87
Increased by Receipts:			
Premiums Received	C-1	17,385.12	
Interfund - Current Fund	C-6	700,000.00	
General Serial Bonds	C-7	3,540,000.00	
Capital Improvement Fund	C-10	35,000.00	
Reserve for Capital Project	C-13	4,508,534.58	
Reserve for Various Projects	C-14	<u>108,500.00</u>	
			<u>8,909,419.70</u>
			11,673,618.57
Decreased by Disbursements:			
Interfund - Current Fund	C-6	700,000.00	
Bond Anticipation Notes	C-8	3,540,000.00	
Improvement Authorizations	C-9	1,372,366.39	
Contracts Payable	C-11	95,858.35	
Reserve for Various Projects	C-14	<u>154,327.42</u>	
			<u>5,862,552.16</u>
Balance - December 31, 2015	C		<u><u>5,811,066.41</u></u>

Borough of Ringwood, N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Capital Fund Balance	C-1	19,832.26
Due from Current Fund	C-6	(209,229.07)
Capital Improvement Fund	C-10	80,758.95
Contracts Payable	C-11	675,338.31
Reserve for Capital Project	C-13	4,508,534.58
Reserve for Various Projects	C-14	248,043.75
<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)
2000-09	Purchase of a Communication System	865.90
2003-10	Acquisition of Vehicular Equipment	(3,239.49)
2005-19	Various Improvements	4,049.35
2007-12	Various Improvements	1,241.50
2008-16	Various Improvements	15,959.79
2013-09	Various Improvements	222,184.56
2014-05	Various Improvements	687,494.15
2015-08	Paving of Various Roads	9,193.04
2015-09	Improvements to Various Roads	<u>(433,076.82)</u>
Balance - December 31, 2015	C	<u><u>5,811,066.41</u></u>

Borough of Ringwood, N.J.

Statement of Deferred Charges to Future Taxation - Funded

General Capital Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	C	5,697,645.87
Increased by:		
Serial Bonds Issued	C-5	<u>3,540,000.00</u>
		9,237,645.87
Decreased by:		
Payments by Budget Appropriation:		
Green Trust Loan	C-12	8,155.13
Serial Bonds	C-7	<u>510,000.00</u>
		<u>518,155.13</u>
Balance - December 31, 2015	C	<u><u>8,719,490.74</u></u>

Borough of Ringwood, N.J.
Statement of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2014	2015 Authoriz.	Trans. To Def. Taxation Funded	Balance Dec. 31, 2015	Analysis of Balance Dec. 31, 2015		
							Financed by Bond Anticipation Notes	Expenditures	Unexpended Balance of Improvement Authorizations
1996-12	Improvements to Conklingtown Road	08-28-96	17,008.16			17,008.16		17,008.16	
2003-10	Acquisition of Vehicular Equipment	06-24-03	3,240.88			3,240.88		3,240.88	
2006-30	Various Improvements	10-24-06	446,452.51		443,980.00	2,472.51		2,472.51	
2008-16	Various Improvements	06-19-08	876,397.10		878,871.00	(2,473.90)		(2,473.90)	
2010-11	Various Improvements	07-20-10	1,012,262.00		1,008,149.00	4,113.00			
2013-09	Various Improvements	07-16-13	1,209,000.00		1,209,000.00				
2014-05	Various Improvements	03-18-14	1,809,000.00			1,809,000.00			
2015-09	Improvement of Various Roads	05-26-15		700,000.00		700,000.00	1,809,000.00	433,076.82	266,923.18
			<u>5,373,360.65</u>	<u>700,000.00</u>	<u>3,540,000.00</u>	<u>2,533,360.65</u>	<u>1,813,113.00</u>	<u>453,324.47</u>	<u>266,923.18</u>
			C	C-9	C-4	C			
									Ref.
									C-9
									954,417.33
									Improvement Authorizations- Unfunded
									Less: Unexpended Proceeds of Bond Anticipation Notes:
									Ordinance No: 2014-05
									687,494.15
									<u>266,923.18</u>

Borough of Ringwood, N.J.
Statement of Due From Current Fund
General Capital Fund
Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	C	209,229.07
Increased by:		
Cash Receipts	C-2	700,000.00
		<u>909,229.07</u>
Decreased by:		
Cash Disbursements	C-2	700,000.00
		<u>700,000.00</u>
Balance - December 31, 2015	C, C-3	<u><u>209,229.07</u></u>

Borough of Ringwood, N.J.

Statement of General Serial Bonds

General Capital Fund

Year Ended December 31, 2015

Purpose	Date of Issue	Amount of Original Issue	Date	Amount	Interest Rate	Balance Dec. 31, 2014	Issued	Redeemed/Refunded	Balance Dec. 31, 2015
Sewer Refunding Bonds - Series 2009	04/23/09	840,000.00	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%	460,000.00		85,000.00	375,000.00
General Refunding Bonds - Series 2009	04/23/09	1,630,000.00	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%	1,025,000.00		145,000.00	880,000.00	
County Guaranteed Gov. Loan Revenue Bonds - Series 2009	01/15/09	4,367,000.00	10-01-2016	300,000.00	4.00%				
			10-01-2017	300,000.00	4.00%				
			10-01-2018	300,000.00	4.00%				
			10-01-2019	300,000.00	4.25%				
			10-01-2020	375,000.00	4.50%				
			10-01-2021	400,000.00	5.00%				
			10-01-2022	625,000.00	5.50%				
			10-01-2023	630,000.00	4.63%				
		10-01-2024	642,000.00	5.50%	4,152,000.00		280,000.00	3,872,000.00	

Borough of Ringwood, N.J.
Statement of General Serial Bonds
General Capital Fund
Year Ended December 31, 2015

Purpose	Date of Issue	Amount of Original Issue	Date	Amount	Interest Rate	Balance Dec. 31, 2014	Issued	Redeemed/Refunded	Balance Dec. 31, 2015
General Improvement Bonds- Series 2015	04/16/15	3,540,000.00	04-01-2016	100,000.00	2.000%				
			04-01-2017	100,000.00	2.000%				
			04-01-2018	150,000.00	2.000%				
			04-01-2019	190,000.00	2.000%				
			04-01-2020	200,000.00	2.000%				
			04-01-2021	200,000.00	2.000%				
			04-01-2022	200,000.00	2.000%				
			04-01-2023	200,000.00	2.000%				
			04-01-2024	200,000.00	2.000%				
			04-01-2025	200,000.00	2.000%				
			04-01-2026	200,000.00	2.125%				
			04-01-2027	200,000.00	2.500%				
			04-01-2028	200,000.00	2.750%				
			04-01-2029	200,000.00	3.000%				
			04-01-2030	200,000.00	3.000%				
			04-01-2031	200,000.00	3.000%				
			04-01-2032	200,000.00	3.000%				
			04-01-2033	200,000.00	3.000%				
			04-01-2034	200,000.00	3.125%				
							3,540,000.00		3,540,000.00
						5,637,000.00	3,540,000.00	510,000.00	8,667,000.00
						C	C-2	C-4	C

Borough of Ringwood, N.J.
Statement of Improvement Authorizations - General Capital
General Capital Fund

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2014		2015 Authoriz.	Paid or Charged	Cancelled	Balance Dec. 31, 2015	
				Funded	Unfunded				Funded	Unfunded
1989-08	Acquisition of Additional Communications Equipment	03/28/89	220,000.00	123.81					123.81	
1999-01	Supplemental Appropriation - Municipal Library	03/24/99	400,000.00	1,315.62		1,315.62				
2000-09	Purchase of a Communication System	08/23/00	600,000.00	865.90					865.90	
2002-15	Various Improvements	08/28/02	750,000.00	19,031.86		19,031.86				
2005-19	Various Improvements	03/01/05	1,567,500.00	20,791.14		16,741.79			4,049.35	
2006-30	Various Improvements	10/24/06	2,667,000.00		308,820.19			308,820.19		
2007-12	Various Improvements	08/14/07	1,300,000.00	45,689.11		44,447.61			1,241.50	
2008-16	Various Improvements	06/19/08	1,025,000.00		75,869.78	59,909.99			15,959.79	
2010-11	Various Improvements	07/20/10	1,100,000.00		68,570.79	68,570.79				
2013-09	Various Improvements	07/16/13	1,270,000.00		633,868.75	411,684.19			222,184.56	687,494.15
2014-05	Various Improvements	03/18/14	1,900,000.00		1,239,833.40	552,339.25				
2015-08	Paving of Various Roads	05/26/15	308,820.19			299,627.15			9,193.04	
2015-09	Improvements to Various Roads	05/26/15	735,000.00			468,076.82				266,923.18
				C	C	C		C-1	C	C
				87,817.44	2,326,962.91	1,043,820.19	1,941,745.07	308,820.19	253,617.95	954,417.33
		Ref.								
	Capital Surplus	C-1				308,820.19				
	Capital Improvement Fund	C-10				35,000.00				
	Def. Charges to Future Taxation - Unfunded	C-5				700,000.00				
						C				
						1,043,820.19				
	Contracts Payable	C-11				569,378.68				
	Disbursements	C-2				1,372,366.39				
						C				
						1,941,745.07				

Borough of Ringwood, N.J.
Statement of Capital Improvement Fund
General Capital Fund
Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	C	80,758.95
Increased by:		
2015 Budget Appropriation	C-2	35,000.00
		<u>115,758.95</u>
Decreased by:		
Appropriated to Finance Improvement Authorization	C-9	35,000.00
		<u>35,000.00</u>
Balance - December 31, 2015	C, C-3	<u><u>80,758.95</u></u>

Statement of Contracts Payable
General Capital Fund
Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	C	95,858.35
Increased by:		
2015 Contracts:		
Improvement Authorizations	C-9	569,378.68
Reserve for Various Projects	C-14	105,959.63
		<u>675,338.31</u>
		<u>771,196.66</u>
Decreased by:		
Disbursements	C-2	95,858.35
		<u>95,858.35</u>
Balance - December 31, 2015	C, C-3	<u><u>675,338.31</u></u>

Borough of Ringwood, N.J.
Statement of Green Trust Loans Payable
General Capital Fund
Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	C	60,645.87
Decreased by:		
Payment by Budget Appropriation	C-4	<u>8,155.13</u>
Balance - December 31, 2015	C	<u><u>52,490.74</u></u>

Statement of Reserve for Capital Project
General Capital Fund
Year Ended December 31, 2015

	<u>Ref.</u>	
Increased by:		
Cash Receipts	C-2	<u>4,508,534.58</u>
Balance - December 31, 2015	C, C-3	<u><u>4,508,534.58</u></u>

Borough of Ringwood, N.J.

Statement of Reserve for Various Projects

General Capital Fund

Year Ended December 31, 2015

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Park and Ride	7,401.86			7,401.86
James Drive Treatment Plant	77,267.80	48,500.00	17,600.70	108,167.10
Road Program	37,548.98		5,365.00	32,183.98
Drainage Improvements	30,677.22			30,677.22
Parks and Playgrounds	134.83			134.83
Purchase of DPW Equipment	2,875.50		2,321.35	554.15
Computer Equipment	391.48			391.48
Purchase of Safety Equipment	710.95			710.95
Payment of BAN's	270.00			270.00
Communications Equipment	621.08			621.08
Public Buildings	789.00	60,000.00		60,789.00
Snake Den Paving	6,142.10			6,142.10
DOT - Cupsaw Drive	235,000.00		235,000.00	-
	<u>399,830.80</u>	<u>108,500.00</u>	<u>260,287.05</u>	<u>248,043.75</u>
	C	C-2		C, C-3
Contracts Payable		C-11	105,959.63	
Disbursements		C-2	154,327.42	
			<u>260,287.05</u>	

Borough of Ringwood, N.J.

Statement of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2015

Date of Ordinance or Number	Balance Dec. 31, 2014	2015 Authorizations	Bond Anticipation Notes Issued	Balance Dec. 31, 2015
1996-12 Improvement to Conklintown Road #3	17,008.16			17,008.16
2003-10 Acquisition of Vehicular Equipment	3,239.49			3,239.49
2015-09 Improvements to Various Roads		700,000.00		700,000.00
	<u>20,247.65</u>	<u>700,000.00</u>	<u>-</u>	<u>720,247.65</u>

Footnote C

Borough of Ringwood, N.J.
Statement of Water Utility Cash - Treasurer

December 31, 2015

	<u>Ref.</u>	<u>Operating</u>	<u>Assessment Trust</u>	<u>Capital</u>
Balance - December 31, 2014	D	123,212.67	0.36	1,991,174.17
Increased by Receipts:				
Rents	D-3	1,461,688.85		
Interest on Investments	D-3	3,861.85		
Miscellaneous	D-3	36,252.37		
Bonds Issued	D-17			3,100,000.00
Interfund:				
Water Utility Capital	D-8	185,025.00		
Water Utility Operating	D-20			185,025.00
Premiums Received	D-2			10,989.59
Reserve for Capital Improvements	D-22			45,000.00
Capital Improvement Fund	D-28	1,686,828.07		3,341,014.59
		1,810,040.74	0.36	5,332,188.76
Decreased by Disbursements:				
2015 Appropriations	D-4	1,140,961.69		
Interfund:				
Water Utility Capital	D-8	185,025.00		
Water Utility Operating	D-20			185,025.00
Appropriation Reserves	D-13	16,774.19		
Reserve for Encumbrances	D-14	26,663.16		
Accrued Interest on Bonds	D-15	137,906.43		
Bond Anticipation Notes	D-18			3,100,000.00
Improvement Authorizations	D-19			838,411.80
Contracts Payable	D-24			45,014.62
		1,507,330.47		4,168,451.42
Balance - December 31, 2015	D	302,710.27	0.36	1,163,737.34

Borough of Ringwood, N.J.
Analysis of Water Utility Assessment Trust Cash
December 31, 2015

	<u>Ref.</u>	
Reserve For Bonds		0.36
Balance - December 31, 2015	D	0.36

Analysis of Water Utility Capital Cash
December 31, 2015

	<u>Ref.</u>	
Capital Fund Balance	D-2	11,009.86
Interfund - Water Operating Fund	D-8	9,060.75
Reserve for Capital Improvements	D-22	45,238.84
Contracts Payable	D-24	100,825.00
Improvement Authorizations:		
General Improvements:		
Ordinance Date or Number:		
2003-17 Improvement of the Water Supply and Distribution System		(118,200.97)
2007-13 Improvement of the Water Supply and Distribution System		49,238.94
2009-08 Improvement of the Water Supply and Distribution System		176,877.08
2010-12 Improvement of the Water Supply and Distribution System		1,161.13
2011-05 Improvement of the Water Supply and Distribution System		158,544.37
2014-04 Improvement of the Water Supply and Distribution System		729,982.34
Balance - December 31, 2015	D	1,163,737.34

Borough of Ringwood, N.J.

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

	<u>Ref.</u>	
Balance - December 31, 2014		9,060.75
Increased by:		
Cash Disbursements	D-5	<u>185,025.00</u>
		194,085.75
Decreased by:		
Cash Receipts	D-5	<u>185,025.00</u>
Balance - December 31, 2015	D	<u><u>9,060.75</u></u>

Statement of Consumer Accounts Receivable

Water Utility Operating Fund

	<u>Ref.</u>		
Balance - December 31, 2014	D		135,276.76
Increased by:			
Water Rents Levied			<u>1,474,752.41</u>
			1,610,029.17
Decreased by:			
Transferred to Lien	D-26	396.85	
Collections	D-3	<u>1,461,688.85</u>	
			<u>1,462,085.70</u>
Balance - December 31, 2015	D		<u><u>147,943.47</u></u>

Borough of Ringwood, N.J.

Statement of Assessments Receivable

<u>Ordinance Date or Number</u>	<u>Improvement Description</u>	<u>Date of Confirmation</u>	<u>Installments</u>	<u>Due Date</u>	<u>Balance Dec. 31, 2014</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2015</u>
91-346	Improvement of the Water Supply and Distribution System - Margaret King Avenue	10-31-91	10	12-31-92-00	<u>163,480.00</u> D	<u>163,480.00</u> D-16	<u>D</u>

Borough of Ringwood, N.J.

Statement of Fixed Capital

Water Utility Capital Fund

	Balance Dec. 31, 2014	Additions by Ordinance	Balance Dec. 31, 2015
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 Water System Improvement	2,842,104.61		2,842,104.61
Local Improvements Assessed	15,000.00		15,000.00
Purchase of Windbeam Water Company Plant	189,000.00		189,000.00
Roof	45,441.40		45,441.40
Hydrants	2,375.00		2,375.00
Meters	2,389.98		2,389.98
Improvement to Water Supply and Distribution System 1987-24	10,427.00		10,427.00
Improvement to Water Supply and Distribution System 1988-9	809,000.00		809,000.00
Purchase of Truck	289,000.00		289,000.00
Improvement to Water Supply and Distribution System 1991-24	25,000.00		25,000.00
Improvement to Water Supply and Distribution System 1995-01	228,000.00		228,000.00
Improvement to Water Supply and Distribution System 1996-04	200,000.00		200,000.00
Improvement to Water Supply and Distribution System 1997-26	1,000,000.00		1,000,000.00
Improvement to Water Supply and Distribution System 1998-04	425,000.00		425,000.00
Improvement to Water Supply and Distribution System 1998-16	1,000,000.00		1,000,000.00
Improvement to Water Supply and Distribution System 1999-02	350,000.00		350,000.00
Improvement to Water Supply and Distribution System 2003-17	1,000,000.00		1,000,000.00
Improvement to Water Supply and Distribution System 2005-03	1,000,000.00		1,000,000.00
Improvement to Water Supply and Distribution System 2006-17	4,118,200.97		4,118,200.97
	1,284,539.01		1,284,539.01
	300,000.00		300,000.00
	<u>14,723,649.97</u>	<u>-</u>	<u>14,723,649.97</u>
	D		D

Borough of Ringwood, N.J.

Statement of Fixed Capital Authorized and Uncompleted

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2014	Authorizations	Transferred to Fixed Capital	Balance Dec. 31, 2015
		Date	Amount				
2000-08	Improvement of the Water Supply and Distribution System	08/23/00	1,000,000.00	1,000,000.00			1,000,000.00
2001-08	Improvement of the Water Supply and Distribution System	06/27/01	1,000,000.00	246,000.00			246,000.00
2007-13	Improvement of the Water Supply and Distribution System	08/14/07	700,000.00	700,000.00			700,000.00
2008-05	Improvement of the Water Supply and Distribution System	03/06/08	350,000.00	258,000.00			258,000.00
2009-08	Improvement of the Water Supply and Distribution System	08/12/09	500,000.00	476,000.00			476,000.00
2010-12	Improvement of the Water Supply and Distribution System	07/20/10	300,000.00	300,000.00			300,000.00
2011-05	Improvement of the Water Supply and Distribution System	10/18/11	400,000.00	400,000.00			400,000.00
2014-04	Improvement of the Water Supply and Distribution System	03/18/14	2,800,000.00	2,800,000.00			2,800,000.00
				<u>6,180,000.00</u>	<u>-</u>	<u>-</u>	<u>6,180,000.00</u>
				<u>D</u>			<u>D</u>

Borough of Ringwood, N.J.

Statement of 2014 Appropriation Reserves

	Balance Dec. 31, 2014	Balance After Transfers	Paid Or Charged	Balance Lapsed	Over- Expended
Operating:					
Salaries and Wages	26,050.68	26,050.68	4,773.50	21,277.18	
Other Expenses	39,092.74	39,092.74	11,635.51	27,457.23	
Statutory Expenditures:					
Contribution To:					
Social Security System	3,106.48	3,106.48	365.18	2,741.30	
	<u>68,249.90</u>	<u>68,249.90</u>	<u>16,774.19</u>	<u>51,475.71</u>	
	D		D-5	D-1	

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

	<u>Ref.</u>	
Balance - December 31, 2014	D	26,663.16
Increased by:		
Encumbrances	D-4	<u>28,609.73</u>
		55,272.89
Decreased by:		
Disbursements	D-5	<u>26,663.16</u>
Balance - December 31, 2015	D	<u><u>28,609.73</u></u>

Borough of Ringwood, N.J.

Statement of Accrued Interest on Bonds and Notes

December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	D	20,567.97
Increased by:		
2015 Budget Appropriations		
Interest on Bonds and Notes	D-4	138,798.00
		<u>159,365.97</u>
Decreased by:		
Disbursements	D-5	137,906.43
		<u>137,906.43</u>
Balance - December 31, 2015	D	<u><u>21,459.54</u></u>

Statement of Reserve for Assessments and Liens

Water Utility Assessment Trust

	<u>Ref.</u>	
Balance - December 31, 2014	D	163,480.36
Decreased by:		
Assessments Cancelled	D-10	163,480.00
		<u>163,480.00</u>
Balance - December 31, 2015	D	<u><u>0.36</u></u>

Borough of Ringwood, N.J.

Statement of Water Serial Bonds

	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2015		Interest Rate	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
			Date	Amount					
Water Bonds of 2004	1/15/04	2,122,000.00				1,517,000.00	1,517,000.00	-	
Water Refunding Bonds of 2009	4/23/09	1,870,000.00	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%	1,300,000.00	155,000.00		1,145,000.00
Water Refunding Bonds of 2014	5/21/15	1,375,000.00	1/15/16	70,000.00	2.00%				
			1/15/17	70,000.00	3.00%				
			1/15/18	70,000.00	4.00%				
			1/15/19	65,000.00	4.00%				
			1/15/20	65,000.00	4.00%				
			1/15/21	75,000.00	4.00%				
			1/15/22	315,000.00	4.00%				
			1/15/23	340,000.00	4.00%				
			1/15/24	295,000.00	4.00%		1,375,000.00	10,000.00	1,365,000.00

Borough of Ringwood, N.J.

Statement of Water Serial Bonds

Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2015		Interest Rate	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
		Date	Amount					
4/16/15	3,100,000.00	4/1/16	100,000.00	2.000%				
		4/1/17	100,000.00	2.000%				
		4/1/18	100,000.00	2.000%				
		4/1/19	100,000.00	2.000%				
		4/1/20	100,000.00	2.000%				
		4/1/21	100,000.00	2.000%				
		4/1/22	100,000.00	2.000%				
		4/1/23	100,000.00	2.000%				
		4/1/24	100,000.00	2.000%				
		4/1/25	200,000.00	2.000%				
		4/1/26	200,000.00	2.125%				
		4/1/27	200,000.00	2.500%				
		4/1/28	200,000.00	2.750%				
		4/1/29	200,000.00	3.000%				
		4/1/30	200,000.00	3.000%				
		4/1/31	200,000.00	3.000%				
		4/1/32	200,000.00	3.000%				
		4/1/33	200,000.00	3.000%				
		4/1/34	200,000.00	3.125%				
		4/1/35	200,000.00	3.125%				
						3,100,000.00		3,100,000.00
					2,817,000.00	4,475,000.00	1,682,000.00	5,610,000.00
					D			D
					D-5	3,100,000.00		
					D-21	1,375,000.00	1,452,000.00	
					D-21		230,000.00	
						4,475,000.00	1,682,000.00	

Issued for Cash
Bond Refunding
Paid by Budget Appropriation

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, 2014	Increased	Decreased	Balance Dec. 31, 2015
Improvement to Water Supply and Distribution System (2005-03)	11/10/05	07/31/14	05/01/15	0.75%	227,297.00		227,297.00	-
Improvement to Water Supply and Distribution System (2007-13)	11/08/07	07/31/14	05/01/15	0.75%	622,132.00		622,132.00	-
Improvement to Water Supply and Distribution System (2008-05)	11/06/08	07/31/14	05/01/15	0.75%	233,097.00		233,097.00	-
Improvement to Water Supply and Distribution System (2005-03)	11/05/09	07/31/14	05/01/15	0.75%	202,581.00		202,581.00	-
Improvement to Water Supply and Distribution System (2009-08)	11/05/09	07/31/14	05/01/15	0.75%	454,467.00		454,467.00	-
Improvement to Water Supply and Distribution System (2010-12)	11/04/10	07/31/14	05/01/15	0.75%	277,738.00		277,738.00	-
Improvement to Water Supply and Distribution System (2011-5)	08/02/12	07/31/14	05/01/15	0.75%	400,000.00		400,000.00	-
Improvement to Water Supply and Distribution System (2014-4)	08/02/12	07/31/14	05/01/15	0.75%	1,500,000.00	817,312.00	1,500,000.00	817,312.00
					<u>3,917,312.00</u>	<u>817,312.00</u>	<u>3,917,312.00</u>	<u>817,312.00</u>
					D			D
Paid from Bond Funds Renewals						817,312.00	3,100,000.00	
						<u>817,312.00</u>	<u>817,312.00</u>	
							<u>3,917,312.00</u>	

D-5

Borough of Ringwood, N.J.

Statement of Improvement Authorizations

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2014		Authorized	Paid or Charged	Balance Dec. 31, 2015	
				Funded	Unfunded			Funded	Unfunded
2007-13	Improvement of the Water Supply and Distribution System	08/14/07	700,000.00		83,458.08		34,219.14	49,238.94	
2009-08	Improvement of the Water Supply and Distribution System	08/12/09	500,000.00		176,877.08			176,877.08	
2010-12	Improvement of the Water Supply and Distribution System	07/20/10	300,000.00		1,161.13			1,161.13	
2011-05	Improvement of the Water Supply and Distribution System	10/18/11	400,000.00		158,544.37			158,544.37	
2014-04	Improvement of the Water Supply and Distribution System	03/18/14	2,800,000.00	135,000.00	2,665,000.00		905,017.66	-	1,894,982.34
				<u>135,000.00</u>	<u>3,085,040.66</u>	<u>-</u>	<u>939,236.80</u>	<u>385,821.52</u>	<u>1,894,982.34</u>
				D	D		D	D	D
	Contracts Payable					D-24	100,825.00		
	Cash Disbursements					D-5	838,411.80		
							<u>939,236.80</u>		

Borough of Ringwood, N.J.

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

	<u>Ref.</u>	
Balance - December 31, 2014	D	9,060.75
Increased by:		
Cash Receipts	D-5	<u>185,025.00</u>
		194,085.75
Decreased by:		
Cash Disbursements	D-5	<u>185,025.00</u>
Balance - December 31, 2015	D	<u><u>9,060.75</u></u>

Exhibit D-21

Borough of Ringwood, N.J.

Statement of Reserve for Amortization

	<u>Ref.</u>	
Balance - December 31, 2014	D	12,688,837.00
Increased by:		
Serial Bonds Paid	D-17	230,000.00
Bond Principal Refunded	D-17	<u>1,452,000.00</u>
		<u>1,682,000.00</u>
		14,370,837.00
Decreased by:		
Refunding Bonds Issued	D-17	<u>1,375,000.00</u>
Balance - December 31, 2015	D	<u><u>12,995,837.00</u></u>

Exhibit D-22

Statement of Reserve for Capital Improvements

	<u>Ref.</u>	
Balance - December 31, 2014	D	238.84
Increased by:		
Receipts	D-5	<u>45,000.00</u>
Balance - December 31, 2015	D	<u><u>45,238.84</u></u>

Borough of Ringwood, N.J.

Statement of Deferred Reserve for Amortization

Ordinance Number	Improvement Description	Ordinance Date	Balance Dec. 31, 2014	Fixed Capital Authorized	To Reserve For Amortization	Balance Dec. 31, 2015
2007-13	Improvement of the Water Supply and Distribution System	08/14/07	35,000.00			35,000.00
2008-05	Improvement of the Water Supply and Distribution System	03/06/08	12,300.00			12,300.00
2010-12	Improvement of the Water Supply and Distribution System	07/20/10	15,000.00			15,000.00
2014-04	Improvement of the Water Supply and Distribution System	03/18/14	135,000.00			135,000.00
			<u>197,300.00</u>	<u>-</u>	<u>-</u>	<u>197,300.00</u>
			<u>D</u>	<u>-</u>	<u>-</u>	<u>D</u>

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

	<u>Ref.</u>	
Balance - December 31, 2014	D	45,014.62
Increased by:		
Charges to Improvement Authorizatio	D-19	100,825.00
		145,839.62
Decreased by:		
Cash Disbursements	D-5	45,014.62
		45,014.62
Balance - December 31, 2015	D	100,825.00

Statement of Water Utility Liens

	<u>Ref.</u>	
Increased by:		
Transfers from Accounts Receivable	D-9	396.85
		396.85
Balance - December 31, 2015	D	396.85

Borough of Ringwood, N.J.
Statement of Due From Current Fund -
Water Utility Operating Fund

	<u>Ref.</u>	
Balance - December 31, 2014	D	<u><u>722.09</u></u>
Balance - December 31, 2015	D	<u><u>722.09</u></u>

Borough of Ringwood, N.J.

Statement of Bonds and Notes Authorized But Not Issued

Description	Ordinance Number	Balance Dec. 31, 2014	2015 Authorizations	Notes Issued	Balance Dec. 31, 2015
Improvement of the Water Supply and Distribution Facilities	2003-17	118,200.97			118,200.97
Improvement of the Water Supply and Distribution Facilities	2005-03	0.24			0.24
Improvement of the Water Supply and Distribution Facilities	2014-04	1,165,000.00			1,165,000.00
		<u>1,283,201.21</u>	<u>-</u>	<u>-</u>	<u>1,283,201.21</u>
					Footnote D

Exhibit E-1

Borough of Ringwood, N.J.
Schedule of Cash-Treasurer
Public Assistance Fund
Year Ended December 31, 2015

	<u>Ref.</u>	<u>Total</u>	<u>P.A.T.F. Account #1</u>
Balance - December 31, 2014	E	<u>6,961.19</u>	<u>6,961.19</u>
Balance - December 31, 2015	E	<u>6,961.19</u>	<u>6,961.19</u>

Borough of Ringwood, N.J.

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

Public Assistance Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2015	E-1	6,961.19
Increased by:		
Cash Receipts Record		<u>-</u>
		6,961.19
Decreased by:		
Cash Disbursements Record		<u>-</u>
Balance - August 18, 2016		<u><u>6,961.19</u></u>
<u>Reconciliation - August 18, 2016</u>	<u>P.A.T.F. Account #1</u>	<u>TOTAL</u>
Balance on Deposit per Statement of:		
Lakeland State Bank		
Checking	<u>6,962.19</u>	<u>6,962.19</u>
	6,962.19	6,962.19
Less:		
Outstanding Checks	<u>(1.00)</u>	<u>(1.00)</u>
Balance - August 18, 2016	<u><u>6,961.19</u></u>	<u><u>6,961.19</u></u>

Borough of Ringwood, N.J.
Schedule of Public Assistance Cash And Reconciliation
Public Assistance Fund
Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	E-1	6,961.19
Increased by Receipts:		
Cash Receipts Record		6,961.19
Decreased by Disbursements:		
Cash Disbursements Record:		
2015 Assistance		6,961.19
Balance - December 31, 2015		6,961.19
<u>Reconciliation - December 31, 2015</u>		
	<u>P.A.T.F.</u>	<u>TOTAL</u>
	<u>Account #1</u>	
Balance on Deposit per Statement of:		
Lakeland State Bank		
Checking	6,962.19	6,962.19
	6,962.19	6,962.19
Less:		
Outstanding Checks	(1.00)	(1.00)
Balance - December 31, 2015	6,961.19	6,961.19

Borough of Ringwood, N.J.
Schedule of Reserve for Public Assistance
Public Assistance Fund
Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	E	<u><u>6,961.19</u></u>
Balance - December 31, 2015	E	<u><u>6,961.19</u></u>
<u>Analysis of Balance:</u> Account #1		<u><u>6,961.19</u></u>

Borough of Ringwood, N.J.
Schedule of Payroll Deductions
Payroll Fund
Year Ended December 31, 2015

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Receipts</u>	<u>Disbursed</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Federal Withholding	-	865,292.84	865,292.84	-
Social Security / Medicare	0.06	645,484.56	645,484.56	0.06
NJ Withholding	-	247,866.01	247,866.01	-
Unemployment Insurance	-	12,372.89	12,372.89	-
Disability	0.01	3,396.53	3,396.53	0.01
Family Leave Insurance	-	992.84	992.84	-
Union Dues	-	29,952.00	29,952.00	-
P.E.R.S. , Insurance, Annuity	24,608.08	306,010.40	333,114.55	(2,496.07)
P.F.R.S. , Insurance, Annuity	21,984.15	286,145.73	305,630.63	2,499.25
DCRP	-	17,385.60	17,385.60	-
AFLAC	-	13,366.72	13,366.72	-
Other	-	36,567.45	36,567.45	-
Health Benefits	-	219,022.28	219,022.28	-
Dental Insurance	-	29,237.75	29,237.75	-
Deferred Compensation	-	82,572.00	82,572.00	-
Net Payroll	-	4,042,781.98	4,042,781.98	-
	<u>46,592.30</u>	<u>6,838,447.58</u>	<u>6,885,036.63</u>	<u>3.25</u>
	F			F

Borough of Ringwood, N.J.
Recreation Fund
Statement of Cash Reconciliation
Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	G	267,435.80
Increased by:		
Receipts		<u>203,392.06</u>
		470,827.86
Decreased by:		
Disbursements		<u>218,116.42</u>
Balance - December 31, 2015	G	<u><u>252,711.44</u></u>

Schedule of Reserve for Recreation Expenditures

	<u>Ref.</u>	
Balance - December 31, 2014	G	256,466.94
Increased by:		
Receipts		<u>203,392.06</u>
		459,859.00
Decreased by:		
Encumbrances		1,878.22
Disbursements		<u>207,147.56</u>
		<u>209,025.78</u>
Balance - December 31, 2015	G	<u><u>250,833.22</u></u>

BOROUGH OF RINGWOOD

PART II

LETTERS ON INTERNAL CONTROL AND COMPLIANCE

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2015

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

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Borough of Ringwood in the County of Passaic as of and for the year ended December 31, 2015 and the related notes to the financial statements, and have issued our report thereon dated August 18, 2016, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

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

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



Honorable Mayor and
Members of the Borough Council
Page 2.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying comments and recommendations that we consider to be significant deficiencies. (2015-1)

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of 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*.

Purpose of this Report

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



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



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



August 18, 2016

GENERAL COMMENTS

Contracts and Agreements

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

Effective April 17, 2000 and thereafter the bid thresholds in accordance with N.J.S.A. 40A:11-3 (as amended) is \$17,500. On July 1, 2010, the bid threshold was increased to \$36,000 with a qualified purchasing agent and on July 1, 2015, this amount was increased to \$40,000.00.

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

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of \$17,500, 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 the bid threshold within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the 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:

- Re-bid of Upper Ringwood Water Tank Rehabilitation Project
- Curbside Collection, Removal and Disposal of Solid Waste and Recyclable Materials
- Cupsaw Drive Improvement Project - Phase 4 & 5
- Gravity, Concrete Segmental Retaining Wall Design and Material
- Security System/Alarm Work - Borough Hall Facilities
- Electrical Work - Borough Hall Facilities

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 2, 2015 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>
2015	47	0	1
2014	49	0	0
2013	53	0	1

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, 2015 is not yet known, but a separate report will be rendered if any irregularities develop.

OTHER COMMENTS

Fixed Assets

*2015-1 The Borough is not maintaining a formal, updated fixed asset inventory.

Purchasing

*2015-2 In some instances, purchases were made exceeding \$17,500 for which Business Entity Disclosure forms were not obtained.

2015-3 The Borough awarded a contract in excess of \$2 million that was not reported to the State of New Jersey Comptroller's Office within 20 days of award as required by N.J.S.A. 52:15c-10.

2015-4 In some cases, IRS Forms 1099 were not issued for qualifying payments.

RECOMMENDATIONS

1. That a current inventory of the Borough's fixed assets be performed.
2. That Business Entity Disclosure forms be obtained for all vendors for which purchases exceed \$17,500.
3. That all contracts awarded that exceed \$2 million be reported to the State of New Jersey Comptroller's Office within 20 days of award.
4. That controls be strengthened in reviewing vendors eligible for IRS Forms 1099.

*Indicates a prior year recommendation.

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 a current inventory of the Borough's fixed assets be performed.
2. That Business Entity Disclosure forms be obtained from all vendors for which annual purchases exceed \$17,500.

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.
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