

NEW ISSUE
SERIAL BONDS**RATING: Standard & Poor's:**

In the opinion of Rogut McCarthy LLC, Bond Counsel to the Village, assuming compliance by the Village with its Tax Certificate described herein, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, under existing law, interest on the Bonds is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals and corporations; nor is it included in "adjusted current earnings" for purposes of computing the alternative minimum tax that may be imposed on corporations. In addition, Bond Counsel is further of the opinion that, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Bonds and any gain from the sale of the Bonds are not includable in gross income of the holders thereof. See "TAX MATTERS" herein.

\$3,720,000

**VILLAGE OF RIDGEFIELD PARK
COUNTY OF BERGEN, NEW JERSEY
GENERAL IMPROVEMENT BONDS
(Callable) (Bank-Qualified)
(Book-Entry Only)**

Dated: August 15, 2010**Due: August 15, as shown below**

The General Improvement Bonds (the "Bonds") of the Village of Ridgefield Park, in the County of Bergen, New Jersey (the "Village"), will be issued as fully registered bonds registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of the Bonds, with the Bonds immobilized in the custody of DTC. Owners of beneficial interests in the Bonds will not receive physical delivery of bond certificates, but are to receive statements or other evidence of such ownership of beneficial interests from sources from which such interests were purchased. Investors may purchase beneficial interests in the Bonds in book-entry form in the denomination of \$5,000 or any integral multiple thereof. See "THE BONDS – Book-Entry Only System" herein. So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of principal of and interest on the Bonds will be made directly to DTC or its nominee, Cede & Co., which will remit such payments to the DTC Participants, which will, in turn, remit such payments to the owners of beneficial interests in the Bonds. Principal of the Bonds is payable on August 15 of each of the years set forth below, and interest on the Bonds is payable on each February 15 and August 15, commencing February 15, 2011, in each year until maturity or prior redemption.

The Bonds are subject to redemption prior to their stated maturities at the prices, at the times and in the manner described herein. See "Prior Redemption" herein.

The Bonds are general obligations of the Village and are secured by a pledge of the full faith and credit of the Village for the payment of the principal thereof and the interest thereon. The Village is authorized and required by law to levy *ad valorem* taxes upon all the taxable real property within the Village for the payment of the principal of and interest on the Bonds, without limitation as to rate or amount.

MATURITY SCHEDULE, INTEREST RATES AND YIELDS OR PRICES

<u>Year</u>	<u>Amount Maturing</u>	<u>Interest Rate</u>	<u>Yield or Price</u>	<u>Year</u>	<u>Amount Maturing</u>	<u>Interest Rate</u>	<u>Yield or Price</u>
2011	\$ 75,000	%	%	2018	\$320,000	%	%
2012	75,000			2019	345,000		
2013	75,000			2020	350,000		
2014	75,000			2021	375,000		
2015	255,000			2022	390,000		
2016	285,000			2023	390,000		
2017	315,000			2024	395,000		

(plus accrued interest from August 15, 2010)

The Bonds are offered for sale upon the terms of the notice of sale and subject to the final approving opinion of Rogut McCarthy LLC, Cranford, New Jersey, Bond Counsel. It is anticipated that the Bonds in definitive form will be available for delivery to DTC in New York, New York, on or about August 17, 2010.

**ELECTRONIC BIDS VIA PARITY AND
SEALED PROPOSALS WILL BE RECEIVED
UNTIL 11:00 O'CLOCK A.M. ON AUGUST 5, 2010
AT THE MUNICIPAL BUILDING
234 MAIN STREET
RIDGEFIELD PARK, NEW JERSEY 07660**

**VILLAGE OF RIDGEFIELD PARK
BERGEN COUNTY
STATE OF NEW JERSEY**

MAYOR

George D. Fosdick

BOARD OF COMMISSIONERS

John H. Anlian
Margaret R. Boyd
Adam A. MacNeill
Hugo R. Poli

ACTING VILLAGE CLERK

Sarah Warlikowski

CHIEF FINANCIAL OFFICER

Paul Hansen, CMFO

VILLAGE ATTORNEY

Martin T. Durkin, Esq.
Ridgefield Park, New Jersey

AUDITOR

Lerch, Vinci & Higgins, LLP
Fair Lawn, New Jersey

BOND COUNSEL

Rogut McCarthy LLC
Cranford, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Village or the Underwriters to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. The information contained herein has been provided by the Village and other sources deemed reliable; however, no representation or warranty is made as to its accuracy or completeness and such information is not to be construed as a representation of accuracy or completeness and such information is not to be construed as a representation or warranty by the Underwriters or, as to information from sources other than itself, by the Village. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier.

References in this Official Statement to laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein, and copies of which may be inspected at the offices of the Village during normal business hours.

The Underwriters have reviewed the information in this official statement pursuant to their responsibilities to investors under the federal securities laws, but the Underwriters do not guarantee the accuracy or completeness of such information.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the Village or the Underwriters.

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**OFFICIAL STATEMENT
OF THE VILLAGE OF RIDGEFIELD PARK
IN THE COUNTY OF BERGEN, NEW JERSEY
relating to**

\$3,720,000 GENERAL IMPROVEMENT BONDS

INTRODUCTION

This Official Statement (the "Official Statement") which includes the cover page and the appendices attached hereto, has been prepared by the Village of Ridgefield Park (the "Village"), in the County of Bergen (the "County"), State of New Jersey (the "State") in connection with the sale and issuance of its \$3,720,000 General Improvement Bonds dated August 15, 2010 (the "Bonds"). This Official Statement has been executed by and on behalf of the Village by the Chief Financial Officer and the Acting Village Clerk.

This preliminary Official Statement is "deemed final", as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), but is subject to (a) completion with certain pricing and other information to be made available by the Underwriters and (b) amendment. This preliminary Official Statement, as so revised, will constitute the "final official statement" within the meaning of Rule 15c2-12.

THE BONDS

General Description

The Bonds will be dated and bear interest from August 15, 2010 and will mature on August 15 in the years and in the principal amounts as set forth below. Interest on the Bonds is payable on each February 15 and August 15, commencing February 15, 2011 (each, an "Interest Payment Date"), at the respective interest rates set forth on the cover page of this Official Statement. Principal of and interest on the Bonds will be paid to The Depository Trust Company, New York, New York ("DTC") by the Chief Financial Officer, acting as "Bond Registrar/Paying Agent". Interest on the Bonds will be credited to the DTC Participants (as hereinafter defined) as listed on the records of DTC as of the last business day of the month preceding the month in which such Interest Payment Date occurs (the "Record Dates" for the payment of interest on the Bonds).

The Bonds are issuable as fully registered book-entry bonds in the form of one certificate for each maturity and in the principal amount of such maturity. The Bonds will be issued in book-entry form only. Purchases of the Bonds will be made in book-entry form, in the principal amount of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. So long as DTC or its nominee, Cede & Co. (or any successor or assign), is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the Bond Registrar/Paying Agent directly to Cede & Co. (or any successor or assign), as nominee for DTC, which will remit such payments to the participants of DTC which will in turn remit such payments to the owners of beneficial interests in the Bonds. See "Book-Entry Only System" herein.

Maturity Schedule

<u>Year</u>	<u>Principal</u>
2011	\$75,000
2012	75,000
2013	75,000
2014	75,000
2015	255,000
2016	285,000
2017	315,000
2018	320,000
2019	345,000
2020	350,000
2021	375,000
2022	390,000
2023	390,000
2024	<u>395,000</u>
	\$3,720,000

Book-Entry Only System

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each year of maturity of the Bonds, in the aggregate principal amount of each maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks and trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its

Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Village as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village or the paying agent, if any, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the paying agent, if any, or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village or the paying agent, if any, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Village or the paying agent, if any. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The Village may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Village believes to be reliable, but the Village takes no responsibility for the accuracy thereof.

Prior Redemption

The Bonds maturing on or before August 15, 2020 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after August 15, 2021 are subject to redemption at the option of the Village prior to maturity, in whole on any date or in part on any Interest Payment Date, on or after August 15, 2020, upon notice as hereinafter set forth at the redemption price of 100% of the principal amount being redeemed, plus accrued interest to the date fixed for redemption.

If the Village determines to optionally redeem a portion of the Bonds prior to maturity, such Bonds so redeemed shall be in such maturities as determined by the Village, and within any maturity, by lot; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, the Bond Registrar/Paying Agent shall treat each Bond as representing that number of Bonds that is obtained by dividing the principal amount of such Bond by \$5,000.

Notice of redemption shall be given by first class mail in a sealed envelope with postage prepaid to the registered owners of the Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Bond Registrar/ Paying Agent at least thirty (30) but not more than sixty (60) days before the date fixed for redemption. Such mailing is not a condition precedent to redemption, and the failure to mail or to receive any redemption notice will not affect the validity of the redemption proceedings. If any Bond subject to redemption is a part of a greater principal amount of the Bonds not to be redeemed, such entire amount shall be surrendered to the Bond Registrar/Paying Agent and, for that portion of the Bond not to be redeemed, a new Bond shall be issued in the name of the registered owner in an amount equal to the principal amount of the Bond surrendered less the amount to be redeemed.

SECURITY AND SOURCE OF PAYMENT

The Bonds are general obligations of the Village, and the Village has pledged its full faith and credit for the payment of the principal of and the interest on the Bonds. The Bonds are direct obligations of the Village and, unless paid from other sources, the Village is required by law to levy *ad valorem* taxes upon all the real property taxable within the Village for the payment of the principal of and the interest on the Bonds without limitation as to rate or amount.

Enforcement of a claim for the payment of principal of or interest on bonds or notes of the Village is subject to applicable provisions of Federal bankruptcy law and to the provisions of statutes, if any, hereafter enacted by the Congress of the United States or the Legislature of the State of New Jersey, providing extension with respect to the payment of principal of or interest on the Bonds or imposing other constraints upon enforcement of such contracts insofar as any such constraints may be constitutionally applied. Under State law, a county, municipality or other political subdivision may file a petition under Federal bankruptcy

laws and a plan for readjustment of its debt, but only after first receiving the approval of the State Municipal Finance Commission, whose powers have been vested in the Local Finance Board (hereinafter defined).

AUTHORIZATION AND PURPOSE OF THE BONDS

The Bonds are authorized and are to be issued pursuant to the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 et seq., as amended (the "Local Bond Law"). The Bonds also are authorized by various bond ordinances of the Village set forth below and resolutions adopted by the Board of Commissioners of the Village on July 13, 2010.

On June 9, 2010, the Village received the approval of the Local Finance Board, in the Division of Local Government Services, New Jersey Department of Community Affairs (the "Local Finance Board") to issue the Bonds with a maturity schedule that does not conform with N.J.S.A. 40A:2-26(b). Such statute requires that no annual principal installment exceed by more than 100% the amount of the smallest prior installment. The Local Finance Board permitted the Village to use a maturity schedule for the Bonds with low principal installments in the early years in order to stabilize the Village's outstanding debt over the next several years.

The bond ordinances included in the sale of the Bonds were published in full or in summary form after adoption along with the statement required by the Local Bond Law that the twenty day period of limitation within which a suit, action or proceeding questioning the validity of the authorizing bond ordinances can be commenced, began to run from the date of the first publication of such estoppel statement. The Local Bond Law provides that after issuance, all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and any person shall be estopped from questioning the sale or the execution or the delivery of the Bonds by the Village.

The proceeds of the Bonds will be used (i) to refinance \$2,683,200 of the Village's outstanding bond anticipation notes maturing on August 23, 2010 and (ii) to provide \$1,036,800 of new money.

The projects to be funded in the sale are listed below:

<u>Ordinance</u>	<u>Description</u>	<u>Amount</u>
04-04	Roof Replacement and HVAC Improvements at Civic Center	\$29,700
04-08	Civic Center, Brewster Park and Bike Path Improvements, Curb Improvements, Acquisition and Installation of Parking Meters and Storm Sewer Improvements	209,207
05-02	Streetscape Improvements	223,290
05-08/06-22	Acquisition of Garbage Trucks, Portable Truck Wash Bay and Dump Truck for DPW, Various Road Improvements, Acquisition of Computer Equipment for Various Departments, Park Improvements and Sanitary/Storm Sewer System Studies	1,367,845
07-02	Various Park Improvements, Road Resurfacing, Acquisition of Weapons and Weapons Training Simulators for Police Department, Acquisition of Real Property and Acquisition of an Ambulance for Volunteer Ambulance Corps	331,580
08-05	Various Road Resurfacing	62,078

<u>Ordinance</u>	<u>Description</u>	<u>Amount</u>
08-11	Acquisition of Real Property, Demolition and Construction of New Parking Lot	427,500
08-12	Acquisition of Equipment	32,000
09-07	Various Road Resurfacing	48,800
09-08	Park Improvements	178,500
09-12	Acquisition of Pumper Fire Engine and Equipment for Fire Department	<u>809,500</u>
	Total	<u>\$3,720,000</u>

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Village has designated the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, and has represented that it reasonably expects that, collectively, neither it nor its subordinate entities will issue more than \$30,000,000 of new money tax-exempt obligations in the current calendar year.

NO DEFAULT

No principal or interest payments on Village indebtedness are past due. The Village has never defaulted in the payment of any bonds or notes.

MARKET PROTECTION – BOND AND NOTE FINANCING

The Village does not contemplate issuing any additional bonds, bond anticipation notes or tax anticipation notes during the balance of 2010.

CERTAIN STATUTORY PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT

Local Bond Law (N.J.S.A. 40A:2-1 et seq.)

The Local Bond Law governs the issuance of bonds and notes to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes. All bonds and notes issued by the Village are general full faith and credit obligations.

The Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)

This law regulates the non-budgetary financial activities of local governments. The Chief Financial Officer of every local unit must file annually, with the Director, a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of the Village's accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local units financial procedures and must be filed with the Director within six months after the close of the fiscal year. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within 30 days of its completion.

Debt Limits

The net authorized bonded indebtedness of the Village is limited by statute, subject to the exceptions noted below, to an amount equal to 3.50% of its average equalized valuation basis. The equalized valuation basis of the Village is set by statute as the average for the last 3 years of the equalized value of all taxable real property and improvements and certain Class II railroad property within its boundaries, as annually determined by the State Board of Taxation. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

The Village has not exceeded its statutory debt limit. On December 31, 2009, the statutory net debt as a percentage of average equalized valuation was 0.86%. As noted above, the statutory limit is 3.50%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Purposes	\$16,052,668	\$2,698,009	\$13,354,659
School Purposes	3,555,000	3,555,000	-0-
Utility Purposes	<u>69,090</u>	<u>-0-</u>	<u>69,090</u>
	<u>\$19,676,758</u>	<u>\$6,253,009</u>	<u>\$13,423,749</u>

Exceptions to Debt Limits - Extensions of Credit

The Village may exceed its debt limit with the approval of the Local Finance Board. If all or any part of a proposed debt authorization would exceed its debt limit, the Village may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Village or substantially reduce the ability of the Village to meet its obligations or to provide essential public improvements and services, or make certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, to provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

Short-Term Financing

The Village may sell short-term "bond anticipation notes" to temporarily finance a capital improvement or project in anticipation of the issuance of bonds, if the bond ordinance or subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the ordinance, as may be amended and supplemented, creating

such capital expenditure. Bond anticipation notes may be issued for periods not greater than one year. Such notes shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. At the third and at each subsequent anniversary date from the original date of issuance, the amount of notes that may be issued must be decreased by the minimum amount required for the first year's principal payment for a bond issue.

School Debt (N.J.S.A. 18A:24-1 et seq.)

New Jersey's school districts operate under the same comprehensive review and regulation as do its municipalities. Certain exceptions and differences are provided, but the state supervision of school finance closely parallels that of local governments.

School district bonds and temporary notes are issued in conformity with the cited statute, which closely parallels the Local Bond Law. Although school districts are exempted from the 5% down payment provision applicable to municipalities, they are subject to debt limits (which vary depending on the grades the school system provides), and to state regulation of their borrowing.

The Local Finance Board and the Commissioner of Education must approve any proposed authorization of debt which exceeds the statutory debt limit of a Type II district. A Type II school district has an elected board of education; a Type I school district has an appointed board and issues debt without a referendum. All authorizations of debt in a Type II school district require an approving referendum of the voters in the school district. The Village's school district is a Type II district.

All authorizations of debt must be reported to the Division of Local Government Services by means of a Supplemental Debt Statement prior to final approval to ensure that the proposed authorization is within all applicable debt limitations.

The School Bond Reserve Act, Chapter 72 of the Laws of 1980 of the State, as amended, devotes a portion of the Fund for the Support of Free Public Schools as security for payment of school bonds.

The Municipal Finance Commission (N.J.S. 52:27-1 et seq.)

The Municipal Finance Commission was created in 1931 to assist in the financial rehabilitation of municipalities which had defaulted in their obligations. The powers of such Commission are exercised today by the Local Finance Board. Several elements of the local finance system are intended to prevent default on obligations or occurrence of severe fiscal difficulties in any local unit. Should extreme economic conditions adversely affect any local unit, the statutory provisions are available to assist in restoring the stability of the local unit.

Any holder of bonds or notes which are in default for over sixty (60) days (for payment of principal or interest) may bring action against such municipality in the Superior Court of New Jersey. Any municipality may declare itself unable to meet its obligations and bring action in such court. In either case, the court's determination that the municipality is in default or unable to meet its obligations may place the municipality under the jurisdiction of the Municipal Finance Commission.

The Municipal Finance Commission exercises direct supervision over the finances and accounts of any local unit under its jurisdiction. Such commission is authorized to appoint an auditor to examine and approve all claims against the municipality and to serve as comptroller for that community. The Commission is also directed to supervise tax collections and assessments, to approve the funding of municipal school district indebtedness, the adjustment or composition of the claims of creditors, and the readjustment of debts under the Federal Municipal Bankruptcy Act.

The Local Finance Board also serves as the “funding commission” to exercise supervision over the funding or refunding of local government debt. Any county or municipality seeking to adjust its debt service must apply to and receive the approval of such funding commission for the proposed reorganization of its debt.

Investment of Municipal Funds

Investment of funds by New Jersey municipalities is governed by State statute. Pursuant to N.J.S.A. 40A:5-15.1, municipalities are limited to purchasing the following securities: (1) direct obligations of, or obligations guaranteed by, the United States of America ("Government Obligations"); (2) U.S. Government money market mutual funds; (3) obligations of Federal Government agencies or instrumentalities having a maturity of 397 days or less, provided such obligations bear a fixed rate of interest not dependent on any index or external factor; (4) bonds or other obligations of the particular municipality or a school district encompassing the geographic area of the particular municipality; (5) bonds or other obligations having a maturity of 397 days or less approved by the Division of Investment of the State Department of the Treasury; (6) local government investment pools, rated in the highest rating category, investing in U.S. government securities and repurchase agreements fully collateralized by securities set forth in (1) and (3) above; (7) deposits with the New Jersey Cash Management Fund (created pursuant to N.J.S.A. 52:18A-90.4; the “Cash Management Fund”); and (8) repurchase agreements with a maximum 30 day maturity fully collateralized by securities set forth in (1) and (3) above. Municipalities are required to deposit their funds in interest-bearing bank accounts in banks satisfying certain security requirements set forth in N.J.S.A. 17:9-41 et seq., or invest in permitted investments to the extent practicable, and may invest in bank certificates of deposit.

The Cash Management Fund is governed by regulations of the State Investment Council, a non-partisan oversight body, and is not permitted to invest in derivatives. The Cash Management Fund is permitted to invest in Government Obligations, Federal Government Agency Obligations, certain short-term investment-grade corporate obligations, commercial paper rated "prime", certificates of deposit, repurchase agreements involving Government Obligations and Federal Government Agency Obligations and certain other types of instruments. The average maturity of the securities in the Cash Management Fund must be one year or less, and only a quarter of the securities are permitted to mature in as much as two years.

The Village has no investments in derivatives.

MUNICIPAL BUDGET

Pursuant to the Local Budget Law (N.J.S.A. 40A:4-1 et seq.) the Village is required to have a balanced budget in which debt service is included in full for each fiscal year.

The Local Budget Law (N.J.S.A. 40A:4-1 et seq.)

The foundation of the New Jersey local finance system is the annual cash basis budget. Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Items of revenue and appropriation are regulated by law and must be certified by the Director of the Division ("Director") prior to final adoption of the budget. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations, among others, for certification.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units. Tax anticipation notes are limited in amount by law and must be paid in full within 120 days of the close of the fiscal year. The cash basis budgets of local units must be in balance, i.e., the total of anticipated revenues must equal the total of appropriations (N.J.S.A. 40A:4-22). If in any year a local unit's expenditures exceed its realized revenues for that year, then such excess must be raised in the succeeding year's budget.

Limitations on Municipal Appropriations and Tax Levy

A statute passed in 1976, as amended and supplemented (N.J.S.A. 40A:4-45.1 et seq.), commonly known as the "Cap Law", imposed limitations on increases in municipal appropriations subject to various exceptions. While the Cap Law restricts the ability of a municipality to increase its overall appropriations, the payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically, it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the Cost-of-Living Adjustment ("COLA"). Increases up to 3.5% are allowed by adoption of an ordinance whenever the COLA is less than 2.5%. If the COLA is greater than 2.5%, an increase in any amount above 2.5% will be permitted by adoption of an ordinance to 3.5% and beyond 3.5% upon passage of a referendum. The COLA is the rate of annual percentage increase in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other items including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. The Cap Law does not limit the obligation of the Village to levy *ad valorem* taxes upon all taxable real property within the Village to pay debt service.

Chapter 62 of the Pamphlet Laws of 2007 imposed restrictions upon the allowable annual increase in the tax levy. In general, starting with the 2008 budgets for calendar year municipalities and 2009 budgets for fiscal year municipalities, municipalities have their tax levies limited to a four percent (4%) increase. The cap calculation is subject to various adjustments, such as the value of increased assessments, and allows for an increase in the adjusted tax levy for various items, including amounts required to be added to the adjusted tax levy for increases in debt service, amounts required to replace reductions in State formula aid, certain increased pension contributions, increases greater than four percent (4%) in the reserve for uncollected taxes, and increases in health care costs in excess of four percent (4%) (but not in excess of the percentage increase in the State Health Benefits Program). The law also allows the Local Finance Board to grant waivers for extraordinary circumstances (some of which are defined in the Law) and authorizes a municipality to submit a public question to the voters for approval (by an affirmative vote of at least sixty percent (60%)) to increase the amount to be raised by taxation by more than the allowable adjusted tax levy.

For municipalities, the levy cap is in addition to the existing appropriation cap; both cap laws must be met. Neither cap law limits the obligation of the Village to levy *ad valorem* taxes upon all taxable real property within the Village to pay debt service.

The Village's appropriation and tax levy increases for 2010 were within the limits allowed under the CAP Law and Chapter 62, taking into account applicable adjustments and without requesting any waivers from the Local Finance Board.

A new property tax cap statute was recently enacted into law by the State (P.L. 2010, c. 44) which will impose a 2% cap on property tax increases subject to limited exceptions, including debt service and increases in pension and health care expenses. This statute will take effect for the Village's 2011 budget. Companion legislation and regulations are expected to be enacted over the next several months in order to implement the new cap.

Miscellaneous Revenues

The Local Budget Law (N.J.S.A. 40A:4-26) provides that: "No miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit."

No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation of like amount. The fiscal years for such grants rarely coincide with the municipality's fiscal year. However, grant revenue is generally not realized until received in cash.

Real Estate Taxes

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. N.J.S.A. 40A:4-29 governs anticipation of delinquent tax collections: "The maximum which may be anticipated is the sum produced by multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year."

N.J.S.A. 40A:4-41 provides with regard to current taxes that: "Receipts from the collection of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year, shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by the last day of the preceding fiscal year."

This provision and N.J.S.A. 40A:4-40 require that an additional amount (the "reserve for uncollected taxes") be added to the tax levy required to balance the budget so that when the percentage of the prior year's tax collection is applied to the combined total, the product will at least be equal to the tax levy required to balance the budget.

The reserve requirement is calculated as follows:

$$\frac{\text{Levy required to balance budget}}{\text{Prior Year's Percentage of Current Tax Collection (or lesser \%)}} = \text{Total Taxes to be Levied}$$

Chapter 28 of the Pamphlet Laws of 1997 of New Jersey amended Section 41 of the Local Budget Law to allow municipalities to reduce the reserve for uncollected taxes by taking into account prior year tax reductions resulting from tax appeal judgments awarded to property owners. Another statute, Chapter 99 of the Pamphlet Laws of 1997 of New Jersey, allows a municipality to (1) reduce the reserve for uncollected tax by deducting receipts anticipated during the fiscal year from the sale of unpaid taxes or municipal liens when such sale is concluded in the final month of the fiscal year or (2) not budget for the reserve for uncollected taxes if it sells its total property tax levy pursuant to such statute. See "Assessment And Collection of Taxes - Tax Collection Procedure" herein for a brief discussion of Chapter 99.

Deferral of Current Expenses

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body of the municipality. However, with minor exceptions, such appropriations must be included in full in the following year's budget.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as ice, snow, and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, property revaluation programs, revision and codification of ordinances, master plan preparations, and drainage map preparation for flood control purposes which may be amortized over five years. Of course, emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project.

Budget Transfers

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between appropriation accounts may be made only during the last two months of the year. Appropriation reserves may be transferred during the first three (3) months of the year to the previous years' budget. Both types of transfers require a 2/3 vote of the full membership of the governing body, however, transfers cannot be made from either the down payment account or the capital improvement fund. Transfers may be made between sub-account line items within the same account at any time during the year, subject to approval by the governing body.

Operation of Utilities

Municipal public utilities are supported by the revenues generated by the respective operations of the utilities in addition to the general taxing power upon real property.

For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate budget. The budget is required to be balanced and to provide fully for debt service. The regulations regarding anticipation of revenues and deferral of charges apply equally to the budgets of the utilities.

Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "Current" or operating budget.

Fiscal Year

The Village's fiscal year is a calendar year. Chapter 75 of the Pamphlet Laws of 1991 of the State (codified as N.J.S.A. 40A:4-3.1) required municipalities with populations in excess of 35,000 or that received Municipal Revitalization Aid from the State in 1990 or 1991 to change their fiscal year from the calendar year to the State fiscal year (July 1 to June 30), unless an exemption was granted. Municipalities not meeting the criteria for a mandatory change had the option to choose to change to the State fiscal year. N.J.S.A 40A:4-3.1 was amended by P.L. 2000, c. 126, to eliminate the criteria for mandatory change of the fiscal year, but to continue to grant all municipalities the option to change to the State fiscal year. The Village did not meet the criteria to change to the State fiscal year and does not presently intend to optionally make such a change in the future.

Budget Process

Primary responsibility for the Village's budget process lies with the Board of Commissioners. As prescribed by the Local Budget Law, adoption should occur by the end of March, however, extensions may be granted by the Division to any local governmental unit. In the first quarter in which the budget formulation is taking place, the Village operates under a temporary budget which may not exceed 26.25% of the previous fiscal year's adopted budget. In addition to the temporary budget, the Village may approve emergency temporary appropriations for any purpose for which appropriations may lawfully be made.

Capital Budget

In accordance with the Local Budget Law, the Village must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period of the next ensuing six years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next six years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the items were detailed.

ASSESSMENT AND COLLECTION OF TAXES

Tax Collection Procedure

Real property taxes are assessed locally, based upon an assessment at true value. The tax bill includes a levy for Village, County and School purposes. Tax bills are mailed annually in June. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1. 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, and an additional penalty of 6% on delinquent taxes in excess of \$10,000. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, is transferred as of June 30 of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15 to the County by the Village. Annually, all properties with unpaid taxes for the previous year are placed in a tax sale in accordance with the New Jersey Statutes. Annual interim tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Village.

Chapter 99 of the Pamphlet Laws of 1997 of New Jersey allows a municipality to sell its total property tax levy to the highest bidder either by public sale with sealed bids or by public auction. The purchaser shall pay the total property tax levy bid amount in quarterly installments or in one annual installment. Property taxes will continue to be collected by the municipal tax collector and the purchaser will receive as a credit against his payment obligation, the amount of taxes paid to the tax collector. The purchaser is required to secure his payment obligation to the municipality by an irrevocable letter of credit or a surety bond. The purchaser is entitled to receive delinquent taxes and other municipal charges collected by the tax collector. The statute sets forth bidding procedures and minimum bidding terms and requires the review and approval of the sale by the Division of Local Government Services.

Tax Appeals

New Jersey statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. The taxpayer has a right to petition the Bergen County Tax Board on or before the first day of April of the current tax year for review. The Bergen County Tax Board has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the Bergen County Tax Board, appeal may be made to the State Department of Taxation, Division of Tax Appeal, for a further hearing. State tax appeals tend to take several years prior to settlement, and any losses in tax collections from prior years are charged directly to operations or with the permission of the Local Finance Board may be financed, generally, over a three to five year period.

TAX MATTERS

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. Such requirements include requirements relating to the use and investment of proceeds of the Bonds and other amounts and rebate of certain arbitrage earnings to the United States. Noncompliance by the Village with such requirements may cause interest on the Bonds to be included in gross income of the owners thereof retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs.

The Village has covenanted, to the extent permitted by the Constitution and the laws of the State, to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Bonds be and remain excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. The Village's Tax Certificate (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures regarding compliance with the requirements of the Code. The Village, in executing the Tax Certificate, will certify to the effect that the Village expects and intends to comply with the provisions and procedures contained therein.

In rendering the opinion described below with respect to the Bonds, Bond Counsel has relied upon the covenant and has assumed the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate.

Tax Opinions

In the opinion of Rogut McCarthy LLC, Bond Counsel to the Village, assuming compliance by the Village with the Tax Certificate, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. In addition, under existing law, interest on the Bonds is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals and corporations; nor is it included in "adjusted current earnings" for purposes of computing the alternative minimum tax that may be imposed on corporations. For other federal tax information, see "Tax Matters - Additional Federal Income Tax Consequences" herein.

In the opinion of Bond Counsel, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Bonds and any gain from the sale of the Bonds are not includable in gross income of the holders thereof.

Additional Federal Income Tax Consequences

Prospective purchasers of the Bonds should be aware that ownership of governmental obligations, such as the Bonds, may have collateral Federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S Corporations, certain foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise eligible for the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences from the ownership of the Bonds. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE.

STATEMENT OF LITIGATION

There is no litigation pending or threatened restraining or enjoining the issuance or the delivery of the Bonds or the levy or the collection of taxes to pay the Bonds or in any manner questioning the authority or the proceedings for the issuance of the Bonds or for the levy or the collection of taxes. There is at present no single action pending or threatened against the Village which would impose an undue financial burden on the Village. In New Jersey's courts of general jurisdiction, unliquidated money damages are pleaded generally without specifying a dollar amount. The Village is a party-defendant in certain lawsuits, none of a kind unusual for a Village of its size, and none of which, in the opinion of the Village Attorney, would adversely impair the Village's ability to pay its bondholders. All of the Village's tort actions are being defended by municipal joint insurance funds (which provide pooled private insurance coverage and self-insurance coverage to its members). The Village is also insured for liability in excess of the limits provided by the municipal joint insurance funds. Pending municipal real estate appeals are limited in number and, based upon the Village's prior experience in tax appeals, and assuming that such tax appeals are resolved adversely to the interest of the Village, such resolution would not in any way endanger the Village's ability to pay its bondholders.

LEGALITY FOR INVESTMENT

The State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and institutions, building and loan associations, investment companies, and other persons carrying on banking business, all insurance companies, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any obligations of the Village, including the Bonds, and such Bonds are authorized security for any and all public deposits.

RATING

Standard & Poor's U.S. Public Finance Ratings ("Standard & Poor's") has assigned a rating of "____" to the Bonds.

An explanation of the significance of such credit rating may be obtained from Standard & Poor's, 55 Water Street, New York, New York 10041. The Village furnished Standard & Poor's with certain information and materials concerning the Bonds and the Village. Generally, Standard & Poor's bases its ratings on such

information and materials and also on such investigations, studies and assumptions that it may undertake independently. The rating is not a recommendation to buy, sell or hold the Bonds and there can be no assurance that any such rating will be maintained for any given period of time or that such rating may not be raised, lowered or withdrawn entirely if, in Standard & Poor's judgment, circumstances so warrant. Any downward change in or withdrawal of any such rating may have an adverse effect on the marketability or market price of the Bonds.

UNDERWRITING

The Bonds have been purchased at a public sale from the Village for resale by the purchasers (the "Underwriters").

DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS

Absence of Litigation

Upon delivery of the Bonds, the Village shall furnish a certificate of the Village Attorney, dated the date of delivery of the Bonds, to the effect that there is no litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Bonds. In addition, such certificate shall state that there is no litigation of any nature now pending or threatened by or against the Village wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the Village, or adversely affect the power of the Village to enforce the collection of taxes or other revenues for the payment of its bonds and notes, which has not been disclosed in this Official Statement.

Legal Matters

The legality of the Bonds will be subject to the approving opinion of Rogut McCarthy LLC, Cranford, New Jersey, Bond Counsel. Such opinion will be to the effect that:

1. The Bonds have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the Village, enforceable in accordance with their terms, except as enforcement of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation or other laws relating to or affecting the enforcement of creditors' rights generally now or hereafter in effect to the extent constitutionally applicable, and enforcement may also be subject to the exercise of judicial discretion in certain cases.
2. The Village has pledged its full faith and credit for the payment of the principal of and interest on the Bonds, and unless paid from other sources, the Village is authorized and required by law to levy on all real property taxable by the Village such *ad valorem* taxes as may be necessary to pay the Bonds and the interest thereon, without limitation as to rate or amount.

Rogut McCarthy LLC has not verified the accuracy, completeness or fairness of the statements contained in this Official Statement and will not express, and has not been requested to express, an opinion as to the accuracy, completeness or fairness of such statements. See "Appendix C – Proposed Form of Bond Counsel Opinion" herein.

Certificates of Village Officials

The original purchasers of the Bonds shall also receive a certificate, dated as of the date of delivery of the Bonds and signed by the Chief Financial Officer and the Acting Village Clerk certifying that (a) as of the date of the Official Statement furnished by the Village in relation to the Bonds, said Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading, subject to the condition that while information in said Official Statement obtained from sources other than the Village is not guaranteed as to accuracy, completeness or fairness, such officers have no reason to believe and do not believe that such information is materially inaccurate or misleading, and (b) to the knowledge of such officers, since the date of said Official Statement and since the date of the sale of the Bonds, there have been no material transactions not in the ordinary course of affairs entered into by the Village and no material adverse change in the general affairs of the Village or in its financial condition as shown in said Official Statement, other than as disclosed in or contemplated by said Official Statement, provided such certificate shall not include consideration of information supplied by, or that should have been supplied by, the successful bidders for the Bonds. In addition, the original purchasers of the Bonds shall also receive certificates in form satisfactory to Rogut McCarthy LLC, Bond Counsel, evidencing the proper execution and delivery of the Bonds and receipt of payment therefor and a certificate, dated as of the date of delivery of the Bonds and signed by the officers who signed the Bonds, stating that no litigation is then pending or, to the knowledge of such officers, threatened to restrain or enjoin the issuance or delivery of the Bonds or the levy or collection of taxes to pay the Bonds or the interest thereon, or questioning the validity of the statutes or the proceedings under which the Bonds are issued, and that neither the corporate existence or boundaries of the Village, nor the title of the said officers to their respective offices, is being contested.

SECONDARY MARKET DISCLOSURE

The Village has agreed, pursuant to a resolution adopted on July 13, 2010, to undertake for the benefit of the Bondholders and the beneficial owners of the Bonds to provide certain secondary market disclosure information pursuant to Rule 15c2-12. Specifically, the Village will do the following for the benefit of the holders of the Bonds and the beneficial owners thereof:

(A) Not later than seven months after the end of the Village's fiscal year (presently December 31), commencing with the report for the fiscal year ending December 31, 2010, provide or cause to be provided to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format, as prescribed by the MSRB, annual financial information with respect to the Village consisting of (i) audited financial statements (or unaudited financial statements if audited financial statements are not then available by the date of filing, which audited financial statements will be delivered when and if available) of the Village and (ii) certain financial information and operating data consisting of (a) information concerning the Village's debt, overlapping indebtedness, tax rate, levy and collection data, property valuation and fund balance of the type contained under the headings "Budget Information", "Financial Information" and "Debt Information" in Appendix A hereof, and (b) the Village's most recent adopted budget. The audited financial statements will be prepared in accordance with mandated State statutory accounting principles, as in effect from time to time. Audited financial statements if not available by the filing date will be submitted separately when available.

(B) Provide or cause to be provided to the MSRB notice of the occurrence of any of the following events with respect to the Bonds, if material:

- (1) Principal or interest payment delinquencies;
- (2) Non-payment related defaults;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;

- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions or events affecting the tax exempt status of the Bonds;
- (7) Modifications to the rights of Bondholders;
- (8) Bond calls;
- (9) Defeasances;
- (10) Release, substitution or sale of property that secures the repayment of the Bonds; and
- (11) Rating changes.

(C) Provide or cause to be provided, in a timely manner, to the MSRB notice of a failure of the Village to provide required annual financial information on or before the date specified above.

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

If the Village fails to comply with the above-described undertaking, any Bondholder or beneficial owner of the Bonds may pursue an action for specific performance to enforce the rights of all Bondholders and beneficial owners with respect to such undertaking; *provided, however*, that failure to comply with such undertaking shall not be an event of default and shall not result in any acceleration of payment of the Bonds or any liability by the Village for monetary damages. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all Bondholders and beneficial owners of the Bonds.

The Village reserves the right to terminate its obligation to provide annual financial information and notice of material events, as set forth above, if and when the Village no longer remains an "obligated person" with respect to the Bonds within the meaning of Rule 15c2-12.

The undertaking may be amended by the Village from time to time, without the consent of the Bondholders or the beneficial owners of the Bonds, in order to make modifications required in connection with a change in legal requirements, a change in law or a change in identity, nature, type of operation or status of the Village, which in the opinion of nationally recognized bond counsel complies with Rule 15c2-12 and does not, in such bond counsel's opinion, materially impair the interests of the Bondholders and the beneficial owners of the Bonds.

The Village has never failed to provide required annual financial information.

PREPARATION OF OFFICIAL STATEMENT

The firm of Lerch, Vinci & Higgins, LLP, Fair Lawn, New Jersey, Certified Public Accountants, takes responsibility for the financial statements to the extent specified in the Independent Auditors' Report.

The firm of Lerch, Vinci & Higgins, LLP, assisted in the preparation of information contained in this Official Statement and information has been obtained from sources which Lerch, Vinci & Higgins, LLP, considers to be reliable but they make no warranty, guarantee or other representation with respect to the accuracy and completeness of such information.

APPROVAL OF OFFICIAL STATEMENT

Prior to the delivery of the Bonds, the Board of Commissioners of the Village will have adopted a resolution approving this Official Statement, deeming it a "final official statement" for purposes of Rule 15c2-12 and directing the Chief Financial Officer to deliver a reasonable number of copies thereof in final form to the Underwriters for their use in the sale, resale or distribution of the Bonds.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including requests for information additional to that contained herein, may be directed to the Village of Ridgefield Park Municipal Building, 234 Main Street, Ridgefield Park, New Jersey, Margaret R. Boyd, Commissioner of Finance, (201) 641-4950, ext. 600.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between the Village and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Village since the date hereof. The information contained in the Official Statement is not guaranteed as to accuracy or completeness.

This Official Statement has been duly executed and delivered by the Chief Financial Officer and the Acting Village Clerk on behalf of the Village.

VILLAGE OF RIDGEFIELD PARK

/s/ _____
Paul Hansen, CMFO
Chief Financial Officer

/s/ _____
Sarah Warlikowski
Acting Village Clerk

Dated:

APPENDIX A

ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE VILLAGE OF RIDGEFIELD PARK

GENERAL INFORMATION REGARDING THE VILLAGE OF RIDGEFIELD PARK

Size and Geographical Location

The Village of Ridgefield Park comprises an area of approximately 1.9 square miles, located in the southeast section of Bergen County, New Jersey. Surrounding municipalities include Bogota, Leonia, Palisades Park, Ridgefield, Little Ferry and Teaneck.

Form of Government

Ridgefield Park was incorporated as a Village in 1892. Its form of government is known as the "Commission Form of Government". The governing body of the Village is known as the Board of Commissioners, which consists of five members serving four year terms. The Commissioners choose one of their members to preside at all meetings, and he is designated as Mayor. The Board of Commissioners is charged with the efficient and economical operation of every phase of local government with the exception of the public school system, over which they have no jurisdiction or control whatsoever. The Commissioners and the various agencies of the Village are grouped or assigned to the following five departments: Department of Public Affairs, Department of Revenue and Finance, Department of Public Safety, Department of Public Works and Department of Parks and Public Property. The Mayor is required to supervise all departments and report to the Board of Commissioners all matters requiring the Board's attention. The Mayor has no veto power.

At the annual organization meeting of the Board of Commissioners, following each election, one of the elected Commissioners is assigned to each of these departments, with the title of Director. At the same time, the various agencies, units and branches of the local government are assigned to the various departments.

Transportation

Because of its close proximity to New York City, many residents are employed in the City of New York and commute through access of mass transportation. There are bus lines to the Port Authority Bus Terminal in Manhattan and the regional shopping centers in Bergen County, as well as the Port Authority Facilities in Hoboken and Jersey City. The Village is served by major highways such as Interstate Highways 80 and 95, the New Jersey Turnpike and Route 46. There are two exits in Ridgefield Park to and from the New Jersey Turnpike.

Police and Fire Protection

The Village is served by a police department consisting of 30 regular officers, including 4 detectives, and operates 10 marked vehicles, 4 unmarked vehicles and 1 utility truck. Its fire services consist of 100 volunteer firemen who operate 4 pumpers, 2 ladder trucks, 1 rescue truck and 1 chief's vehicle. Ambulance service is provided for the public by the Ridgefield Park Ambulance Corps.

The Village also maintains a Rescue Squad, which has heavy duty rescue equipment to assist in highway disasters and other emergencies.

Sanitation

The Village provides garbage collection and recycling pick-up for all homes on a weekly basis. Payment for such garbage collection services is part of the general property tax levy. Sewerage disposal is provided under contract by the Bergen County Utilities Authority. For this service, the Village pays an annual service charge based on the metered flow of sewerage. This service charge is part of the general property tax levy.

Utilities

Electricity and gas are supplied by Public Service Electric and Gas. United Water New Jersey supplies the Village's water.

Recreation

The Village maintains an extensive park system consisting of eight (8) parks, which includes ten (10) tennis courts, numerous baseball, football and soccer fields and other recreational areas, including an extensive park located along the Overpeck Creek known as McGowan Park where band concerts and other social functions are held. The Village also maintains a baseball and football stadium, which is fully lighted for night activities. In addition, there is a lighted hockey rink and soccer field, as well as a lighted stadium for little league baseball. The Village also maintains an official running track where many athletic contests take place.

There is also available on a paid membership basis to the residents of the Village a municipal swimming pool complex, consisting of an Olympic-size pool, a diving pool and a children's pool.

The County also maintains an extensive park system consisting of approximately 90 acres known as Overpeck Park, which has many forms of recreation available to the public including baseball, soccer and rugby fields, picnic areas and walking trails, all of which are along the Overpeck Creek in Ridgefield Park.

Public Library

The Board of Commissioners maintains a public library within the Village in its own facility, consisting of a building of approximately 11,000 square feet housing over 77,000 volumes. The Ridgefield Park Public Library is operated by the Board of Trustees consisting of nine (9) residents of the Village.

The library is a member of the Bergen County Cooperative Library System, which is a consortium of 60 libraries in the Counties of Bergen, Passaic and Hudson, as well as the Highlands Regional Library Cooperative and the Silverscreen Video Circuit.

The library is fully computerized and, through its membership and various cooperatives, can obtain resources throughout the United States.

Education

The Village's school district, coterminous with the boundaries of the Village, is a type II school district, and is an independent legal entity administered by a nine-member Board of Education elected by the voters of the school district. The school district provides for kindergarten through 12th grade in three school buildings: Grant School, Roosevelt School and the Junior/Senior High School. Ridgefield Park High School serves as a receiving district for the students of Little Ferry in grades 9 through 12. The school district is authorized by law to issue debt for school purposes upon a vote of the electorate.

ECONOMIC AND DEMOGRAPHIC INFORMATION

Labor Force, Employment and Unemployment

For the years 2005 to 2009, the New Jersey Department of Labor reported the following annual average employment information for the Village of Ridgefield Park, the County of Bergen and the State of New Jersey:

	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate</u>
<u>Village of Ridgefield Park</u>				
2009	7,358	6,722	636	8.6%
2008	7,268	6,916	352	4.8%
2007	7,209	6,941	268	3.7%
2006	7,262	6,959	303	4.2%
2005	7,544	7,249	295	3.9%
<u>County of Bergen</u>				
2009	480,500	442,500	38,000	7.9%
2008	477,000	455,600	21,400	4.5%
2007	473,600	457,300	16,300	3.4%
2006	476,200	457,800	18,400	3.9%
2005	470,000	452,400	17,600	3.7%
<u>State of New Jersey</u>				
2009	4,536,700	4,118,400	418,300	9.2%
2008	4,496,700	4,251,200	245,500	5.5%
2007	4,462,300	4,271,700	190,600	4.3%
2006	4,492,800	4,283,600	209,200	4.7%
2005	4,431,500	4,232,800	198,700	4.5%

Source: Village of Ridgefield Park.

Population

Population trends for the Village, County and the State of New Jersey since 1970 are shown below:

<u>Area</u>	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2008</u>
Village of Ridgefield Park	13,990	12,738	12,454	12,873	12,370
County of Bergen	897,148	845,385	825,380	884,118	894,840
State of New Jersey	7,171,112	7,365,011	7,730,188	8,414,350	8,682,661

Source: U.S. Census Bureau.

BUDGET INFORMATION
Current Fund
(As Adopted)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Anticipated Revenues					
Fund Balance	\$ 425,000	\$ 625,000	\$ 1,200,000	\$ 1,200,000	\$ 1,645,729
Miscellaneous Revenues	3,239,321	3,849,201	3,688,073	3,842,468	3,719,748
Receipts from Delinquent Taxes	1,319,000	925,000	835,000	744,000	537,000
Amount to be Raised by Taxes for Support of Municipal Budget	<u>14,841,754</u>	<u>14,045,818</u>	<u>13,267,217</u>	<u>12,197,118</u>	<u>11,286,549</u>
	<u><u>\$ 19,825,075</u></u>	<u><u>\$ 19,445,019</u></u>	<u><u>\$ 18,990,290</u></u>	<u><u>\$ 17,983,586</u></u>	<u><u>\$ 17,189,026</u></u>
Appropriations					
Salaries and Wages	\$ 7,619,274	\$ 7,376,790	\$ 7,299,232	\$ 6,982,439	\$ 6,669,700
Other Expenses	7,624,835	7,989,864	8,585,235	7,947,168	7,426,855
Deferred Charges and Statutory Expenditures	1,534,072	1,424,875	507,227	499,208	636,541
Capital Improvement Fund	50,000	50,000	50,000	50,000	50,000
Municipal Debt Service	1,620,619	1,403,490	1,298,596	1,254,771	1,205,930
Reserve for Uncollected Taxes	<u>1,376,275</u>	<u>1,200,000</u>	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,200,000</u>
	<u><u>\$ 19,825,075</u></u>	<u><u>\$ 19,445,019</u></u>	<u><u>\$ 18,990,290</u></u>	<u><u>\$ 17,983,586</u></u>	<u><u>\$ 17,189,026</u></u>

Source: Village of Ridgefield Park.

FINANCIAL INFORMATION

Current Fund Balance and Amounts Utilized in Succeeding Year's Budget

<u>Year</u>	<u>Fund Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2009	\$ 656,729	\$ 425,000
2008	984,330	625,000
2007	2,054,950	1,200,000
2006	1,796,301	1,200,000
2005	2,417,472	1,645,729

Source: Village of Ridgefield Park Annual Audit Reports

Current Tax Collections

<u>Year</u>	<u>Tax Levy</u>		<u>Collection During Year of Levy</u>	
			<u>Amount</u>	<u>Percent</u>
2009	\$	37,947,144	\$ 36,149,879	95.26%
2008		37,031,037	35,982,299	97.16%
2007		35,762,734	34,746,137	97.15%
2006		33,858,599	32,940,683	97.29%
2005		32,039,397	31,439,528	98.13%

Source: Village of Ridgefield Park Annual Audit Reports.

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>		<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Levy</u>
2009	\$	19,250	\$ 1,379,248	\$ 1,398,498	3.69%
2008		19,250	968,379	987,629	2.67%
2007		19,250	839,212	858,462	2.40%
2006		14,256	753,762	768,018	2.27%
2005		9,543	535,993	545,536	1.70%

Source: Village of Ridgefield Park Annual Audit Reports

Assessed Valuation of Property Owned by the Village Acquired for Taxes

<u>Year</u>	<u>Amount</u>
2009	\$ 69,840
2008	69,840
2007	69,840
2006	69,840
2005	69,840

Source: Village of Ridgefield Park Annual Audit Reports

Ten Largest Taxpayers

The ten largest taxpayers in the Village and their 2010 assessed valuations are listed below:

<u>Taxpayer</u>	<u>Assessment</u>
Rdgfld Pk C/O Hartz Mtn Ind	\$ 50,000,000
Hartz / Bank of America	38,000,000
105 Chall Owner C/O Mack-Cali Rlty	28,000,000
Rdgfld Pk / Hartz C/O AGFA	27,500,000
85 Challenger Road LLC	22,500,000
Pitcairn Skymark C/O M Poer & Co	20,541,000
Marlboro Apt Corp / Preferred Mgmt	18,765,000
Ridgefield Park Lodging Assoc LLP	15,189,300
United Rentals North America Inc	12,236,800
Landmark E. Corp C/O Wilkin Mgmt Grp	11,040,000
	<u>\$ 243,772,100</u>

Source: Tax Assessor.

Assessed Valuation Land Improvements by Class

<u>Year</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Apartment</u>	<u>Industrial</u>	<u>Total</u>
2010	\$ 26,609,000	\$ 1,040,332,800	\$ 328,716,500	\$ 114,271,300	\$ 49,667,000	\$ 1,559,596,600
2009	26,622,100	1,045,959,300	330,612,100	116,228,200	55,895,900	1,575,317,600
2008 ⁽¹⁾	26,709,200	1,046,356,100	321,408,400	116,228,200	55,895,900	1,566,597,800
2007	21,690,600	561,116,300	189,720,250	68,839,300	30,806,600	872,173,050
2006	21,592,600	559,868,740	190,884,650	70,432,900	32,328,400	875,107,290

⁽¹⁾ The Village underwent a revaluation of real property which became effective January 1, 2008.

Source: Tax Duplicate.

Assessed Valuations Net Valuation Taxable

<u>Year</u>	<u>Real Property</u>	<u>Business Personal Property</u>	<u>Net Valuation Taxable</u>	<u>Ratio of Assessed Value to True Value of Real Property</u>	<u>Total True Value of Assessed Property</u>
2010	\$ 1,559,596,600	\$ 3,124,731	\$ 1,562,721,331	106.94%	\$ 1,470,267,482
2009	1,575,317,600	1,404,287	1,576,721,887	100.72	1,574,882,476
2008 ⁽¹⁾	1,566,597,800	708,434	1,567,306,234	95.21	1,655,264,678
2007	872,173,050	736,811	872,909,861	56.66	1,548,913,232
2006	875,107,290	795,896	875,903,186	61.91	1,422,455,948

⁽¹⁾ The Village underwent a revaluation of real property which became effective January 1, 2008.

Source: Tax Duplicate and Abstract of Ratables of Bergen County

Components of Real Estate Tax Rate
(per \$100 of Assessment)

<u>Year</u>		<u>Total</u>		<u>Municipal</u>		<u>Local School</u>		<u>County (2)</u>
2010	\$	2.509	\$	0.949	\$	1.384	\$	0.176
2009		2.402		0.891		1.323		0.188
2008 ⁽¹⁾		2.362		0.847		1.320		0.195
2007		4.090		1.406		2.371		0.313
2006		3.860		1.297		2.266		0.297

(1) The Village underwent a revaluation of real property which became effective January 1, 2008.

(2) Includes County Open Space Tax

Source: Tax Collector.

Apportionment of Tax Levy
(Including School and County Purposes)

<u>Year</u>		<u>Total</u>		<u>Municipal</u>		<u>County (1)</u>		<u>Local School</u>
2010	\$	39,196,586	\$	14,841,754	\$	2,731,366	\$	21,623,466
2009		37,947,144		14,119,178		2,967,326		20,860,640
2008		37,031,037		13,296,422		3,044,615		20,690,000
2007		35,762,734		12,264,674		2,803,796		20,694,264
2006		33,858,599		11,352,228		2,658,413		19,847,958

(1) Includes County Open Space Tax

Source: Tax Collector

DEBT INFORMATION

Debt Statements

The Village must report all new authorizations of debt or changes in previously authorized debt to the Division of Local Government Services, Department of Community Affairs of the State of New Jersey (the "Division"). The Supplemental Debt Statement, as this report is known, must be submitted to the Division before final passage of any debt authorization. Before January 31 of each year the Village must file an Annual Debt Statement with the Division. This report is made under oath and states the authorized, issued and unissued debt of the Village as of the previous December 31. Through the Annual and Supplemental Debt Statements, the Division monitors all local borrowing.

Debt Incurring Capacity As of December 31, 2009

Municipal

Equalized Valuation Basis (last 3 years average)	\$ 1,556,792,144
3 1/2% Borrowing Margin	54,487,725
Net Debt Issued, Outstanding and Authorized	13,423,749
Remaining Municipal Borrowing Capacity	41,063,976

Local School

4% Borrowing Margin	62,271,686
Debt, Issued, Outstanding and Authorized	3,555,000
Remaining School Borrowing Capacity	58,716,686

Gross and Statutory Net Debt as of December 31,

<u>Year</u>	<u>Gross Debt</u>	<u>Statutory Net Debt</u>	
	<u>Amount</u>	<u>Amount</u>	<u>Percentage</u>
2009	\$ 19,676,758	\$ 13,423,749	0.86%
2008	18,186,128	13,088,350	0.82%
2007	18,111,052	13,424,853	0.87%
2006	18,934,617	14,016,267	1.00%
2005	19,969,975	14,794,975	1.18%

Source: Village of Ridgefield Park Audit Reports.

**Statement of Indebtedness
As of December 31, 2009**

GENERAL PURPOSES

Bonds Issued and Outstanding	\$ 7,365,000	
Bond Anticipation Notes	5,449,910	
Loans	1,507,930	
Bonds and Notes Authorized But Not Issued	<u>1,729,828</u>	
		\$ 16,052,668

LOCAL SCHOOL

Bonds Issued and Outstanding		3,555,000
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SWIM POOL - UTILITY

Bond Anticipation Notes	40,590	
Bonds and Notes Authorized But Not Issued	<u>28,500</u>	
		<u>69,090</u>

TOTAL GROSS DEBT \$ 19,676,758

STATUTORY DEDUCTIONS

Municipal Purpose	2,698,009	
Local School	<u>3,555,000</u>	
		<u>6,253,009</u>

TOTAL NET DEBT \$ 13,423,749

OVERLAPPING DEBT

County of Bergen	5,724,881	
BCUA - Water Pollution Control	<u>5,700,292</u>	
		<u>\$ 11,425,173</u>

GROSS DEBT

Per Capita (2008 Census - 12,370)	\$ 1,591
Percent of Net Valuation Taxable (2010 - \$1,562,721,331)	1.26%
Percent of Estimated True Value of Real Property (2010 - \$1,470,267,482)	1.34%

NET MUNICIPAL DEBT

Per Capita (2008 Census - 12,370)	\$ 1,085
Percent of Net Valuation Taxable (2010 - \$1,562,721,331)	0.86%
Percent of Estimated True Value of Real Property (2010 - \$1,470,267,482)	0.91%

OVERALL DEBT (Gross and Overlapping Debt)

Per Capita (2008 Census - 12,370)	\$ 2,514
Percent of Net Valuation Taxable (2010 - \$1,562,721,331)	1.99%
Percent of Estimated True Value of Real Property (2010 - \$1,470,267,482)	2.12%

Note (1) Overlapping debt was computed based upon the real property ratio of equalized valuations of the municipality to all municipalities within the County as provided in the 2008 Bergen County Abstract of Ratables published by the Bergen County Board of Taxation.

Note (2) Overlapping debt was computed based upon usage.

Source: Village of Ridgefield Park.

APPENDIX B

**INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS
OF THE VILLAGE OF RIDGEFIELD PARK,
IN THE COUNTY OF BERGEN, STATE OF NEW JERSEY**

LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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ANDREW PARENTE, CPA, RMA, PSA
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DEBORAH KOZAK, CPA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
RALPH M. PICONE, CPA, RMA, PSA

INDEPENDENT AUDITORS' REPORT

Mayor and Members
of the Board of Commissioners
Village of Ridgefield Park
Ridgefield Park, New Jersey

We have audited the accompanying balance sheets - regulatory basis of the various funds of the Village of Ridgefield Park as of and for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the Village of Ridgefield Park's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as discussed in the fourth paragraph, we conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village of Ridgefield Park's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

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

INDEPENDENT AUDITORS' REPORT (Continued)

In addition, the financial statements of the Length of Service Awards Program (LOSAP) Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Fund financial statements as part of our audit of the Village's financial statements. The LOSAP Fund financial activities are included in the Village's Trust Fund, and represent 64 percent and 55 percent of the assets and liabilities, respectively, of the Village's Trust Funds as of December 31, 2009 and 2008.

In addition, the notes to the Village's financial statements do not disclose the other post employment benefit obligations related to post-retirement medical benefits provided to its eligible retirees and their dependents as required by Government Accounting Standards Board Statement Number 45 and the Division of Local Government Services, Department of Community Affairs, State of New Jersey. In our opinion, disclosure of that information is required to conform with the regulatory basis of accounting prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

In our opinion, because of the effects of the Village preparing its financial statements on the basis of accounting discussed in the third paragraph, the financial statements referred to previously do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village of Ridgefield Park as of December 31, 2009 and 2008, or the changes in its financial position, or, where applicable, its cash flows for the years then ended. Further, the Village has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

However, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Fund financial statements been audited and, except for the omission of the note disclosure regarding the other post employment benefit obligations, as described in the fifth paragraph, the financial statements - regulatory basis referred to previously present fairly, in all material respects, the financial position - regulatory basis of the various funds of the Village of Ridgefield Park as of December 31, 2009 and 2008 and the results of operations and changes in fund balance - regulatory basis of such funds for the years then ended and the revenues - regulatory basis and the expenditures - regulatory basis of the various funds for the year ended December 31, 2009 on the basis of accounting described in Note 1.

By/s/

LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants

Fair Lawn, New Jersey
June 16, 2010

**VILLAGE OF RIDGEFIELD PARK
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS - CURRENT FUND
AS OF DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
ASSETS		
Regular Fund		
Cash	\$ 5,207,702	\$ 5,674,055
Cash - Change Funds	125	125
Due from State of New Jersey - Senior Citizen and Veterans' Deductions	48,985	34,730
Grants Receivable	<u>102,277</u>	<u>125,703</u>
	<u>5,359,089</u>	<u>5,834,613</u>
Receivables and Other Assets With Full Reserves		
Delinquent Property Taxes Receivable	1,379,248	968,379
Tax Title Liens	19,250	19,250
Property Acquired for Taxes - Assessed Valuation	69,840	69,840
Revenue Accounts Receivable	20,617	24,906
Mortgages Receivables - Fire Department Companies	318,835	330,435
Prepaid County Taxes Payable		554
Due from Swimming Pool Capital Fund	38,000	38,000
Due from Swimming Pool Operating Fund	20,020	6,943
Due from General Capital Fund		621,369
Due from Other Trust Fund	1,092	15,229
Due from Assessment Trust Fund	3	35
Due from Animal Control Fund	17	125
Due from Public Assistance Fund	<u>6</u>	<u>2,617</u>
	<u>1,866,928</u>	<u>2,097,682</u>
Deferred Charges		
Overexpenditure of Appropriation Reserves	1,132	
Special Emergency Authorizations	<u>51,500</u>	<u>97,000</u>
	<u>52,632</u>	<u>97,000</u>
Total Assets	<u>\$ 7,278,649</u>	<u>\$ 8,029,295</u>

**VILLAGE OF RIDGEFIELD PARK
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS - CURRENT FUND
AS OF DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
LIABILITIES, RESERVES AND FUND BALANCE		
Regular Fund		
Liabilities		
Appropriation Reserves	\$ 845,896	\$ 844,815
Encumbrances Payable	483,413	577,370
Accounts Payable	1,658	398,380
Prepaid Taxes	103,432	76,834
Fees Payable	2,215	2,290
Tax Overpayments	232,815	265,038
Reserve for Library State Aid	28,976	46,105
Due to General Capital Fund	246,889	
Due to LOSAP Trust Fund	139,150	139,150
Due to Health Benefits Trust Fund	13,311	13,311
School Taxes Payable	2,313,634	2,320,250
County Taxes Payable	4,335	
Special Emergency Note Payable	39,500	79,000
Appropriated Reserves for Grants	224,300	171,551
Unappropriated Reserves for Grants	68,034	13,189
Reserve for Tax Appeals	7,434	-
	<u>4,754,992</u>	<u>4,947,283</u>
Reserve for Receivables and Other Assets	1,866,928	2,097,682
Fund Balance	<u>656,729</u>	<u>984,330</u>
Total Liabilities, Reserve and Fund Balance	<u>\$ 7,278,649</u>	<u>\$ 8,029,295</u>

VILLAGE OF RIDGEFIELD PARK
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
STATUTORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>Year 2009</u>	<u>Year 2008</u>
REVENUE AND OTHER INCOME REALIZED		
Fund Balance Utilized	\$ 625,000	\$ 1,200,000
Miscellaneous Revenue Anticipated	3,691,181	3,611,995
Receipts from Delinquent Taxes	952,312	809,120
Receipts from Current Taxes	36,149,879	35,982,299
Non-Budget Revenue	-	251,003
Other Credits to Income		
Interfunds Returned	3,811	
Unexpended Balance of Appropriation Reserves	271,773	304,916
Cancellation of Tax Overpayments	54,555	45,233
Cancellation of Accounts Payable	59,382	
Liquidate Prepaid Expense	554	
Prior Year Deficit-Due from Swimming Pool Utility	<u>13,077</u>	<u>6,942</u>
Total Income	<u>41,821,524</u>	<u>42,211,508</u>
EXPENDITURES		
Budget and Emergency Appropriations		
Operations		
Salaries and Wages	7,434,714	7,267,492
Other Expenses	7,918,621	7,977,067
Deferred Charges and Statutory		
Expenditures - Municipal	1,441,885	1,310,243
Capital Improvements	50,000	50,000
Municipal Debt Service	1,359,687	1,291,528
County Taxes Payable	2,967,326	3,044,615
Local District School Taxes Payable	20,760,640	20,690,000
Interfund Loans Made		610,629
Establish Reserve for Prepaid County Taxes		554
Cancellation of Grants Receivable	20,536	
Refund of Prior Years Revenue	<u>14,610</u>	<u>-</u>
Total Expenditures	<u>41,968,019</u>	<u>42,242,128</u>
Excess (Deficit) in Revenue	297,399	(30,620)
Adjustments to Income Before Fund Balance:		
Expenditures Included Above Which are by Statute		
Deferred to Budget of Succeeding Year	<u>-</u>	<u>160,000</u>
Excess in Revenue to Fund Balance	297,399	129,380
FUND BALANCE, JANUARY 1	<u>984,330</u>	<u>2,054,950</u>
	1,281,729	2,184,330
Decreased by:		
Utilization as Anticipated Revenue	<u>625,000</u>	<u>1,200,000</u>
FUND BALANCE, DECEMBER 31	<u><u>\$ 656,729</u></u>	<u><u>\$ 984,330</u></u>

The Accompanying Notes are an Integral Part of these Financial Statements

VILLAGE OF RIDGEFIELD PARK
STATEMENT OF REVENUES - STATUTORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>		<u>2008</u>	
	<u>Budget After</u>	<u>Actual</u>	<u>Budget After</u>	<u>Actual</u>
	<u>Modification</u>		<u>Modification</u>	
FUND BALANCE	\$ 625,000	625,000	\$ 1,200,000	1,200,000
MISCELLANEOUS REVENUES				
Licenses				
Alcoholic Beverages	4,485	5,678	4,485	\$ 4,485
Other - Village Clerk	23,000	17,565	20,200	23,440
Fees and Permits	58,000	62,924	60,000	58,422
Fines and Costs				
Municipal Court	310,000	323,225	315,000	311,134
Interest and Costs on Taxes	150,000	217,530	125,000	160,479
Parking Meters	17,000	15,505	17,000	17,064
Interest on Investments and Deposits	120,000	14,857	250,000	123,628
Rental of Municipal Property	2,500	580	2,000	2,680
Housing Fees	1,500	1,740	7,500	1,909
Energy Receipts Tax	1,030,023	1,030,023	951,037	951,037
Consolidated Municipal Property Tax				
Relief Aid	443,781	443,781	545,211	545,211
Extraordinary Aid			150,000	150,000
Uniform Construction Code Fees	150,000	192,999	200,000	186,564
Special Items:				
Clean Communities Program	17,074	\$ 17,074	11,799	11,799
Municipal Alliance on Alcoholism and Drug Abuse			11,500	11,500
Drunk Driving Enforcement Fund			26,978	26,978
State Housing Inspection Program			2,527	2,527
Police Body Armor-State			3,108	3,108
Reserve for Police Body Armor-State			3,220	3,220
Reserve for Drunk Driving Enforcement Fund			3,300	3,300
Reserve for Recycling Tonnage Grant			6,990	6,990
Reserve for Alcohol Rehabilitation Education Grant			8,414	8,414
Reserve for Health Priority Grant			6,208	6,208
Reserve for Stormwater Grant			2,500	2,500
Reserve for DMV Inspection Grant			3,006	3,006
Reserve for Municipal Recycling Grant			4,884	4,884
Uniform Fire Safety	19,460	19,543	20,402	19,461
General Capital Interfund	621,369	621,369		
Long-Term Lease of Municipal Property				
Hartz Mountain Ind., Inc. - Lease Payments	697,000	774,383	664,000	697,648
Hartz Mountain-Lease Pymts-Hilton Garden Inn	66,000	66,000	66,000	66,000
Hotel Fees	121,700	85,523	198,912	198,399
Total Miscellaneous Revenues	<u>3,852,892</u>	<u>3,910,299</u>	<u>3,691,181</u>	<u>3,611,995</u>
RECEIPTS FROM DELINQUENT TAXES	<u>925,000</u>	<u>952,312</u>	<u>835,000</u>	<u>809,120</u>
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET				
Local Tax for Municipal Purposes	<u>14,045,818</u>	<u>13,521,913</u>	<u>13,267,217</u>	<u>13,497,684</u>
Budget Totals	<u>\$ 19,448,710</u>	<u>\$ 19,009,524</u>	<u>\$ 18,993,398</u>	<u>\$ 19,118,799</u>

**VILLAGE OF RIDGEFIELD PARK
STATEMENT OF REVENUES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections	
Revenue from Collections	\$ 36,149,879
Allocated to:	
School and County Taxes	<u>23,827,966</u>
Balance for Support of Municipal Budget Appropriations	12,321,913
Add: Appropriation Reserve for Uncollected Taxes	<u>1,200,000</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 13,521,913</u>

FEES AND PERMITS - OTHER

Village Clerk	\$ 687
Board of Health/Registrar	21,282
Fire Prevention Bureau	40,240
Department of Public Works	<u>715</u>
	<u>\$ 62,924</u>

INTEREST ON INVESTMENTS AND DEPOSITS

Revenue Accounts Receivable	\$ 11,051
Due from Animal Control Trust Fund	17
Due from Other Trust Fund	1,092
Due from Public Assistance Fund	6
Due from Assessment Trust Fund	3
Due from General Capital Fund	<u>2,688</u>
	<u>\$ 14,857</u>

VILLAGE OF RIDGEFIELD PARK
STATEMENT OF REVENUES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

ANALYSIS OF NON-BUDGET REVENUES

Franchise Fee - Cable Television	\$ 73,743
Cell Tower Rent	26,591
Prior Year Cancelled Outstanding Checks	7,903
Dog/Cat License Late Fees	3,823
Fire Company Mortgage Payments	11,600
Recreation Registration Fees	6,700
Nursing Services - Board of Education	25,244
Sr. Citizens Building - In Lieu of Tax	26,250
Planning Board/ Board of Adjustment	7,089
Police Fees	1,528
Off Duty Police - Administration Fees	13,724
OPRA	2,985
Miscellaneous Fees	1,937
Refunds	<u>15,659</u>
	<u>\$ 224,776</u>

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2009 STATEMENT OF EXPENDITURES

CURRENT FUND

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VILLAGE OF RIDGEFIELD PARK
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>2009 Appropriated</u>		<u>2009 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
Administration of Public Assistance					
Salaries & Wages	\$ 31,553	\$ 31,603	\$ 31,588	\$ 15	
Other Expenses	2,000	2,000	1,299	701	
Board of Health					
Salaries & Wages	118,905	117,934	109,911	8,023	
Other Expenses	17,000	18,950	17,099	1,851	
Other Expenses - Contractual	18,225	18,225	5,025	13,200	
Human Resources (Personnel)					
Labor Negotiations	50,000	32,500	7,439	25,061	
Dog Regulation					
Other Expenses	15,500	15,500	14,675	825	
Mayor & Board of Commissioners					
Salaries & Wages	16,500	16,500	16,500		
Municipal Land Use Law (N.J.S.A. 40:55D-1)					
Planning Board					
Salaries & Wages	10,800	10,800	8,895	1,905	
Other Expenses	31,000	42,000	31,414	10,586	
Special Consultant	5,000	3,715		3,715	
Board of Adjustment					
Salaries & Wages	8,894	8,894	8,894		
Other Expenses	15,000	8,125	8,031	94	
Land Use Services & Costs					
Salaries & Wages	14,000	14,500	14,487	13	
Other Expenses	1,500	1,500	1,476	24	
Citizens Advisory Committee					
Salaries & Wages	7,147	8,552	8,547	5	
Other Expenses	124,000	122,435	110,420	12,015	
Affordable Housing Agency (Rent Control)					
Salaries & Wages	6,379	6,379	6,379		
Other Expenses	750	916	841	75	

VILLAGE OF RIDGEFIELD PARK
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>2009 Appropriated</u>		<u>2009 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Continued)					
Celebration of Public Event, Anniversary or Holiday					
Other Expenses	\$ 58,000	\$ 43,425	\$ 39,864	\$ 3,561	
Public Safety					
Police					
Salaries & Wages	4,198,895	4,195,885	4,154,056	41,829	
Other Expenses	371,975	364,775	342,103	22,672	
Municipal Court					
Salaries & Wages(Prosecutor)	20,453	21,808	21,805	3	
Dr. Charles A. Knox Memorial					
Volunteer Ambulance Corps.					
Other Expenses	51,000	61,100	60,319	781	
Rescue Squad					
Other Expenses	15,000	23,300	22,976	324	
Fire					
Other Expenses	162,800	162,800	162,557	243	
Emergency Management Services					
Salaries & Wages	10,646	11,326	11,304	22	
Other Expenses	8,700	7,868	5,710	2,158	
Uniform Fire Safety Act					
Fire					
Salaries & Wages	37,614	38,434	38,039	395	
Other Expenses	10,000	10,307	10,307		
Assessment of Taxes					
Salaries & Wages	61,502	61,832	61,831	1	
Other Expenses	10,000	9,670	8,878	792	
Tax appeals	150,000	150,000	29,830	120,170	
Collection of Taxes					
Salaries & Wages	210,008	250,033	248,523	1,510	
Other Expenses	24,040	25,790	25,779	11	
Financial Administration					
Chief Financial Officer - Salaries & Wages	5,000	5,000	5,000		
Other Expenses	22,000	22,000	21,958	42	

VILLAGE OF RIDGEFIELD PARK
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>2009 Appropriated</u>		<u>2009 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Continued)					
Audit Services	\$ 34,000	\$ 34,000	\$ 32,595	\$ 1,405	
Village Clerk's Office					
Salaries & Wages	87,571	85,821	77,351	8,470	
Other Expenses	98,100	96,635	95,632	1,003	
Election					
Salaries & Wages	4,000	4,575	4,572	3	
Other Expenses	10,000	10,060	9,997	63	
Xerox Rental & Supplies					
Other Expenses	4,000	4,000	3,912	88	
Legal Services & Costs					
Salaries & Wages	48,447	48,447	48,433	14	
Other Expenses	90,000	89,175	84,668	4,507	
Bergen County Litigation	17,500	17,500	3,117	14,383	
Development of Meadowlands	115,000	103,000	51,287	51,713	
New Ordinances	6,500	7,785	7,777	8	
Defense of Tax Appeals	85,000	85,000	54,620	30,380	
Municipal Court					
Salaries & Wages	185,823	201,393	199,131	2,262	
Other Expenses	33,500	29,000	26,355	2,645	
Public Defender (P.L. 1997, C.256)					
Salaries and Wages	7,574	7,574	6,955	619	
Codification of Ordinances					
Other Expenses	1,000	940	168	772	
Revision of Ordinances					
Other Expenses	1,000	1,000	176	824	
Engineering Services & Costs					
Other Expenses	64,900	25,700	9,504	16,196	
Public Buildings & Grounds					
Salaries & Wages	63,265	63,265	53,508	9,757	
Other Expenses	174,650	174,650	157,530	17,120	

VILLAGE OF RIDGEFIELD PARK
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>2009 Appropriated</u>		<u>2009 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Continued)					
Vehicle Maintenance(Garage and General Overhead)					
Salaries & Wages	\$ 580,672	\$ 580,672	\$ 580,046	\$ 626	
Other Expenses	109,000	116,000	113,453	2,547	
Sanitary Landfill Contractual - Bergen County	669,000	640,000	610,101	29,899	
Road Repairs & Maintenance					
Salaries & Wages	224,767	224,767	218,438	6,329	
Other Expenses	26,000	26,000	23,445	2,555	
Snow Removal Expenses	20,000	20,000	19,814	186	
Garbage & Trash Removal					
Salaries & Wages	618,048	638,048	621,923	16,125	
Other Expenses	85,000	85,000	79,149	5,851	
Recycling Program					
Salaries & Wages	163,519	163,519	162,223	1,296	
Other Expenses	60,000	60,000	58,517	1,483	
Sewer Maintenance					
Salaries & Wages	120,843	120,843	119,870	973	
Other Expenses	70,000	57,900	44,467	13,433	
Department of Parks & Public Property					
Maintenance of Parks(Parks & Plazas)					
Salaries & Wages	261,549	261,549	261,197	352	
Other Expenses	115,000	117,000	115,190	1,810	
Recreation & Playgrounds					
Salaries & Wages	40,597	41,937	41,936	1	
Other Expenses	40,000	40,560	40,556	4	
Insurance (N.J.S.A. 40A-4-45.3(00))					
General Liability	617,983	617,983	432,168	185,815	
Employee Group Health	2,242,881	2,242,881	2,178,436	64,445	
Uniform Construction Code					
Appropriations Offset by Dedicated					
Revenues (N.J.A.C. 5:23-4-17)					
CONSTRUCTION CODE OFFICIAL					
Salaries & Wages	249,433	230,863	230,327	536	
Other Expenses - Miscellaneous Other Expenses	17,700	35,175	35,159	16	

VILLAGE OF RIDGEFIELD PARK
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>2009 Appropriated</u>		<u>2009 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Continued)					
Unclassified:					
Utilities:					
Street Lighting	\$ 111,000	\$ 111,000	\$ 102,648	\$ 8,352	
Fire Hydrant Service	96,990	108,990	100,144	8,846	
Telephone Expense	25,000	25,000	22,958	2,042	-
Total Operations Within "CAPS"	13,618,598	13,601,588	12,813,212	788,376	-
Contingent	20,000	20,000	-	20,000	-
Total Operations Including Contingent - Within "CAPS"	13,638,598	13,621,588	12,813,212	808,376	-
Detail:					
Salaries & Wages	7,376,790	7,434,319	7,333,630	101,084	
Other Expenses (Including Contingent)	6,261,808	6,187,269	5,479,582	707,292	-
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
DEFERRED CHARGES					
Anticipated Deficit in Swimming Pool Utility Operations	25,000	25,000	25,000		
STATUTORY EXPENDITURES					
Police & Firemen's Retirement System	631,180	631,180	631,180		
Contribution to Public Employees Retirement System	301,439	301,439	301,439		
Social Security System (O.A.S.I.)	348,000	365,010	364,718	292	
Consolidated Police & Fireman's Pension Fund	55	55	55		
State Unemployment Insurance	65,000	65,000	61,688	3,312	
Pension Adjustment Fund	8,701	8,701	8,701	-	-
Total Deferred Charges & Statutory Expenditures - Municipal within "CAPS"	1,379,375	1,396,385	1,392,781	3,604	-
Total General Appropriations for Municipal Purposes Within "CAPS"	15,017,973	15,017,973	14,205,993	811,980	-

VILLAGE OF RIDGEFIELD PARK
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>2009 Appropriated</u>		<u>2009 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
Maintenance of Free Public Library (Ch. 82 & 541, P.L. 1985)	\$ 518,702	\$ 518,702	\$ 506,686	\$ 12,016	
Bergen County Utilities Authority					
Sewer Service Charges - Contractual	1,015,971	1,015,971	1,015,971		
Police 9-1-1 Emergency System					
Other Expenses	10,000	10,000		10,000	
LOSAP	150,000	150,000	139,150	10,850	
Recycling Tax Appropriation	20,000	20,000	19,000	1,000	
Public and Private Programs Offset by Revenues					
Clean Communities Program	<u>13,383</u>	<u>17,074</u>	<u>17,024</u>	<u>50</u>	<u>-</u>
Total Operations Excluded from "CAPS"	<u>1,728,056</u>	<u>1,731,747</u>	<u>1,697,831</u>	<u>33,916</u>	<u>-</u>
Detail:					
Salaries & Wages					
Other Expenses (Including Contingent)	<u>1,728,056</u>	<u>1,731,747</u>	<u>1,697,831</u>	<u>33,916</u>	<u>-</u>
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
Total Capital Improvements - Excluded from "CAPS"	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	635,000	635,000	635,000		
Payment of Bond Anticipation Notes & Capital Notes	206,327	207,480	207,480		
Interest on Bonds	310,415	310,415	271,437		\$ 38,978
Interest on Notes	77,920	77,920	77,137		783
Green Trust Loan Repayments					
Principal and Interest	29,128	29,128	29,128		
Environmental Infrastructure Trust					
Loan Repayments for Principal and Interest	<u>144,700</u>	<u>143,547</u>	<u>139,505</u>	<u>-</u>	<u>4,042</u>
Total Municipal Debt Service - Excluded from "CAPS"	<u>1,403,490</u>	<u>1,403,490</u>	<u>1,359,687</u>	<u>-</u>	<u>43,803</u>

VILLAGE OF RIDGEFIELD PARK
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>2009 Appropriated</u>		<u>2009 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
DEFERRED CHARGES - Excluded from CAPS					
Special Emergency	\$ 45,500	\$ 45,500	\$ 45,500	-	-
Total Deferred Charges Excluded from CAPS	<u>45,500</u>	<u>45,500</u>	<u>45,500</u>	<u>-</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>3,227,046</u>	<u>3,230,737</u>	<u>3,153,018</u>	<u>\$ 33,916</u>	<u>\$ 43,803</u>
Subtotal General Appropriations	18,245,019	18,248,710	17,359,011	845,896	43,803
Reserve for Uncollected Taxes	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>-</u>	<u>-</u>
Total General Appropriations	<u>\$ 19,445,019</u>	<u>\$ 19,448,710</u>	<u>\$18,559,011</u>	<u>\$ 845,896</u>	<u>\$ 43,803</u>
Budget as Adopted		\$ 19,445,019			
Added by N.J.S. 40A:4-87		<u>3,691</u>			
		<u>\$ 19,448,710</u>			

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2008 STATEMENT OF EXPENDITURES

CURRENT FUND

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VILLAGE OF RIDGEFIELD PARK
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>2008 Appropriated</u>		<u>2008 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
Administration of Public Assistance					
Salaries & Wages	\$ 30,490	\$ 31,115	\$ 30,486	\$ 629	
Other Expenses	2,000	2,000	1,490	510	
Board of Health					
Salaries & Wages	116,585	118,256	118,131	125	
Other Expenses	21,730	17,274	13,776	3,498	
Other Expenses - Contractual	18,225	18,225	11,625	6,600	
Human Resources (Personnel)					
Labor Negotiations	45,000	131,000	130,918	82	
Dog Regulation					
Other Expenses	15,500	15,500	15,500		
Mayor & Board of Commissioners					
Salaries & Wages	16,500	16,500	16,500		
Municipal Land Use Law (N.J.S.A. 40:55D-1)					
Planning Board					
Salaries & Wages	10,200	10,386	10,385	1	
Other Expenses	25,000	23,000	15,260	7,740	
Special Consultant	5,000	2,000		2,000	
Board of Adjustment					
Salaries & Wages	16,000	10,664	10,648	16	
Other Expenses	17,700	15,700	13,383	2,317	
Land Use Services & Costs					
Salaries & Wages	28,550	24,260	23,756	504	
Other Expenses	1,500	1,500	1,390	110	
Citizens Advisory Committee					
Salaries & Wages	7,080	7,810	7,808	2	
Other Expenses	136,100	126,670	100,707	25,963	
Affordable Housing Agency (Rent Control)					
Salaries & Wages	6,380	6,380	6,254	126	
Other Expenses	1,000	1,000	708	292	

VILLAGE OF RIDGEFIELD PARK
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>2008 Appropriated</u>		<u>2008 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Continued)					
Celebration of Public Event, Anniversary or Holiday					
Other Expenses	\$ 67,500	\$ 62,710	\$ 55,185	\$ 7,525	
Public Safety					
Police					
Salaries & Wages	4,195,000	4,178,792	3,782,468	396,324	
Other Expenses	359,950	371,158	366,024	5,134	
Municipal Court					
Salaries & Wages(Prosecutor)	18,765	20,055	20,052	3	
Dr. Charles A. Knox Memorial					
Volunteer Ambulance Corps.					
Other Expenses	51,000	51,000	47,831	3,169	
Rescue Squad					
Other Expenses	15,000	15,000	14,615	385	
Fire					
Other Expenses	165,000	165,000	160,468	4,532	
Emergency Management Services					
Salaries & Wages	8,824	11,579	11,577	2	
Other Expenses	8,700	6,945	5,788	1,157	
Uniform Fire Safety Act					
Fire					
Salaries & Wages	44,688	41,778	41,018	760	
Other Expenses	10,000	10,000	9,733	267	
Assessment of Taxes					
Salaries & Wages	59,828	59,978	59,976	2	
Other Expenses	10,000	10,000	8,420	1,580	
Tax appeals		160,000	152,566	7,434	
Collection of Taxes					
Salaries & Wages	207,900	214,527	214,526	1	
Other Expenses	26,900	18,258	15,356	2,902	
Financial Administration					
Chief Financial Officer - Salaries & Wages	5,000	5,000	5,000		
Other Expenses	22,000	33,765	33,764	1	

VILLAGE OF RIDGEFIELD PARK
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>2008 Appropriated</u>		<u>2008 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Continued)					
Audit Services	\$ 33,200	\$ 33,200	\$ 33,200		
Village Clerk's Office					
Salaries & Wages	89,440	89,440	89,440		
Other Expenses	108,900	89,098	85,354	\$ 3,744	
Election					
Salaries & Wages	9,180	8,180	8,169	11	
Other Expenses	28,000	29,602	29,601	1	
Xerox Rental & Supplies					
Other Expenses	4,200	4,200	3,313	887	
Legal Services & Costs					
Salaries & Wages	46,800	46,800	46,795	5	
Other Expenses	115,000	68,000	47,339	20,661	
Bergen County Litigation	7,500	2,500	1,530	970	
Development of Meadowlands	145,000	116,000	75,064	40,936	
New Ordinances	7,500	4,500	3,076	1,424	
Defense of Tax Appeals	85,000	78,000	73,358	4,642	
Municipal Court					
Salaries & Wages	162,852	173,257	173,256	1	
Other Expenses	31,000	27,385	23,682	3,703	
Public Defender (P.L. 1997, C.256)					
Salaries and Wages	6,965	7,425	7,425		
Codification of Ordinances					
Other Expenses	1,000	469	152	317	
Revision of Ordinances					
Other Expenses	1,000	1,000	1,000		
Engineering Services & Costs					
Other Expenses	64,900	64,900	54,671	10,229	
Public Buildings & Grounds					
Salaries & Wages	61,580	61,580	54,255	7,325	
Other Expenses	177,900	177,900	172,998	4,902	

VILLAGE OF RIDGEFIELD PARK
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>2008 Appropriated</u>		<u>2008 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Continued)					
Vehicle Maintenance(Garage and General Overhead)					
Salaries & Wages	\$ 542,000	\$ 537,000	\$ 534,537	\$ 2,463	
Other Expenses	105,000	110,000	100,472	9,528	
Sanitary Landfill Contractual - Bergen County	669,000	666,000	639,597	26,403	
Road Repairs & Maintenance					
Salaries & Wages	189,300	189,225	189,047	178	
Other Expenses	26,000	26,075	26,070	5	
Snow Removal Expenses	50,000	50,000	41,193	8,807	
Garbage & Trash Removal					
Salaries & Wages	633,760	633,760	628,851	4,909	
Other Expenses	80,000	80,000	79,890	110	
Recycling Program					
Salaries & Wages	134,000	124,000	122,674	1,326	
Other Expenses	60,000	60,000	56,181	3,819	
Sewer Maintenance					
Salaries & Wages	117,000	117,000	116,674	326	
Other Expenses	70,000	70,000	68,880	1,120	
Department of Parks & Public Property					
Maintenance of Parks(Parks & Plazas)					
Salaries & Wages	251,700	252,375	252,370	5	
Other Expenses	115,000	123,825	117,376	6,449	
Recreation & Playgrounds					
Salaries & Wages	44,000	44,910	44,908	2	
Other Expenses	35,000	40,400	40,389	11	
Insurance (N.J.S.A. 40A-4-45.3(00))					
General Liability	606,955	606,955	606,184	771	
Employee Group Health	2,029,316	2,089,847	2,086,926	2,921	
Uniform Construction Code					
Appropriations Offset by Dedicated					
Revenues (N.J.A.C. 5:23-4-17)					
CONSTRUCTION CODE OFFICIAL					
Salaries & Wages	238,865	225,460	224,621	839	
Other Expenses - Miscellaneous Other Expenses	14,700	15,055	15,050	5	

VILLAGE OF RIDGEFIELD PARK
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>2008 Appropriated</u>		<u>2008 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Continued)					
Unclassified:					
Utilities:					
Street Lighting	\$ 111,000	\$ 111,000	\$ 95,485	\$ 15,515	
Fire Hydrant Service	96,077	96,077	88,071	8,006	
Telephone Expense	25,000	25,000	23,793	1,207	-
Total Operations Within "CAPS"	13,227,185	13,392,185	12,716,009	676,176	-
Contingent	20,000	15,000	4,351	10,649	-
Total Operations Including Contingent - Within "CAPS"	13,247,185	13,407,185	12,720,360	686,825	-
Detail:					
Salaries & Wages	7,299,232	7,267,492	6,851,607	415,885	
Other Expenses (Including Contingent)	5,947,953	6,139,693	5,868,753	270,940	-
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
DEFERRED CHARGES					
Anticipated Deficit in Swimming Pool Utility Operations	25,000	25,000	25,000		
STATUTORY EXPENDITURES					
Contribution to Public Employees					
Retirement System	28,484	28,484	28,484		
Social Security System (O.A.S.I.)	335,000	335,000	333,152	1,848	
Consolidated Police & Fireman's Pension Fund	43	43	43		
State Unemployment Insurance	65,000	65,000	65,000		
Pension Adjustment Fund	8,200	8,200	8,200	-	-
Total Deferred Charges & Statutory Expenditures - Municipal within "CAPS"	461,727	461,727	459,879	1,848	-
Total General Appropriations for Municipal Purposes Within "CAPS"	13,708,912	13,868,912	13,180,239	688,673	-

VILLAGE OF RIDGEFIELD PARK
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>2008 Appropriated</u>		<u>2008 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
Maintenance of Free Public Library (Ch. 82 & 541, P.L. 1985)	\$ 547,542	\$ 547,542	\$ 487,563	\$ 59,979	
Bergen County Utilities Authority					
Sewer Service Charges - Contractual	1,011,523	1,011,523	1,011,523		
Police 9-1-1 Emergency System					
Other Expenses	10,000	10,000	9,655	345	
LOSAP	150,000	150,000	139,150	10,850	
Recycling Tax Appropriation	21,000	21,000		21,000	
Police and Firemen's Retirement System of NJ	608,619	608,619	608,619		
Public Employees Retirement System of NJ	194,397	194,397	194,397		
Public and Private Programs Offset by Revenues					
Clean Communities Program	11,799	11,799	11,775	24	
Reserve for Drunk Driving Enforcement Fund	3,300	3,300		3,300	
Reserve for Recycling Tonnage Grant	6,990	6,990		6,990	
Drunk Driving Enforcement Fund	26,978	26,978	14,765	12,213	
Reserve for Alcohol Education Grant	8,414	8,414		8,414	
Public Health Priority	6,208	6,208		6,208	
Stormwater Grant	2,500	2,500		2,500	
Municipal Recycling Grant	4,884	4,884		4,884	
Municipal Alliance Program					
Grant Funds	11,500	11,500		11,500	
Matching Funds	2,875	2,875	892	1,983	
Police Body Armor Grant - State	3,220	6,328	4,669	1,659	
DMV Inspection Grant	3,006	3,006		3,006	
State Housing Inspection	2,527	2,527	1,240	1,287	-
Total Operations Excluded from "CAPS"	<u>2,637,282</u>	<u>2,640,390</u>	<u>2,484,248</u>	<u>156,142</u>	<u>-</u>
Detail:					
Salaries & Wages					
Other Expenses (Including Contingent)	2,637,282	2,640,390	2,484,248	156,142	-
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	50,000	50,000	50,000	-	-
Total Capital Improvements - Excluded from "CAPS"	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>-</u>

VILLAGE OF RIDGEFIELD PARK
STATEMENT OF EXPENDITURES - STATUTORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>2008 Appropriated</u>		<u>2008 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	\$ 615,000	\$ 615,000	\$ 615,000		
Payment of Bond Anticipation Notes & Capital Notes	90,000	90,000	90,000		
Interest on Bonds	331,145	331,145	331,145		
Interest on Notes	83,323	83,323	82,872		\$ 451
Green Trust Loan Repayments					
Principal and Interest	29,128	29,128	29,128		
Environmental Infrastructure Trust					
Loan Repayments for Principal and Interest	<u>150,000</u>	<u>150,000</u>	<u>143,383</u>	<u>-</u>	<u>6,617</u>
Total Municipal Debt Service - Excluded from "CAPS"	<u>1,298,596</u>	<u>1,298,596</u>	<u>1,291,528</u>	<u>-</u>	<u>7,068</u>
DEFERRED CHARGES - Excluded from CAPS					
Special Emergency	<u>45,500</u>	<u>45,500</u>	<u>45,500</u>	<u>-</u>	<u>-</u>
Total Deferred Charges Excluded from CAPS	<u>45,500</u>	<u>45,500</u>	<u>45,500</u>	<u>-</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>4,031,378</u>	<u>4,034,486</u>	<u>3,871,276</u>	<u>\$ 156,142</u>	<u>7,068</u>
Subtotal General Appropriations	17,740,290	17,903,398	17,051,515	844,815	7,068
Reserve for Uncollected Taxes	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,250,000</u>	<u>-</u>	<u>-</u>
Total General Appropriations	<u>\$ 18,990,290</u>	<u>\$ 19,153,398</u>	<u>\$18,301,515</u>	<u>\$ 844,815</u>	<u>\$ 7,068</u>
Budget as Adopted		\$ 18,990,290			
Emergency Appropriation		160,000			
Added by N.J.S. 40A:4-87		<u>3,108</u>			
		<u>\$ 19,153,398</u>			

**VILLAGE OF RIDGEFIELD PARK
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
ASSETS		
ASSESSMENT TRUST FUND		
Cash	\$ 1,516	\$ 1,548
ANIMAL CONTROL FUND		
Cash	<u>4,909</u>	<u>3,466</u>
OTHER TRUST FUND		
Cash	<u>580,419</u>	<u>715,969</u>
UNEMPLOYMENT INSURANCE FUND		
Cash	<u>26,987</u>	<u>17,978</u>
HEALTH BENEFITS SELF-INSURANCE FUND		
Cash	6,952	6,365
Due from Current Fund	<u>13,311</u>	<u>13,311</u>
	<u>20,263</u>	<u>19,676</u>
LENGTH OF SERVICE AWARDS PROGRAM		
TRUST FUND (Unaudited)		
Investments	1,007,078	770,038
Due from Current Fund	<u>139,150</u>	<u>139,150</u>
	<u>1,146,228</u>	<u>909,188</u>
Total Assets	<u>\$ 1,780,322</u>	<u>\$ 1,667,825</u>

VILLAGE OF RIDGEFIELD PARK
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
LIABILITIES, RESERVES AND FUND BALANCE		
ASSESSMENT TRUST FUND		
Due to Current Fund	\$ 3	\$ 35
Fund Balance	<u>1,513</u>	<u>1,513</u>
	<u>1,516</u>	<u>1,548</u>
ANIMAL CONTROL FUND		
Due to Current Fund	17	125
Due to State of New Jersey	5	
Reserve for Animal Control Expenditures	<u>4,887</u>	<u>3,341</u>
	<u>4,909</u>	<u>3,466</u>
OTHER TRUST FUND		
Due to Current Fund	1,092	15,229
Excavation Deposits	2,444	97,265
Miscellaneous Deposits	8,456	70,161
Escrow Deposits	72,229	93,106
Reserve for Pool Renovation Deposits	12,000	12,000
Reserve for Elevator Inspection Fees	5,901	5,901
Reserve for Fire Prevention Penalties	10,986	41,461
Reserve for Civic Center - Brewster Estate		1,334
Reserve for Brewster Park - Brewster Estate		916
Reserve for Off-Duty Municipal Police Pay	1,182	5,874
Reserve for D.A.R.E. Program	1,796	3,938
Reserve for Village Pride		695
Reserve for Premium on Tax Sale	103,300	22,000
Reserve for Payment of Outside Liens	23,863	53,217
Reserve for POAA	38,082	37,345
Reserve for COAH	131,401	158,242
Reserve for Youth Academy	3,036	3,333
Reserve for Sewer Study		21,465
Reserve for Recycling	47,594	
Reserve for Sign Account	2,475	
Reserve for Frenchie's Corner	3,587	
Payroll Deductions Payable	22,370	54,927
Other Reserves	8,213	17,560
Fund Balance	<u>80,412</u>	<u>-</u>
	<u>580,419</u>	<u>715,969</u>
UNEMPLOYMENT INSURANCE FUND		
Reserve for Expenditures	26,987	17,211
Accounts Payable	<u>-</u>	<u>767</u>
	<u>26,987</u>	<u>17,978</u>
HEALTH BENEFITS SELF-INSURANCE FUND		
Reserve for Health Benefits Expenditures	<u>20,263</u>	<u>19,676</u>
LENGTH OF SERVICE AWARDS PROGRAM		
TRUST FUND (Unaudited)		
Reserve for LOSAP	<u>1,146,228</u>	<u>909,188</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 1,780,322</u>	<u>\$ 1,667,825</u>

The Accompanying Notes are an Integral Part of these Financial Statements

VILLAGE OF RIDGEFIELD PARK
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - STATUTORY BASIS
ASSESSMENT TRUST FUND
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Balance, January 1	\$ 1,513	\$ 1,469
Increased by:		
Collection of Unpledged Assessments	<u>-</u>	<u>44</u>
Balance, December 31	<u>\$ 1,513</u>	<u>\$ 1,513</u>

EXHIBIT B-2

VILLAGE OF RIDGEFIELD PARK
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - STATUTORY BASIS
OTHER TRUST FUND
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Increased by:		
Cancellation of Other Trust Deposits and Reserves	<u>\$ 80,412</u>	<u>-</u>
Balance, December 31	<u>\$ 80,412</u>	<u>\$ -</u>

**VILLAGE OF RIDGEFIELD PARK
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
ASSETS		
Cash	\$ 679,776	\$ 1,198,336
State Grants Receivable	269,354	276,357
Deferred Charges to Future Taxation		
Funded	8,872,930	9,532,670
Unfunded	6,946,729	4,527,439
Deferred Charges - Cancelled Grant Receivable	17,613	4,980
Due from Current Fund	246,889	
Due from Community Development Agency	<u>158,700</u>	<u>145,000</u>
Total Assets	<u>\$ 17,191,991</u>	<u>\$ 15,684,782</u>
LIABILITIES, RESERVES AND FUND BALANCE		
Serial Bonds Payable	\$ 7,365,000	\$ 8,009,000
Bond Anticipation Notes	5,449,910	3,433,000
Due to Current Fund		621,369
Contracts Payable	738,987	42,250
Green Acres Loan Payable	272,425	184,245
Environmental Infrastructure Loan Payable	1,235,505	1,339,425
Reserve for Bond Sale Costs	9,826	9,826
Improvement Authorizations		
Funded	351,964	425,482
Unfunded	1,116,094	1,020,146
Reserve for Grants Receivable	428,054	380,967
Reserve for Preliminary Expenses	5,916	5,916
Reserve for Payment of Bonds	160,000	160,000
Capital Improvement Fund	27,200	42,900
Fund Balance	<u>31,110</u>	<u>10,256</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 17,191,991</u>	<u>\$ 15,684,782</u>

There were bonds and notes authorized but not issued at December 31, 2009 and 2008 amounting to \$1,729,828 and \$1,137,108 respectively (Exhibit C-21).

VILLAGE OF RIDGEFIELD PARK
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - STATUTORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Balance, January 1	\$ <u>10,256</u>	\$ <u>10</u>
Increased by:		
Cost of Issuance proceeds from Refunding Bonds Issued	20,854	
Premium on Sale of Bond Anticipation Notes	<u>-</u>	<u>10,246</u>
	<u>20,854</u>	<u>10,246</u>
Balance, December 31	<u>\$ 31,110</u>	<u>\$ 10,256</u>

**VILLAGE OF RIDGEFIELD PARK
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
SWIMMING POOL UTILITY FUND
AS OF DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
ASSETS		
Operating Fund		
Cash	\$ 26,172	\$ 44,990
Deferred Charges - Operating Deficit	23,257	5,457
Deferred Charges - Overexpenditure of Appropriation	<u>3,056</u>	<u>3,452</u>
Total Operating Fund	<u>52,485</u>	<u>53,899</u>
Capital Fund		
Cash	9,436	15,231
Fixed Capital	1,189,244	1,135,760
Fixed Capital Authorized and Uncompleted	1,658	45,142
Due from Swimming Pool Utility Operating Fund	<u>7,722</u>	<u>3,745</u>
Total Capital Fund	<u>1,208,060</u>	<u>1,199,878</u>
Total Assets	<u>\$ 1,260,545</u>	<u>\$ 1,253,777</u>

**VILLAGE OF RIDGEFIELD PARK
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
SWIMMING POOL UTILITY FUND
AS OF DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
LIABILITIES, RESERVES AND FUND BALANCE		
Operating Fund		
Liabilities		
Due to Swimming Pool Utility Capital Fund	\$ 7,722	\$ 3,745
Due to Current Fund	20,020	6,943
Appropriation Reserves	9,237	13,077
Encumbrances Payable	2,894	
Accrued Interest Payable	<u>506</u>	<u>1,185</u>
	40,379	24,950
Fund Balance	<u>12,106</u>	<u>28,949</u>
Total Operating Fund	<u>52,485</u>	<u>53,899</u>
Capital Fund		
Serial Bonds		40,000
Bond Anticipation Notes	40,590	42,850
Due to Current Fund	38,000	38,000
Improvement Authorizations - Unfunded	1,658	7,476
Capital Improvement Fund	6,000	4,000
Reserve for Deferred Amortization	14,150	12,150
Reserve for Amortization	<u>1,107,662</u>	<u>1,055,402</u>
Total Capital Fund	<u>1,208,060</u>	<u>1,199,878</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 1,260,545</u>	<u>\$ 1,253,777</u>

There were bonds and notes authorized but not issued at December 31, 2009 and 2008 amounting to \$28,500 and \$30,500(Exhibit D-19).

VILLAGE OF RIDGEFIELD PARK
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN OPERATING FUND BALANCE
STATUTORY BASIS - SWIMMING POOL UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
REVENUE AND OTHER INCOME REALIZED		
Operating Surplus Anticipated	\$ 16,843	\$ 6,604
Swimming Pool Membership Fees	100,062	117,315
Miscellaneous Revenues	<u>24,802</u>	<u>32,228</u>
Total Income	<u>141,707</u>	<u>156,147</u>
EXPENDITURES		
Operating	121,056	122,000
Capital Improvements	12,000	15,452
Debt Service	43,355	44,904
Deferred Charges and Statutory Expenditures	<u>16,609</u>	<u>7,700</u>
Total Expenditures	<u>193,020</u>	<u>190,056</u>
Excess (Deficit) in Revenue	(51,313)	(33,909)
Adjustment to Income Before Fund Balance:		
Realized from General Budget for Anticipated Deficit	<u>25,000</u>	<u>25,000</u>
Statutory Deficit in Operations	(26,313)	(8,909)
Adjustments to Income Before Fund Balance:		
Expenditures Included Above Which Are by Statute		
Deferred Charges to Budget in Succeeding Fiscal Year	<u>26,313</u>	<u>8,909</u>
Fund Balance, January 1	<u>28,949</u>	<u>35,553</u>
	<u>28,949</u>	<u>35,553</u>
Decreased by:		
Utilization as Anticipated Revenue	<u>16,843</u>	<u>6,604</u>
Fund Balance, December 31,	<u>\$ 12,106</u>	<u>\$ 28,949</u>

**VILLAGE OF RIDGEFIELD PARK
STATEMENT OF REVENUES - STATUTORY BASIS
SWIMMING POOL UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>2009</u>		<u>2008</u>	
	<u>Anticipated</u>	<u>Realized</u>	<u>Anticipated</u>	<u>Realized</u>
Surplus Anticipated	\$ 16,843	\$ 16,843	\$ 6,604	\$ 6,604
Membership Fees	117,000	100,062	125,000	117,315
Miscellaneous Revenue	<u>32,000</u>	<u>24,802</u>	<u>30,000</u>	<u>32,228</u>
	165,843	141,707	161,604	156,147
Deficit-General Budget	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
	<u>\$ 190,843</u>	<u>\$ 166,707</u>	<u>\$ 186,604</u>	<u>\$ 181,147</u>

VILLAGE OF RIDGEFIELD PARK
STATEMENT OF EXPENDITURES - STATUTORY BASIS
SWIMMING POOL UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Appropriations</u>		<u>Expended</u>		<u>Over-</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Expenditure</u>	<u>Cancelled</u>
Operating						
Salaries and Wages	\$ 70,000	\$ 70,000	\$ 73,056		\$ 3,056	
Other Expenses	48,000	48,000	38,763	\$ 9,237	-	-
Total Operating	118,000	118,000	111,819	9,237	3,056	-
Capital Improvements						
Capital Improvement Fund	2,000	2,000	2,000			
Capital Outlay	10,000	10,000	10,000	-	-	-
Total Capital Improvements	12,000	12,000	12,000	-	-	-
Debt Service						
Payment of Bond Principal	40,000	40,000	40,000			
Payment of Bond Anticipation Note	2,256	2,260	2,260			
Interest on Bonds	800	800	200			\$ 600
Interest on Notes	1,178	1,174	895	-	-	279
Total Debt Service	44,234	44,234	43,355	-	-	879
Deferred Charges and Statutory						
Expenditures						
Deferred Charges-Unfunded-Ord 02-03	2,000	2,000	2,000			
Deferred Charges-Overexpenditure of Appropriation	3,452	3,452	3,452			
Deferred Charges-Operating Deficit	5,457	5,457	5,457			
Statutory Expenditures						
Social Security System	5,700	5,700	5,700	-	-	-
Total Deferred Charges & Statutory	16,609	16,609	16,609	-	-	-
Total Appropriations	\$ 190,843	\$ 190,843	\$ 183,783	\$ 9,237	\$ 3,056	\$ 879

VILLAGE OF RIDGEFIELD PARK
STATEMENT OF EXPENDITURES - STATUTORY BASIS
SWIMMING POOL UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Appropriations</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Over- Expenditure</u>
Operating					
Salaries and Wages	\$ 74,000	\$ 74,000	\$ 65,742	\$ 8,258	
Other Expenses	<u>48,000</u>	<u>48,000</u>	<u>44,846</u>	<u>3,154</u>	<u>-</u>
Total Operating	<u>122,000</u>	<u>122,000</u>	<u>110,588</u>	<u>11,412</u>	<u>-</u>
Capital Improvements					
Capital Improvement Fund	2,000	2,000	2,000		
Capital Outlay	<u>10,000</u>	<u>10,000</u>	<u>13,452</u>	<u>-</u>	<u>\$ 3,452</u>
Total Capital Improvements	<u>12,000</u>	<u>12,000</u>	<u>15,452</u>	<u>-</u>	<u>3,452</u>
Debt Service					
Payment of Bond Principal	40,000	40,000	40,000		
Interest on Bonds	3,280	3,280	1,920	1,360	
Interest on Notes	<u>1,624</u>	<u>1,624</u>	<u>1,319</u>	<u>305</u>	<u>-</u>
Total Debt Service	<u>44,904</u>	<u>44,904</u>	<u>43,239</u>	<u>1,665</u>	<u>-</u>
Deferred Charges and Statutory Expenditures					
Deferred Charges-Unfunded-Ord 02-03	2,000	2,000	2,000		
Statutory Expenditures					
Social Security System	<u>5,700</u>	<u>5,700</u>	<u>5,700</u>	<u>-</u>	<u>-</u>
Total Deferred Charges & Statutory Expenditures	<u>7,700</u>	<u>7,700</u>	<u>7,700</u>	<u>-</u>	<u>-</u>
Total Appropriations	<u>\$ 186,604</u>	<u>\$ 186,604</u>	<u>\$ 176,979</u>	<u>\$ 13,077</u>	<u>\$ 3,452</u>

**VILLAGE OF RIDGEFIELD PARK
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
PUBLIC ASSISTANCE FUND
AS OF DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
ASSETS		
Cash	\$ 39,057	\$ 26,192
Total Assets	<u>\$ 39,057</u>	<u>\$ 26,192</u>
 LIABILITIES AND RESERVES		
Due to Current Fund	\$ 6	\$ 2,617
Reserve for Public Assistance Expenditures	<u>39,051</u>	<u>23,575</u>
Total Liabilities and Reserves	<u>\$ 39,057</u>	<u>\$ 26,192</u>

**VILLAGE OF RIDGEFIELD PARK
COMPARATIVE BALANCE SHEETS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
ASSETS		
Land	\$ 33,962,900	\$ 33,962,900
Buildings and Building Improvements	4,847,200	4,847,200
Machinery and Equipment	<u>6,990,281</u>	<u>6,799,652</u>
Total Assets	<u>\$ 45,800,381</u>	<u>\$ 45,609,752</u>
 LIABILITIES AND RESERVES		
Investment in General Fixed Assets	<u>\$ 45,800,381</u>	<u>\$ 45,609,752</u>

NOTES TO FINANCIAL STATEMENTS

VILLAGE OF RIDGEFIELD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Ridgefield Park have been prepared on a basis of accounting in conformity with accounting principles and practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a regulatory basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Village accounts for its financial transactions through separate funds, which differ from the fund structure required by GAAP.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). 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.

A. Reporting Entity

The Village of Ridgefield Park (the "Village") was incorporated in 1892 and operates under an elected Commission form of government. The Village's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB requires the financial reporting entity to include both the primary government and component units. Component units are legally separate organizations for which the Village is financially accountable. The Village is financially accountable for an organization if the Village appoints a voting majority of the organization's governing board and (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization's resources; the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Village is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Village in that the Village approves the budget, the issuance of debt or the levying of taxes. The Village is not includable in any other reporting entity as a component unit.

The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Village do not include the municipal library, volunteer fire department, volunteer ambulance squad or rescue squad, which are considered component units under GAAP. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

VILLAGE OF RIDGEFIELD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The Village has the following funds and account group:

Current Fund – This fund is used to account for the revenues and expenditures for governmental operations of a general nature and the assets and liabilities related to such activities, including Federal and State grants not accounted for in another fund.

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

Assessment Trust Fund - This fund is used to account for special benefit assessments levied against properties for specific purposes.

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

Other Trust Fund - This fund is established to account for the assets and resources, which are held by the Village as a trustee or agent for individuals, private organizations, other governments and/or other funds. These funds include dedicated fees/proceeds collected, developer deposits, payroll related deposits and funds deposited with the Village as collateral.

Unemployment Insurance Fund - This fund is used to account for employee and employer contributions for the purpose of providing unemployment benefits to former eligible employees.

Health Benefits Self-Insurance Fund - This fund is used to account for expenditures for health insurance claims and premiums for the Village's employees and eligible dependents.

Length of Service Awards Program Trust Fund (LOSAP) – This fund is established to account for the tax-deferred income benefits to active volunteer members of emergency service organizations of the Village.

**VILLAGE OF RIDGEFIELD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Swim Pool Utility Fund - This fund is used to account for the revenues and expenditures for operation of the Village's swimming and recreational facilities and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities and other capital assets for the swim pool utility is accounted for in the capital section of the fund.

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

General Fixed Assets Account Group - This account group is used to account for all general fixed assets of the Village, other than those accounted for in the swimming pool utility fund. The Village's infrastructure is not reported in the account group.

The Village of Ridgefield Park follows a modified accrual basis of accounting. 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 or permitted for municipalities by the Division ("regulatory basis of accounting") differ in certain respects from accounting principles generally accepted in the United States of America (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. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Village. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a tax sale. The Village also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11th day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year.

**VILLAGE OF RIDGEFIELD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Property Tax Revenues - The Village may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. 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 tax 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 (i.e., when they are both levied and available), 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 Village's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both measurable and available).

Grant and Similar Award Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Village's budget. GAAP requires such revenues to be recognized as soon as all eligibility requirements imposed by the grantor or provider have been met.

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. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Village and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

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

Trust Funds
General Capital Fund
Swimming Pool Utility Capital Fund
Public Assistance Fund

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no 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. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. 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 2009 and 2008 the Board of Commissioners increased the original budget by \$3,691 and \$163,108. The 2009 increase was attributable to additional aid allotted to the Village. In addition, the governing body approved several budget transfers during 2009 and 2008. The 2008 increase was attributable to emergency appropriations and additional aid allotted to the Village.

**VILLAGE OF RIDGEFIELD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Expenditures – 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 cancelled 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, as well as expenditures related to compensated absences and claims and judgments, which are recognized when due.

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

Appropriation Reserves – Appropriation reserves are recorded as liabilities and 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.

Operating Deficits – Deficits resulting from expenditures and other debits which exceed cash revenues, other realized revenues and credits to income in such fiscal year are recorded as deferred charges on the balance sheet of the respective operating fund at year end and are required to be funded in the succeeding year's budget. GAAP does not permit the deferral of operating deficits at year end.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. 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 are recorded as a long-term obligation in the government-wide financial statements.

Property Acquired for Taxes – Property acquired for taxes is recorded in the Current Fund at the assessed valuation when such property was acquired, and is fully reserved. GAAP requires such property to be recorded as a capital asset in the government-wide financial statements at fair 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 for interfunds and, therefore, does not recognize income in the year liquidated.

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. GAAP requires inventories to be recorded as assets in proprietary-type funds.

**VILLAGE OF RIDGEFIELD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. with the exception of LOSAP Trust Fund investments which are reported at fair value and are limited by N.J.A.C. 5:30-14.19. GAAP requires that all investments be reported at fair value.

Incurred But Not Reported (IBNR) Reserves and Claims Payable - The Village has not created a reserve for any potential unreported self-insurance losses which have taken place but in which the Village has not received notices or report of losses (i.e. IBNR). Additionally, the Village has not recorded a liability for those claims filed, but which have not been paid (i.e. claims payable). 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 potential claims are recorded as a long-term obligation in the government-wide financial statements.

Prepaid Items - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items in the current fund, except for prepaid debt service, are offset by a reserve, created by a charge to operations. GAAP does not require the establishment of a reserve for prepaid items.

Tax Appeals and Other Contingent Losses - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. GAAP requires such amounts to be recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

Deferred School Taxes - School taxes raised in the Current Fund for a school fiscal year (July 1 to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount. GAAP does not permit the deferral of unpaid school taxes to fund balance at year end.

General Fixed Assets - In accordance with NJAC 5:30-5.6 Accounting for Governmental Fixed Assets, the Village of Ridgefield Park has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Village as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years.

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 purchased after December 31, 2003 are stated as cost. Donated fixed assets are recorded at estimated fair market value at the date of donation.

Fixed Assets purchased prior to December 31, 2003 are stated as follows:

Land and Buildings	Assessed Value
Machinery and Equipment	Estimated Historical Cost

**VILLAGE OF RIDGEFIELD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

General Fixed Assets (Continued)

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.

Accounting for utility fund "fixed capital" remains unchanged under NJAC 5:30-5.6.

Property and equipment purchased by the swimming pool utility funds are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Fund represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

GAAP requires that capital assets be recorded in proprietary-type funds as well as the government-wide financial statement at historical or estimated historical cost if actual historical cost is not available. In addition, GAAP requires depreciation on capital assets to be recorded in proprietary-type funds as well as in the government-wide financial statements.

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

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

C. Basic Financial Statements

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

VILLAGE OF RIDGEFIELD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 2 DEPOSITS AND INVESTMENTS

The Village considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as cash and cash equivalents.

Deposits

The Village's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Village is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank for a temporary period ending December 31, 2013. SIPC replaces cash claims up to a maximum of \$100,000 for each failed brokerage firm. At December 31, 2009 and 2008, the book value of the Village's deposits were \$6,583,051 and \$7,704,255 and bank and brokerage firm balances of the Village's deposits amounted to \$6,710,889 and \$7,758,551, respectively. The Village's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2009</u>	<u>2008</u>
Insured	\$ 6,652,506	\$ 7,700,539
Collateralized:		
Collateral held by pledging bank's trust department		
not in the Village's name	<u>58,383</u>	<u>58,012</u>
	<u>\$ 6,710,889</u>	<u>\$ 7,758,551</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Village does not have a formal policy for custodial credit risk. As of December 31, 2009 and 2008, the Village's bank balance of \$58,383 and \$58,012 was exposed to custodial credit risk as follows:

	<u>2009</u>	<u>2008</u>
<u>Collateralized:</u>		
Uninsured and collateral held by pledging		
bank's trust department, not in the Village's name	<u>\$ 58,383</u>	<u>\$ 58,012</u>

VILLAGE OF RIDGEFIELD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Investments

The Village is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the Village or bonds or other obligations of the school districts which are a part of the Village or school districts located within the Village, Local Government investment pools, and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the Village is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

As of December 31, 2009 and 2008, the Village had the following investments:

	<u>Fair Value</u>	<u>Book Value</u>
<u>2009</u>		
Length of Service Awards Program	\$ <u>1,007,078</u>	\$ <u>1,007,078</u>
<u>2008</u>		
Length of Service Awards Program	\$ <u>770,038</u>	\$ <u>770,038</u>

Interest Rate Risk – The Village does not have a formal investment policy that limits investment maturities as a means of managing it's exposure to fair value losses arising from increasing interest rates.

The fair value of the above listed investments were based on quoted market prices.

NOTE 3 TAXES RECEIVABLE

Receivables at December 31, 2009 and 2008 consisted of the following:

	<u>2009</u>	<u>2008</u>
<u>Current</u>		
Property Taxes	\$ 1,379,248	\$ 968,379
Tax Title Liens	<u>19,250</u>	<u>19,250</u>
	\$ <u>1,398,498</u>	\$ <u>987,629</u>

In 2009 and 2008, the Village collected \$952,312 and \$809,120 from delinquent taxes, which represented 96% and 94% of the prior year delinquent taxes receivable balance.

VILLAGE OF RIDGEFIELD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 4 MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for both general capital and swimming pool utility capital funds. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Village are general obligation bonds, backed by the full faith and credit of the Village. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and four months or retired by the issuance of bonds.

The Village's debt is summarized as follows:

	<u>2009</u>	<u>2008</u>
Issued		
General		
Bonds, Notes and Loans	\$ 14,322,840	\$ 12,965,670
Swimming Pool Utility		
Bonds and Notes	<u>40,590</u>	<u>82,850</u>
	14,363,430	13,048,520
Less Funds Temporarily Held to Pay Bonds and Notes	<u>393,009</u>	<u>202,669</u>
Net Debt Issued	13,970,421	12,845,851
Authorized But Not Issued		
General		
Bonds and Notes	1,729,828	1,137,108
Swimming Pool Utility		
Bonds and Notes	<u>28,500</u>	<u>30,500</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 15,728,749</u>	<u>\$ 14,013,459</u>

VILLAGE OF RIDGEFIELD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 4 MUNICIPAL DEBT (Continued)

The statement of debt condition that follows is extracted from the Village's Annual Debt Statement and indicates a statutory net debt of .85% and .82% at December 31, 2009 and 2008, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2009</u>			
General Debt	\$ 16,052,668	\$ 2,698,009	\$ 13,354,659
School Debt	3,555,000	3,555,000	
Utility Debt	<u>69,090</u>	<u>-</u>	<u>69,090</u>
Total	<u>\$ 19,676,758</u>	<u>\$ 6,253,009</u>	<u>\$ 13,423,749</u>
	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2008</u>			
General Debt	\$ 14,102,778	\$ 1,127,669	\$ 12,975,109
School Debt	3,970,000	3,970,000	
Utility Debt	<u>113,350</u>	<u>-</u>	<u>113,350</u>
Total	<u>\$ 18,186,128</u>	<u>\$ 5,097,669</u>	<u>\$ 13,088,459</u>

The Village's remaining borrowing power under N.J.S. 40A:2-6, as amended, at December 31, was as follows:

	<u>2009</u>	<u>2008</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 54,487,725	\$ 55,320,763
Net Debt	<u>13,423,749</u>	<u>13,088,459</u>
Remaining Borrowing Power	<u>\$ 41,063,976</u>	<u>\$ 42,232,304</u>

VILLAGE OF RIDGEFIELD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 4 MUNICIPAL DEBT (Continued)

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

General Obligation Bonds

The Village levies ad valorem taxes to pay debt service on general obligation bonds. General obligation bonds outstanding at December 31 are as follows:

	<u>2009</u>	<u>2008</u>
\$3,984,000, 1999 Bonds, due in annual installments of \$200,000 to \$254,000 through February, 2019, interest at 4.40% to 4.75%		\$ 2,494,000
\$2,485,000, 2002 Refunding Bonds due in annual installment of \$360,000 through September, 2009, interest at 3.00%		360,000
\$5,355,000, 2004 Bonds, due in annual installments of \$75,000 to \$450,000 through March, 2021, interest at 3.40-4.10%	\$ 5,080,000	5,155,000
\$2,285,000, 2009 Refunding Bonds, due in annual installments of \$215,000 to \$250,000 through February, 2019, interest at 2.00-5.00%	<u>2,285,000</u>	<u>-</u>
	<u>\$ 7,365,000</u>	<u>\$ 8,009,000</u>

General Intergovernmental Loans Payable

The Village has entered into loan agreements with the State of New Jersey for the financing relating to the improvement of parks and for combined sewer outfall control facilities. The Village levies ad valorem taxes to pay debt service on general intergovernmental loans issued. General intergovernmental loans outstanding at December 31 are as follows:

	<u>2009</u>	<u>2008</u>
<u>Green Acres Loans</u>		
\$250,000, 1994 Loan due in Semi-annual installments of \$16,097 to \$16,750 through July, 2012, interest at 2.00%	\$ 49,267	\$ 65,046
\$195,000, 2000 Loan due in Semi-annual installments of \$9,987 to \$11,946 through November, 2019, Interest at 2.00%	109,408	119,199
\$113,750, 2009 Loan due in Semi-annual installments	<u>113,750</u>	<u>-</u>
	<u>\$ 272,425</u>	<u>\$ 184,245</u>

VILLAGE OF RIDGEFIELD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 4 MUNICIPAL DEBT (Continued)

General Intergovernmental Loans Payable (Continued)

	<u>2009</u>	<u>2008</u>
<u>Environmental Infrastructure Loans</u>		
\$1,070,000, 1999 Trust Loan due in Annual installments of \$55,000 to \$85,000 through August 1, 2019, interest at 4.75% to 5.70%	\$ 690,000	\$ 740,000
 \$1,063,780, 1999 Fund Loan due in Semi-annual installments of \$53,920 to \$55,495 through August 1, 2019, interest at 0%	<u>545,505</u>	<u>599,425</u>

Swim Pool Utility Bonds

The Village pledges revenue from operations to pay debt service on utility bonds issued. The swimming pool utility bonds outstanding at December 31 are as follows:

\$275,000, 2002 Refunding Bonds, due in annual installment of \$40,000 through September, 2009, interest at 3.00%	\$ <u>-</u>	\$ <u>40,000</u>
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The Village's principal and interest for long-term debt issued and outstanding as of December 31, 2009 is as follows:

Calendar Year	<u>General Bonds</u>		<u>General Loans</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2010	\$ 615,000	\$ 271,590	\$ 136,578	\$ 41,324	\$ 1,064,492
2011	615,000	252,015	135,197	37,774	1,039,986
2012	620,000	229,990	141,976	34,215	1,026,181
2013	620,000	206,790	131,506	30,454	988,750
2014	645,000	183,130	129,467	26,666	984,263
2015-2019	3,350,000	532,910	719,456	70,970	4,673,336
2020-2022	<u>900,000</u>	<u>36,675</u>	<u>-</u>	<u>-</u>	<u>936,675</u>
	<u>\$ 7,365,000</u>	<u>\$ 1,713,100</u>	<u>\$ 1,394,180</u>	<u>\$ 241,403</u>	<u>\$ 10,713,683</u>

Note: Amortization schedule not available for \$113,750 Green Acres Loan.

VILLAGE OF RIDGEFIELD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 4 MUNICIPAL DEBT (Continued)

Changes in Long-Term Municipal Debt

The Village's long-term capital debt activity for the years 2009 and 2008 were as follows:

	Balance, December 31, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2009</u>	Due Within <u>One Year</u>
<u>2009</u>					
General Capital Fund					
Bonds Payable	\$ 8,009,000	\$ 2,285,000	\$ 2,929,000	\$ 7,365,000	\$ 615,000
Intergovernmental Loans Payable	<u>1,523,670</u>	<u>113,750</u>	<u>129,490</u>	<u>1,507,930</u>	<u>136,578</u>
General Capital Fund Long-Term Liabilities	<u>\$ 9,532,670</u>	<u>\$ 2,398,750</u>	<u>\$ 3,058,490</u>	<u>\$ 8,872,930</u>	<u>\$ 751,578</u>
Swimming Pool Utility Capital Fund					
Bonds Payable	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ -</u>
	Balance, December 31, <u>2007</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2008</u>	Due Within <u>One Year</u>
<u>2008</u>					
General Capital Fund					
Bonds Payable	\$ 8,624,000		\$ 615,000	\$ 8,009,000	\$ 635,000
Intergovernmental Loans Payable	<u>1,654,199</u>	<u>-</u>	<u>130,529</u>	<u>1,523,670</u>	<u>129,490</u>
General Capital Fund Long-Term Liabilities	<u>\$ 10,278,199</u>	<u>\$ -</u>	<u>\$ 745,529</u>	<u>\$ 9,532,670</u>	<u>\$ 764,490</u>
Swimming Pool Utility Capital Fund					
Bonds Payable	<u>\$ 80,000</u>	<u>\$ -</u>	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 40,000</u>

VILLAGE OF RIDGEFIELD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 4 MUNICIPAL DEBT (Continued)

Short-Term Debt

The Village's short-term capital debt activity for the years 2009 and 2008 was as follows:

<u>2009</u>	Balance, December 31, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2009</u>
Bond Anticipation Notes				
General Capital Fund	\$ 3,433,000	\$ 5,449,910	\$ 3,433,000	\$ 5,449,910
Swimming Pool Utility Capital Fund	<u>42,850</u>	<u>40,590</u>	<u>42,850</u>	<u>40,590</u>
Total	<u>\$ 3,475,850</u>	<u>\$ 5,490,500</u>	<u>\$ 3,475,850</u>	<u>\$ 5,490,500</u>
<u>2008</u>	Balance, December 31, <u>2007</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2008</u>
Bond Anticipation Notes				
General Capital Fund	\$ 2,080,000	\$ 3,433,000	\$ 2,080,000	\$ 3,433,000
Swimming Pool Utility Capital Fund	<u>42,850</u>	<u>42,850</u>	<u>42,850</u>	<u>42,850</u>
Total	<u>\$ 2,122,850</u>	<u>\$ 3,475,850</u>	<u>\$ 2,122,850</u>	<u>\$ 3,475,850</u>

In addition to the debt shown in the above schedule, municipalities may issue debt to finance emergency or special emergency appropriations or to meet cash flow needs (Tax Anticipation Notes) to temporarily finance operating expenditures. This debt which is not included in the Village's statutory debt limit calculation is reported in the Current Fund for the years 2009 and 2008 as follows:

<u>2009</u>	Balance, December 31, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2009</u>
Special Emergency Notes	<u>\$ 79,000</u>	<u>\$ 39,500</u>	<u>\$ 79,000</u>	<u>\$ 39,500</u>
<u>2008</u>	Balance, December 31, <u>2007</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2008</u>
Special Emergency Notes	<u>\$ 118,500</u>	<u>\$ 79,000</u>	<u>\$ 118,500</u>	<u>\$ 79,000</u>

VILLAGE OF RIDGEFIELD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 5 FIXED ASSETS

General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years 2009 and 2008.

	Balance, December 31, <u>2008</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2009</u>
<u>2009</u>				
Land	\$ 33,962,900			\$ 33,962,900
Buildings and Building Improvements	4,847,200			4,847,200
Machinery and Equipment	<u>6,799,652</u>	<u>\$ 190,629</u>	<u>-</u>	<u>6,990,281</u>
Total	<u>\$ 45,609,752</u>	<u>\$ 190,629</u>	<u>\$ -</u>	<u>\$ 45,800,381</u>

	Balance, December 31, <u>2007</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2008</u>
<u>2008</u>				
Land	\$ 33,962,900			\$ 33,962,900
Buildings and Building Improvements	4,847,200			4,847,200
Machinery and Equipment	<u>6,377,155</u>	<u>\$ 422,497</u>	<u>-</u>	<u>6,799,652</u>
Total	<u>\$ 45,187,255</u>	<u>\$ 422,497</u>	<u>\$ -</u>	<u>\$ 45,609,752</u>

VILLAGE OF RIDGEFIELD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 6 DUE TO/FROM OTHER FUNDS

As of December 31, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>2009</u>		<u>2008</u>	
	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Current Fund	\$ 59,138	\$ 399,350	\$ 684,317	\$ 152,461
Trust Funds	152,461	1,112	152,461	15,389
General Capital Fund	246,889			621,369
Swim Pool Utility Operating Fund		27,742		10,687
Swim Pool Capital Fund	7,722	38,000	3,745	38,000
Public Assistance Fund	<u>-</u>	<u>6</u>	<u>-</u>	<u>2,617</u>
Total	<u>\$ 466,210</u>	<u>\$ 466,210</u>	<u>\$ 840,523</u>	<u>\$ 840,523</u>

The above balances are the result of expenditures being paid by one fund on behalf of another and/or to cover cash balances which were in an overdraft position.

The Village expects all interfund balances to be liquidated within one year except for the \$38,000 interfund between the swim pool capital fund and the current fund.

VILLAGE OF RIDGEFIELD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 7 FUND BALANCES APPROPRIATED

Under the regulatory basis of accounting, fund balances in the Current Fund and Utility Operating Fund are comprised of cash surplus (fund balance) and non-cash surplus (fund balance). All or part of cash surplus as of December 31 may be anticipated in the subsequent year's budget. The non-cash surplus portion of fund balance may be utilized in the subsequent year's budget with the prior written consent of the Director of the Division of Local Government Services if certain guidelines are met as to its availability. Fund balances at December 31, which were appropriated and included as anticipated revenue in their own respective fund's budget for the succeeding year were as follows:

	Fund Balance December 31, <u>2009</u>	Utilized in Subsequent <u>Year's Budget</u>	Fund Balance December 31, <u>2008</u>	Utilized in Subsequent <u>Year's Budget</u>
Current Fund				
Cash Surplus	\$ 452,835	\$ 425,000	\$ 726,898	\$ 625,000
Non-Cash Surplus	<u>203,894</u>	<u>-</u>	<u>257,432</u>	<u>-</u>
	<u>\$ 656,729</u>	<u>\$ 425,000</u>	<u>\$ 984,330</u>	<u>\$ 625,000</u>
Swimming Pool				
Utility Operating Fund				
Cash Surplus (Deficit)	\$ (14,207)		\$ 20,040	\$ 16,843
Non-Cash Surplus	<u>26,313</u>	<u>-</u>	<u>8,909</u>	<u>-</u>
	<u>\$ 12,106</u>	<u>\$ -</u>	<u>\$ 28,949</u>	<u>\$ 16,843</u>

VILLAGE OF RIDGEFIELD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 8 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, the following deferred charges are reported on the balance sheets of the following funds:

	Balance, <u>December 31,</u>	Subsequent Year Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
<u>2009</u>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	\$ 51,500	\$ 45,500	\$ 6,000
Overexpenditure of Appropriation Reserves	<u>1,132</u>	<u>1,132</u>	<u>-</u>
	<u>\$ 52,632</u>	<u>\$ 46,632</u>	<u>\$ 6,000</u>
Swimming Pool Utility Operating Fund			
Operating Deficit	\$ 23,257	\$ 23,257	
Overexpenditure of Appropriations	<u>3,056</u>	<u>3,056</u>	<u>-</u>
	<u>\$ 26,313</u>	<u>\$ 26,313</u>	<u>\$ -</u>
<u>2008</u>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	<u>\$ 97,000</u>	<u>\$ 45,500</u>	<u>\$ 51,500</u>
Swimming Pool Utility Operating Fund			
Operating Deficit	\$ 5,457	\$ 5,457	
Overexpenditure of Appropriations	<u>3,452</u>	<u>3,452</u>	<u>-</u>
	<u>\$ 8,909</u>	<u>\$ 8,909</u>	<u>\$ -</u>

NOTE 9 COMPENSATED ABSENCES

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

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$678,973 and \$703,128 at December 31, 2009 and 2008, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

**VILLAGE OF RIDGEFIELD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees which includes those Village employees who are eligible for pension coverage.

Consolidated Police and Firemen's Pension fund (CPFPPF) – established in January 1952, under the provisions of N.J.S.A. 43:16 to provide coverage to municipal police and firemen who were appointed prior to July 1, 1944. The fund is a closed system with no active members.

Police and Firemen's Retirement System (PFRS) – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership.

Public Employees' Retirement System (PERS) – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement healthcare for those eligible employees whose local employers elected to do so, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post-retirement healthcare coverage.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Village employees who are eligible for pension coverage.

Other Pension Funds

The state established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The State also administers the Pensions Adjustment Fund (PAF) which provides cost of living increases, equal to 60 percent of the change in the average consumer price index, to eligible retirees in some State-sponsored pension systems which includes the CPFPPF. This benefit is funded by the State as benefit allowances become payable.

The cost of living increase for PFRS and PERS are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required contributions for the system.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be accessed via the New Jersey Division of Pensions and Benefits website at www.state.nj.us/treasury/pension.

VILLAGE OF RIDGEFIELD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Basis of Accounting

The financial statements of the retirements systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

Significant Legislation

P.L. 2009, c. 19, effective March 17, 2009 provides an option for local employers to contribute 50 percent of the normal and accrued liability contribution amounts certified by the PERS and PFRS for payments due in State fiscal year 2009. This law also provides that a local employer may pay 100 percent of the required contribution. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries for PERS and PFRS will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the State fiscal year ending June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

P.L. 2008, c. 89, effective November 1, 2008, increased the TPAF and PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; changed the early retirement provisions; increased the minimum annual compensation required for membership eligibility for new members on or after the effective date of this law.

P.L. 2007, c. 103, certain parts effective July 1, 2007, provided for the following: changed contribution rates of TPAF, PERS, and Defined Contribution Retirement Program (DCRP) to 5.5 percent of annual compensation; imposed an annual maximum wage contribution base and a new retirement age to new employees; implemented changes to State Health Benefits Program (SHBP) which included the creation of the School Employees' Health Benefit Program (SEHBP) and established an employee contribution of 1.5 percent of the employee's base salary.

**VILLAGE OF RIDGEFIELD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Funded Status and Funding Progress

As of June 30, 2008, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS, is 72.6 percent with an unfunded actuarial accrued liability of \$34.4 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 69.6 percent and \$23.0 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 77.2 percent and \$11.4 billion.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the June 30, 2008 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (1) 8.25 percent for investment rate of return for all the retirement systems; and (2) 5.45 percent for projected salary increases for all the retirement systems except PFRS.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 5.5% for PERS, 8.50% for PFRS and 5.5% for DCRP of employees' annual compensation.

Annual Pension Cost (APC)

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2009 the annual pension cost differs from the annual required contribution. For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, annual pension cost equals contributions made. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employee contribution.

VILLAGE OF RIDGEFIELD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Annual Pension Cost (APC) (Continued)

During the years ended December 31, 2009, 2008 and 2007, the Village was required to contribute for normal cost pension contributions the following amounts which equaled the required contributions for each year:

<u>Year Ended</u> <u>December 31</u>	<u>CPF</u>	<u>PF</u>	<u>PF</u>
2009	\$ 55	\$ 631,180	\$ 301,439
2008	43	608,619	194,397
2007	77	412,786	113,716

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS

Plan Description

The Village provides a post-employment healthcare plan for its eligible retirees and their dependents. The plan is a single-employer defined healthcare plan administered by the Village. In accordance with Village employment contracts and personnel policies, the Village provides post-retirement health coverage to its eligible retired employees and their dependents at the time of retirement at the same cost to the retiree as there would be, if any, if they remained an employee. Coverage for a retiree's spouse and/or dependents ends upon the death of the retiree.

Funding Policy

The Village funds its post-retirement medical benefits on a pay-as-you-go basis. For the years 2009 and 2008, the Village paid \$627,480 and \$563,892, respectively for post-retirement health coverage premiums for eligible retirees and their dependents.

NOTE 12 RISK MANAGEMENT

The Village has established a group insurance benefit plan for its employees and their eligible dependents. The Village and its retirees contribute to fund the entire cost of the plan. Claims are paid directly by the plan up to a maximum benefit per person, per lifetime of \$100,000, with any excess benefit being reimbursed through a Re-Insurance Agreement with NBR Corp. Effective September 1, 2006, the Village discontinued its self-insurance health benefits program and enrolled in the Bergen Municipal Employees Benefits Fund. The Village has not created a liability for loss reserves for claims incurred which were unpaid at December 31, 2009 and 2008. In addition, the Village has not created a liability for reserves for any potential unreported losses which have taken place but in which the Village has not received notices or report of losses. The effect on the financial statements from these omissions could not be determined, but is probably material. A contingent liability exists with respect to reinsurance, which would become an actual liability in the event the reinsuring company might be unable to meet their obligations to the Village under existing reinsurance agreements.

VILLAGE OF RIDGEFIELD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 12 RISK MANAGEMENT (Continued)

The Village of Ridgefield Park is a member of the South Bergen Municipal Joint Insurance Fund (SBJIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The Funds are risk-sharing public entity pools. The coverage amounts are on file in the Village Clerk's office.

The relationship between the Village and respective insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Village is contractually obligated to make all annual and supplementary contributions to the insurance funds, to report claims on a timely basis, to cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which the municipality was a member.

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the funds can be obtained by contacting the respective fund's Treasurer.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage in any of the prior three years.

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

<u>Year Ended</u> <u>December 31</u>	<u>Village</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2009		\$ 16,676	\$ 6,853	\$ 26,987
2008	\$ 65,000		64,670	17,211
2007	65,000	20,522	70,056	16,522

**VILLAGE OF RIDGEFIELD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 13 CONTINGENT LIABILITIES

The Village is a party defendant in some lawsuits, none of a kind unusual for a municipality of its size and scope of operation. In the opinion of the Village's Attorney, the potential claims against the Village not covered by insurance policies would not materially affect the financial condition of the Village.

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2009 and 2008. Amounts claimed have not yet been determined. The Village is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Village does not recognize a liability, if any, until these cases have been adjudicated. The Village expects such amounts, if any, could be material. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

Federal and State Awards - The Village participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Village may be required to reimburse the grantor government. As of December 31, 2009 and 2008, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Village believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Village.

NOTE 14 FEDERAL ARBITRAGE REGULATIONS

The Village is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2009 and 2008, the Village has not estimated its estimated arbitrage earnings due to the IRS, if any.

NOTE 15 LENGTH OF SERVICE AWARD PROGRAM (LOSAP) (UNAUDITED)

The Village of Ridgefield Park Length of Service Award Program (the Plan) was created by a Village ordinance adopted on August 8, 2000 pursuant to 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Village of Ridgefield Park approved the adoption of the Plan at the general election held on November 7, 2000.

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

**VILLAGE OF RIDGEFIELD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 15 LENGTH OF SERVICE AWARD PROGRAM (LOSAP) (UNAUDITED) (Continued)

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

The Village of Ridgefield Park has contributed \$1,150 for 2009 and 2008, for each eligible volunteer member into the Plan.

In accordance with the amendments to Section 457 of the Internal Revenue Code and the State Deferred Revenue Regulations, the Village has placed the amounts deferred, including earnings, in a trust for the exclusive benefit of the plan participants and their beneficiaries.

Lincoln Financial Group is the administrator of the plan. The Village's practical involvement in administering the plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the plan administrator.

Vesting and Benefits

A volunteer is eligible to receive a distribution of funds upon completing 5 (five) cumulative years as an active member of the volunteer organization. Certain restrictions and tax implications may result in the event of a withdrawal of funds from the Plan.

If a volunteer member does not vest and terminates their association with the emergency service organization, the funds are returned to the sponsoring agency's surplus.

Reporting Requirements

The New Jersey Administrative Code NJAC 5:30-14.49 requires that the Village perform a separate review report of the plan in accordance with the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Accounting and Auditing Review Services. Since a review does not constitute an audit, the financial statements pertaining to the Plan are presented as unaudited in this report as part of the Village's Trust Fund.

VILLAGE OF RIDGEFIELD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 16 DEFERRED 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.

	<u>2009</u>	<u>2008</u>
	Local District	Local District
	<u>School</u>	<u>School</u>
Balance of Tax	\$ 10,321,114	\$ 10,227,730
Amount Deferred	<u>8,007,480</u>	<u>7,907,480</u>
Taxes Payable	<u>\$ 2,313,634</u>	<u>\$ 2,320,250</u>

NOTE 17 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

As of December 31, the Village had the following commitments with respect to unfinished capital projects:

<u>Capital Project</u>	<u>Construction/Contract</u>	<u>Estimated</u>
	<u>Commitment</u>	<u>Date of</u>
		<u>Completion/Acquisition</u>
<u>2009</u>		
Improvements to Main St.,	\$ 40,641	2010
Improvements to Municipal Parking Lot	36,521	2010
Acquisition of Pumper Fire Engine	706,186	2010
<u>2008</u>		
Improvements to Main St.	\$42,250	2009
Acquisition of DPW Equipment	22,634	2009

APPENDIX C

PROPOSED FORM OF BOND COUNSEL OPINION

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APPENDIX C

[Proposed Form of Bond Counsel Opinion]

August __, 2010

Board of Commissioners
Village of Ridgely Park
County of Bergen, New Jersey

Dear Commissioners:

We have acted as bond counsel in connection with the issuance of \$3,720,000 aggregate principal amount of General Improvement Bonds (the "Bonds") by the Village of Ridgely Park, in the County of Bergen, a municipal corporation of the State of New Jersey (the "Village"). The Bonds are dated August 15, 2010 and comprise an issue of registered bonds. The Bonds bear interest from their date, payable on each February 15 and August 15, commencing February 15, 2011 (each, an "Interest Payment Date"), in each year until maturity or prior redemption.

The Bonds are payable in annual installments on August 15 in each year, and bear interest at the rates per annum, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2011	\$ 75,000	%	2018	\$320,000	%
2012	75,000		2019	345,000	
2013	75,000		2020	350,000	
2014	75,000		2021	375,000	
2015	255,000		2022	390,000	
2016	285,000		2023	390,000	
2017	315,000		2024	395,000	

The Bonds maturing on or before August 15, 2020 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after August 15, 2021 are subject to redemption at the option of the Village prior to maturity, in whole on any date or in part on any Interest Payment Date, on or after August 15, 2020, upon notice as set forth in the resolutions referred to below at the redemption price of 100% of the principal amount being redeemed, plus accrued interest to the date fixed for redemption.

If the Village determines to optionally redeem a portion of the Bonds prior to maturity, such Bonds so redeemed shall be in such maturities as determined by the Village, and within any maturity, by lot.

The Bonds are issued pursuant to the Local Bond Law (Chapter 2 of Title 40A of the New Jersey Statutes, as amended) and pursuant to eleven bond ordinances adopted by the Board of Commissioners of the Village on March 9, 2004 (Ord. No. 04-04), September 14, 2004 (Ord. No. 04-08), March 8, 2005 (Ord. No. 05-02), July 12, 2005 (Ord. No. 05-08, as amended by Ord. No. 06-22 adopted on December 12, 2006), April 24, 2007 (Ord. No. 07-02), June 24, 2008 (Ord. No. 08-05), November 25, 2008 (Ord. No. 08-11), December 23, 2008 (Ord. No. 08-12), June 23, 2009 (Ord. No. 09-07), July 14, 2009 (Ord. No. 09-08) and November 10, 2009 (Ord. No. 09-12) and resolutions adopted by the Board of Commissioners of the Village on July 13, 2010.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. Such requirements include requirements relating to the use and investment of proceeds of the Bonds and other amounts and to the rebate of certain arbitrage earnings to the United States. Noncompliance by the Village with such requirements may cause interest on the Bonds to be included in gross income of the owners thereof retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs.

The Village has covenanted, to the extent permitted by the Constitution and the laws of the State of New Jersey, to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Bonds be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. The Village's Tax Certificate (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures regarding compliance with the requirements of the Code. The Village, in executing the Tax Certificate, will certify to the effect that the Village expects and intends to comply with the provisions and procedures contained therein.

As bond counsel, we have examined certified copies of the bond ordinances and resolutions referred to above and related proceedings in connection with the issuance of the Bonds. We have also examined originals (or copies certified or otherwise identified to our satisfaction) of such other instruments, certificates and documents as we have deemed necessary or appropriate for the purpose of the opinion rendered below, including the Tax Certificate executed by the Chief Financial Officer of the Village of even date herewith. We have assumed the accuracy of the factual information and the truthfulness of the expectations set forth in the Tax Certificate and the exhibits thereto. We have also examined the executed and authenticated first numbered Bond and have assumed that all of the other Bonds have been similarly executed and authenticated. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

We have not prepared nor have we verified the accuracy, completeness or fairness of (i) the information set forth in the Official Statement prepared by the Village in connection with the sale and issuance of the Bonds, or (ii) other documents of the Village delivered to the purchasers of the Bonds, and we take no responsibility therefor.

Based on the foregoing, we are of the opinion that:

1. The Bonds have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the Village enforceable in accordance with their terms, except as enforcement of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation or other laws relating to or affecting the enforcement of creditors' rights generally now or hereafter in effect to the extent constitutionally applicable, and enforcement may also be subject to the exercise of judicial discretion in certain cases.

2. The Village has pledged its full faith and credit for the payment of the principal of and interest on the Bonds, and unless paid from other sources, the Village is authorized and required by law to levy on all real property taxable by the Village such ad valorem taxes as may be necessary to pay the Bonds and the interest thereon, without limitation as to rate or amount.

3. Assuming compliance by the Village with the Tax Certificate, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. In addition, under existing law, interest on the Bonds is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals and corporations; nor is it included in "adjusted current earnings" for purposes of computing the alternative minimum tax that may be imposed on corporations. In addition, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Bonds and any gain from the sale of the Bonds are not includable in gross income of the holders thereof.

Very truly yours,

Rogut McCarthy LLC