

BOROUGH OF PARK RIDGE
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2019

BOROUGH OF PARK RIDGE

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**BOROUGH OF PARK RIDGE
BERGEN COUNTY, NEW JERSEY**

**PART I
REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2019**



LERCH, VINCI & HIGGINS, LLP

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Borough Council
Borough of Park Ridge
Park Ridge, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Park Ridge, as of December 31, 2019 and 2018, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2019, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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 the 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 from material misstatement.

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

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Park Ridge on the basis of the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the financial reporting requirements of the State of New Jersey for municipal government entities.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Park Ridge as of December 31, 2019 and 2018, or changes in financial position, or, where applicable, cash flows for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 17 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust 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 Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the years ended December 31, 2019 and 2018. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 47.2 percent and 44.6 percent of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2019 and 2018.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the possible effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph above, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough of Park Ridge as of December 31, 2019 and 2018, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the respective revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2019 in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Park Ridge as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards, schedule of expenditures of state financial assistance and the supplementary data and letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Park Ridge.

The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated July 28, 2020 on our consideration of the Borough of Park Ridge's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Park Ridge's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Park Ridge's internal control over financial reporting and compliance.

Lerch, Vinci & Higgins, LLP

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



Jeffrey C. Bliss
Registered Municipal Accountant
RMA Number CR00429

Fair Lawn, New Jersey
July 28, 2020

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2019 AND 2018**

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
ASSETS			
Cash	A-4	\$ 3,797,779	\$ 3,649,428
Cash - Change Funds	A-5	275	275
Due to State of New Jersey - Senior Citizens' and Veterans' Deductions	A-7	3,583	1,814
Grant Receivables	A-8	<u>12,353</u>	<u>9,876</u>
		<u>3,813,990</u>	<u>3,661,393</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-9	828,696	338,447
Property Acquired for Taxes - Assessed Valuation	A-10	100,650	100,650
Revenue Accounts Receivable	A-11	19,612	12,400
Due from Animal Control Fund	B-5	3,256	196
Due from Other Trust Fund	B-14	22,568	114,813
Due from Electric Utility Operating Fund	E-13	74,310	74,310
Due from Public Assistance Fund	H-2	<u>39</u>	<u>2,200</u>
		<u>974,821</u>	<u>643,016</u>
Deferred Charges			
Emergency Authorizations	A-12	200,000	
Special Emergency Authorizations	A-13	<u>-</u>	<u>12,480</u>
		<u>200,000</u>	<u>12,480</u>
Total Assets		<u>\$ 4,988,811</u>	<u>\$ 4,316,889</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2019 AND 2018**

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3,A-14	\$ 702,782	\$ 296,068
Encumbrances Payable	A-15	410,210	233,298
Accounts Payable	A-16		8,900
Tax Overpayments	A-17	294	57,456
Prepaid Taxes	A-18	461,648	265,693
County Taxes Payable	A-19	17,541	13,531
Local District School Tax Payable	A-20	10,999	
Fees Payable	A-23	18,290	3,082
Due to Open Space Preservation Trust Fund	B-7		341
Due to General Capital Fund	C-6		207,841
Due to Water Utility Operating Fund	D-12		13,764
Reserve for:			
Tax Appeals	A-24	421,356	458,081
Miscellaneous Reserves	A-25	6,250	6,250
Appropriated Grant Reserves	A-26	19,359	45,427
Unappropriated Grant Reserves	A-27	<u>13,554</u>	<u>-</u>
		2,082,283	1,609,732
Reserve for Receivables and Other Assets	A	974,821	643,016
Fund Balance	A-1	<u>1,931,707</u>	<u>2,064,141</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 4,988,811</u>	<u>\$ 4,316,889</u>

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 1,000,000	\$ 900,000
Miscellaneous Revenue Anticipated	A-2	3,398,208	2,983,914
Receipts from Delinquent Taxes	A-2	329,293	265,613
Receipts from Current Taxes	A-2	44,553,993	43,897,556
Non-Budget Revenue	A-2	248,418	275,889
Other Credits to Income			
Unexpended Balances of Appropriation Reserves	A-14	176,646	298,903
Accounts Payable Cancelled	A-16	8,900	75
Statutory Excess from Animal Control Trust Fund	B-5	3,256	
Prior Year Checks Voided	A-4	35,689	
Appropriated Grant Reserves Cancelled	A-26	4,686	39,099
Due to Municipal Library Cancelled	A-1		3,752
Interfunds Liquidated	A	165,656	75,406
Total Revenue		<u>49,924,745</u>	<u>48,740,207</u>
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries & Wages	A-3	5,173,094	4,737,334
Other Expenses	A-3	6,269,978	5,892,861
Capital Improvements	A-3	110,000	25,000
Debt Service	A-3	1,904,976	1,744,195
Deferred Charges and Statutory Expenditures	A-3	1,134,205	1,422,776
County Taxes	A-19	4,534,427	4,452,460
Local District School Tax	A-20	30,018,454	29,256,925
Municipal Open Space Tax	A-21	112,045	112,105
Prior Years Sr. Cit./Vets. Deduction Disallowed by State	A-1		3,250
Grants Receivable Cancelled	A-1		39,099
Change Fund/Petty Cash Adjustments	A-1	-	2,175
Total Expenditures		<u>49,257,179</u>	<u>47,688,180</u>
Excess in Revenue		667,566	1,052,027
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-12	200,000	-
Statutory Excess to Fund Balance		867,566	1,052,027
FUND BALANCE, JANUARY 1	A	<u>2,064,141</u>	<u>1,912,114</u>
		2,931,707	2,964,141
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	1,000,000	900,000
FUND BALANCE, DECEMBER 31	A	<u>\$ 1,931,707</u>	<u>\$ 2,064,141</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Reference</u>	<u>Budget</u>	<u>Added By:</u> <u>40A:4-87</u>	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
FUND BALANCE ANTICIPATED	A-1	\$ 1,000,000	-	\$ 1,000,000	-
MISCELLANEOUS REVENUES					
Licenses					
Alcoholic Beverages	A-11	19,000		19,315	\$ 315
Fees and Permits					
Fire Code Department	A-11	42,000		69,245	27,245
Board of Health/Registrar	A-11	15,000		27,106	12,106
Fines and Costs - Municipal Court	A-11	125,000		114,719	(10,281)
Interest and Costs on Taxes	A-11	60,000		122,189	62,189
Interest on Investments	A-11	40,000		132,731	92,731
Insurance Fund Dividends	A-11	12,000		48,544	36,544
Hotel Tax	A-11	230,000		262,243	32,243
Recycling Program	A-11	15,000		15,571	571
Cable Television Franchise Fee	A-11	145,000		142,175	(2,825)
Water Utility Rental Fees	A-11	105,000		105,000	-
Electric Utility Rental Fees	A-11	30,000		30,000	-
Pistol Range Fee	A-11	20,000		25,500	5,500
Tri-Boro Safety Corps.	A-11	50,000		54,163	4,163
Consolidated Municipal Property Tax Relief Aid	A-11	16,161		16,161	-
Energy Receipts Tax	A-11	366,438		366,438	-
Watershed Moratorium Offset Aid	A-11	1,598		1,598	-
Uniform Construction Code Fees	A-11	289,000		420,520	131,520
Uniform Construction Code Fees - Additional Redevelopment Project	A-11	250,000		250,000	-
Recycling Tonnage Grant	A-8	13,509		13,509	-
Body Armor Grant	A-8	2,229	\$ 2,095	4,324	-
Municipal Alliance Program	A-8		9,876	9,876	-
Bulletproof Vest Partnership Grant	A-8		382	382	-
Bergen County Mini Grant	A-8		400	400	-
Clean Communities Program	A-8		19,586	19,586	-
Alcohol Education and Rehabilitation Fund	A-8		161	161	-
JIF Safety Award Grant	A-8	1,750		1,750	-
Water Utility - Payments in Lieu of Taxes	A-11	100,000		100,000	-
Electric Utility - Payments in Lieu of Taxes	A-11	155,000		155,000	-
Electric Utility Payment in Lieu of Franchise and					-
Gross Receipts Taxes	A-11	500,000		500,000	-
Life Hazard Use Fees	A-11	11,000		12,130	1,130
Library Reimbursements	A-11	61,000		61,000	-
Excess Sewer User Fees	A-11	60,000		73,176	13,176
Sprint Cell Tower Rent	A-11	95,000		98,696	3,696
General Capital Fund Balance (Surplus)	A-11	75,000		75,000	-
Reserve for Sewer Connections - General Capital Fund	A-11	50,000	-	50,000	-
Total Miscellaneous Revenues	A-1	2,955,685	32,500	3,398,208	410,023
RECEIPTS FROM DELINQUENT TAXES	A-1,A-9	272,000	-	329,293	57,293
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET					
Local Tax For Municipal Purposes		10,216,445		9,973,443	(243,002)
Minimum Library Tax		615,624	-	615,624	-
Total Amount to be Raised by Taxes	A-2	10,832,069	-	10,589,067	(243,002)
	A-3	\$ 15,059,754	\$ 32,500	15,316,568	\$ 224,314
Non-Budget Revenue	A-1,A-2			248,418	
				<u>\$ 15,564,986</u>	

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Reference</u>	<u>Realized</u>
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenue from Collections	A-9	\$ 44,653,993
Less: Transferred to Reserve for Tax Appeals	A-24	<u>100,000</u>
Revenue Realized	A-1	44,553,993
Less Allocated to School, County and Municipal Open Space Taxes	A-19,A-20,A-21	<u>34,664,926</u>
		9,889,067
Add Appropriation Reserve for Uncollected Taxes	A-3	<u>700,000</u>
Amount for Support of Municipal Budget Appropriation	A-2	<u>\$ 10,589,067</u>
Analysis of Non-Budget Revenue		
Parking Permits		\$ 20,830
Police Fees		3,529
Senior Citizen and Veterans Administration Fees		1,250
Housing Registration Fees		27,200
FEMA Severe Winter Storm Reimbursements		48,842
Parking Meters Broadway/RR		6,103
Payment in Lieu of Taxes		9,638
Reimbursements		67,079
Insurance Dividend		39,788
Miscellaneous		<u>24,159</u>
	A-2	<u>\$ 248,418</u>

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
General Administration					
Salaries and Wages	\$ 100,140	\$ 108,140	\$ 107,916	\$ 224	
Other Expenses	38,799	34,799	33,359	1,440	
Other Expenses - Grant Professional	30,000	30,000	30,000	-	
Mayor and Council					
Salaries and Wages	43,200	43,200	43,200	-	
Other Expenses	10,700	10,700	6,485	4,215	
Municipal Clerk					
Salaries and Wages	155,399	155,399	153,577	1,822	
Other Expenses - Grant Professional					
Financial Administration					
Salaries and Wages	192,805	208,305	208,117	188	
Other Expenses	46,850	53,850	47,368	6,482	
Audit Services					
Other Expenses	46,500	46,500	46,500	-	
Revenue Administration					
Salaries and Wages	77,137	59,137	48,712	10,425	
Other Expenses	8,855	10,855	10,583	272	
Tax Assessment Administration					
Salaries and Wages	15,650	15,650	15,000	650	
Other Expenses	53,275	8,275	4,896	3,379	
Other Expenses - Property Appraisals					
Legal Services and Costs					
Other Expenses	400,000	534,990	534,990	-	
Other Expenses - Emergency		200,000	200,000	-	
Engineering Services and Costs					
Other Expenses	50,000	48,000	40,741	7,259	
Grant Professional					
LAND USE ADMINISTRATION					
Planning Board					
Salaries and Wages	81,885	78,885	77,888	997	
Other Expenses	31,505	27,505	23,916	3,589	
Zoning Board of Adjustment					
Salaries and Wages	49,877	54,877	54,358	519	
Other Expenses	12,495	12,495	7,616	4,879	
Zoning Officer					
Salaries and Wages	27,250	19,250	18,117	1,133	
Other Expenses	1,550	1,550	261	1,289	
Housing Task Force					
Salaries and Wages	10,750	12,750	12,270	480	
Other Expenses	500	500	-	500	
INSURANCE					
General Liability	232,000	207,000	201,986	5,014	
Employee Group Health	1,344,800	1,329,800	1,121,526	208,274	
Employee Group Health Waiver	42,000	42,000	32,060	9,940	
Tri-Boro Ambulance	8,500	8,500	7,773	727	

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Continued)					
PUBLIC SAFETY FUNCTIONS					
Police					
Salaries and Wages	\$ 2,950,921	\$ 2,950,921	\$ 2,890,358	\$ 60,563	
Other Expenses	97,565	97,565	88,863	8,702	
Pistol Range					
Other Expenses	25,240	25,240	19,791	5,449	
Police Reserves/EMC					
Salaries and Wages	17,000	17,000	14,700	2,300	
Other Expenses	24,300	24,300	19,130	5,170	
Tri-Borough Ambulance					
Salaries and Wages	20,000	20,000	-	20,000	
Tri-Borough Safety Corps					
Other Expenses	280,500	289,500	288,521	979	
Emergency Management Services					
Salaries and Wages	3,250	3,250	3,213	37	
Other Expenses	6,510	6,510	6,467	43	
First Aid Organization					
Other Expenses - Contribution					
Fire Department					
Salaries and Wages	50,000	61,500	61,225	275	
Other Expenses	84,313	84,313	80,858	3,455	
Fire Hydrant Services	16,000	16,700	16,636	64	
Fire Prevention					
Salaries and Wages	44,216	44,216	38,175	6,041	
Other Expenses	8,350	8,350	8,026	324	
PUBLIC WORKS FUNCTION					
Streets and Road Maintenance					
Salaries and Wages	808,225	808,225	777,638	30,587	
Other Expenses	183,200	183,200	171,750	11,450	
Sewer System					
Salaries and Wages	56,445	56,445	50,159	6,286	
Other Expenses	11,780	11,780	9,891	1,889	
Shade Tree					
Other Expenses	15,680	15,680	3,972	11,708	
Solid Waste Collection					
Other Expenses - Sanitation	535,000	535,000	533,224	1,776	
Other Expenses - Recycling	147,250	147,250	128,898	18,352	
Building and Grounds					
Salaries and Wages	88,915	88,915	86,252	2,663	
Other Expenses	92,950	83,950	80,271	3,679	
Vehicle Maintenance					
Salaries and Wages	104,303	100,303	98,493	1,810	
Other Expenses	64,200	73,200	71,769	1,431	

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Balance</u> <u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Cont'd)					
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries and Wages	\$ 28,500	\$ 28,500	\$ 19,255	\$ 9,245	
Other Expenses	58,644	58,644	50,770	7,874	
Administration of Public Assistance					
Salaries and Wages	10,663	10,663	10,352	311	
Other Expenses	1,300	1,300	-	1,300	
Aid to Mental Health					
Other Expenses	9,000	9,000	-	9,000	
PARKS AND RECREATION FUNCTIONS					
Recreation Services and Programs					
Salaries and Wages	29,200	19,200	17,328	1,872	
Other Expenses	22,000	22,000	18,996	3,004	
Senior Citizens					
Salaries and Wages	21,320	21,320	16,084	5,236	
Other Expenses	7,500	7,500	7,500	-	
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events	4,000	4,000	2,460	1,540	
Park Ridge Television					
Salaries and Wages	12,607	12,607	12,240	367	
Other Expenses	5,556	5,556	5,483	73	
Municipal Services Act					
Other Expenses	20,000	20,000	10,523	9,477	
UNIFORM CONSTRUCTION CODE					
APPROPRIATIONS OFFSET BY DEDICATED					
REVENUES (N.J.A.C. 5:23-4-17)					
Construction Code Official					
Salaries and Wages	166,560	184,560	183,287	1,273	
Other Expenses	34,625	27,625	25,068	2,557	
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	90,000	90,000	75,568	14,432	
Telephone	30,000	30,000	26,289	3,711	
Water	12,500	17,500	12,573	4,927	
Gas and Oil	19,000	19,000	17,800	1,200	
Gasoline	60,000	55,000	51,911	3,089	

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Appropriated</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Expended</u>	<u>Unexpended</u>
	<u>Budget</u>	<u>Modification</u>	<u>Charged</u>	<u>Reserved</u>	<u>Balance</u>
					<u>Cancelled</u>
Total Operations Within "CAPS"	\$ 9,618,970	\$ 9,872,660	\$ 9,283,257	\$ 589,403	-
Contingent	-	-	-	-	-
Total Operations Including Contingent Within "CAPS"	9,618,970	9,872,660	9,283,257	589,403	-
Detail:					
Salaries and Wages	5,146,218	5,163,218	5,017,914	145,304	-
Other Expenses	4,472,752	4,709,442	4,265,343	444,099	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Statutory Expenditures					
Contribution to					
Social Security System	260,000	225,000	216,321	8,679	
Defined Contribution Retirement Plan	25,000	10,010	753	9,257	
Police & Firemen Retirement System	666,245	666,245	666,245	-	
Public Employees Retirement System	220,470	220,470	203,867	16,603	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	1,171,715	1,121,725	1,087,186	34,539	-
Total General Appropriations for Municipal Purposes Within "CAPS"	10,790,685	10,994,385	10,370,443	623,942	-
OPERATIONS - EXCLUDED FROM "CAPS"					
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Recycling Tax	11,000	11,000	-	11,000	
SEWERAGE PROCESSING AND DISPOSAL					
Bergen County Utilities Authority-Sewer Fees	700,000	696,300	692,290	4,010	
EDUCATION FUNCTIONS					
Maintenance of Free Public Library	615,624	615,624	615,624	-	
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS					
Municipal Court					
Other Expenses - Contractual	127,500	127,500	112,059	15,441	
PUBLIC SAFETY FUNCTION					
LOSAP					
Fire Department	50,000	50,000	50,000	-	
Tri-Borough Ambulance	20,000	20,000	20,000	-	-
Total Other Operations Excluded from "CAPS"	1,524,124	1,520,424	1,489,973	30,451	-

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Balance</u> <u>Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS" (Cont'd)					
PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES					
Municipal Alliance Program					
Salaries & Wages		\$ 9,876		\$ 9,876	
Clean Communities Program		19,586		19,586	
Recycling Tonnage Grant	\$ 13,509	13,509		13,509	
Alcohol Education and Rehabilitation Fund		161		161	
Body Armor Grant	2,229	4,324		4,324	
Bulletproof Vest Partnership Program		382		382	
Bergen County Mini Grant		400		400	
JIF Safety Award Grant	1,750	1,750	\$ 1,599	151	-
Total Public and Private Programs					
Offset by Revenues	17,488	49,988	1,599	48,389	-
Total Operations Excluded from "CAPS"	1,541,612	1,570,412	1,491,572	78,840	-
Detail:					
Salaries and Wages	-	9,876	-	9,876	-
Other Expenses	1,541,612	1,560,536	1,491,572	68,964	-
CAPITAL IMPROVEMENTS -					
EXCLUDED FROM "CAPS"					
Capital Improvement Fund	110,000	110,000	110,000	-	-
Total Capital Improvements Excluded					
from "CAPS"	110,000	110,000	110,000	-	-
MUNICIPAL DEBT SERVICE -					
EXCLUDED FROM "CAPS"					
Payment of Bond Principal	1,475,000	1,475,000	1,475,000		
Interest on Bonds	317,034	317,034	317,034		
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	112,943	112,943	112,942	-	\$ 1
Total Municipal Debt Service Excluded from "CAPS"	1,904,977	1,904,977	1,904,976	-	1

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Appropriated</u>	<u>Budget After</u>	<u>Expend</u>	<u>Unexpended</u>
	<u>Budget</u>	<u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u> <u>Balance</u> <u>Cancelled</u>
DEFERRED CHARGES MUNICIPAL- EXCLUDED FROM "CAPS"				
DEFERRED CHARGES				
Special Emergency Authorization - 5 Years	\$ 12,480	\$ 12,480	\$ 12,480	-
Total Deferred Charges Municipal Excluded from "CAPS"	12,480	12,480	12,480	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	3,569,069	3,597,869	3,519,028	\$ 78,840
Subtotal General Appropriations	14,359,754	14,592,254	13,889,471	702,782
Reserve for Uncollected Taxes	700,000	700,000	700,000	-
Total General Appropriations	\$ 15,059,754	\$ 15,292,254	\$ 14,589,471	\$ 702,782
	Reference	A-2	A-1	A,A-1
Budget	A-3	\$ 15,059,754		
Added by 40A:4-87	A-2	32,500		
Emergency Authorization	A-12	200,000		
		\$ 15,292,254		
Cash Disbursed	A-4		\$ 13,468,667	
Encumbrances Payable	A-15		408,324	
Deferred Charges				
Special Emergency Authorization	A-13		12,480	
Reserve for Uncollected Taxes	A-2		700,000	
			\$ 14,589,471	

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2019 AND 2018

ASSETS	<u>Reference</u>	<u>2019</u>	<u>2018</u>
ANIMAL CONTROL TRUST FUND			
Cash	B-3	\$ 17,145	\$ 13,290
OTHER TRUST FUND			
Cash	B-3	1,442,818	1,441,545
Police Outside Duty Receivable	B-16	18,245	26,034
		<u>1,461,063</u>	<u>1,467,579</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Cash	B-3	103,524	93,123
Due from Other Trust Fund	B-15	-	9,173
		<u>103,524</u>	<u>102,296</u>
OPEN SPACE PRESERVATION TRUST FUND			
Cash	B-3	322,632	258,042
Due from Current Fund	B-7		341
Due from General Capital Fund	C-7	-	21,547
		<u>322,632</u>	<u>279,930</u>
AFFORDABLE HOUSING TRUST FUND			
Cash	B-3	400,997	371,220
LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)			
Investments	B	1,987,242	1,738,960
Contributions Receivable	B	70,773	63,080
		<u>2,058,015</u>	<u>1,802,040</u>
Total Assets		<u>\$ 4,363,376</u>	<u>\$ 4,036,355</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2019 AND 2018

LIABILITIES AND RESERVES	<u>Reference</u>	<u>2019</u>	<u>2018</u>
ANIMAL CONTROL TRUST FUND			
Due to State of New Jersey	B-4	\$ 164	\$ 154
Due to Current Fund	B-5	3,256	196
Reserve for Animal Control Expenditures	B-6	<u>13,725</u>	<u>12,940</u>
		<u>17,145</u>	<u>13,290</u>
OTHER TRUST FUND			
Due to Current Fund	B-14	22,568	114,813
Due to Unemployment Insurance Trust Fund	B-15		9,173
Developers Escrow Deposits	B-12	650,356	783,765
Payroll Deductions Payable	B-13	22,641	903
Miscellaneous Reserves & Deposits	B-17	747,253	532,891
Reserve for Police Outside Duty Receivable	B-16	<u>18,245</u>	<u>26,034</u>
		<u>1,461,063</u>	<u>1,467,579</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Due to State of New Jersey	B-8	6,247	387
Reserve for Unemployment Insurance Benefits	B-9	<u>97,277</u>	<u>101,909</u>
		<u>103,524</u>	<u>102,296</u>
OPEN SPACE PRESERVATION TRUST FUND			
Due to General Capital Fund	C-7	74,190	-
Reserve for Open Space Expenditures	B-10	<u>248,442</u>	<u>279,930</u>
		<u>322,632</u>	<u>279,930</u>
AFFORDABLE HOUSING TRUST FUND			
Reserve for Affordable Housing	B-11	<u>400,997</u>	<u>371,220</u>
LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)			
Reserve for LOSAP Benefits	B	<u>2,058,015</u>	<u>1,802,040</u>
Total Liabilities and Reserves		<u>\$ 4,363,376</u>	<u>\$ 4,036,355</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES-REGULATORY BASIS
OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

			<u>Anticipated (Memo)</u>		
	<u>Reference</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Realized</u>	<u>Excess or Deficit</u>
Amount to be Raised by Taxation	B-10	\$ 111,609	\$ 111,609	\$ 112,045	\$ 436
Reserve Funds Utilized		<u>-</u>	<u>119,651</u>	<u>119,651</u>	<u>-</u>
	B-2	<u>\$ 111,609</u>	<u>\$ 231,260</u>	231,696	<u>\$ 436</u>
Non-Budget Revenue					
Interest on Deposits	B-10			2,630	
Grant Reimbursements	B-10			<u>76,597</u>	
				<u>\$ 310,923</u>	

**STATEMENT OF APPROPRIATIONS-REGULATORY BASIS
OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

		<u>Appropriated (Memo)</u>	<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Maintenance of Lands for Recreation and Conservation				
Other Expenses		\$ 36,260	\$ 36,260	
Down Payments on Improvements		195,000	195,000	
Reserve for Future Use	<u>\$ 111,609</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
	<u>\$ 111,609</u>	<u>\$ 231,260</u>	<u>\$ 231,260</u>	<u>\$ -</u>
Reference	B-1	B-1	B-10	

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2019 AND 2018**

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
ASSETS			
Cash	C-2,C-3	\$ 2,131,368	\$ 976,978
Grants Receivable	C-4	451,498	371,223
Due from Current Fund	C-6		207,841
Due from Open Space Preservation Trust Fund	C-7	74,190	
Due from Electric Utility Capital Fund	E-15		3,904
Deferred Charges to Future Taxation			
Funded	C-8	10,999,329	12,564,117
Unfunded	C-9	<u>2,474,304</u>	<u>570,475</u>
Total Assets		<u>\$ 16,130,689</u>	<u>\$ 14,694,538</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Serial Bonds	C-14	\$ 9,909,000	\$ 11,384,000
Green Trust Loans	C-15	1,090,329	1,180,117
Bond Anticipation Notes	C-13	1,970,000	
Encumbrances Payable	C-10	642,144	97,300
Improvement Authorizations			
Funded	C-12	783,591	925,748
Unfunded	C-12	1,137,182	184,419
Due to Open Space Preservation Trust Fund	C-7		21,547
Due to Water Utility Capital Fund	C-5	4,516	
Capital Improvement Fund	C-11	9,569	954
Reserve for Municipal Building Improvements	C-17		2,252
Reserve for Preliminary Expenses	C-18		8,500
Reserve for Community Center	C-19	250,000	250,000
Reserve for Sewer Improvements	C-20	208,260	258,260
Reserve for Payment of Debt	C-21	100	100
Reserve for Grants Receivable	C-4	24,000	24,000
Fund Balance	C-1	<u>101,998</u>	<u>357,341</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 16,130,689</u>	<u>\$ 14,694,538</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2019 and 2018 of \$525,290 and \$570,475, respectively. (See Exhibit C-22)

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
Balance, January 1	C	\$ 357,341	\$ 463
Increased by:			
Premium on Serial Bonds Issued	C-1		29,905
Premium on Bond Anticipation Notes Issued	C-2	14,934	
Grant Receipts for Funded Improvement Authorization	C-2	8,513	
Funded Improvement Authorizations Cancelled	C-12	130,070	326,973
Reserve for Municipal Building Improvements Cancelled	C17	<u>2,252</u>	<u>-</u>
		513,110	357,341
Decreased by:			
Appropriation to Finance Improvement Authorizations	C-12	332,200	
Anticipated as Current Fund Revenue	C-6	75,000	
Grant Receivables Cancelled	C-4	<u>3,912</u>	<u>-</u>
Balance, December 31	C	<u>\$ 101,998</u>	<u>\$ 357,341</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2019 AND 2018**

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
ASSETS			
OPERATING FUND			
Cash	D-5	\$ 2,500,481	\$ 2,832,700
Due from Current Fund	D-12		13,764
Due from Water Utility Capital Fund	D-14	119,078	
Due from Electric Utility Operating Fund	D-13	<u>68,477</u>	<u>-</u>
		<u>2,688,036</u>	<u>2,846,464</u>
Receivables With Full Reserves			
Water Usage Charges Receivable	D-7	230,301	176,194
Other Charges Receivable	D-8	72,536	73,763
Woodcliff Lake Surcharge Receivable	D-9	<u>44,674</u>	<u>39,653</u>
		<u>347,511</u>	<u>289,610</u>
Total Operating Fund		<u>3,035,547</u>	<u>3,136,074</u>
CAPITAL FUND			
Cash	D-5, D-6	358,634	114,562
Due from General Capital Fund	D-16	4,516	
Due from Water Utility Operating Fund	D-14		562,111
Fixed Capital	D-10	15,558,136	14,968,708
Fixed Capital Authorized and Uncompleted	D-11	<u>1,925,398</u>	<u>2,462,846</u>
Total Capital Fund		<u>17,846,684</u>	<u>18,108,227</u>
		<u>\$ 20,882,231</u>	<u>\$ 21,244,301</u>

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2019 AND 2018
(Continued)

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	D-4,D-17	\$ 362,558	\$ 57,715
Encumbrances Payable	D-18	164,989	174,822
Overpayments	D-20	28,294	24,782
Accrued Interest on Bonds and Notes	D-21	22,649	22,639
Other Liabilities	D-15	66,597	
Due to Water Utility Capital Fund	D-14		562,111
Due to Electric Utility Operating Fund	D-13		33,331
Miscellaneous Reserves	D-28	<u>1,495,197</u>	<u>1,340,908</u>
		2,140,284	2,216,308
Reserve for Receivables	D	347,511	289,610
Fund Balance	D-1	<u>547,752</u>	<u>630,156</u>
Total Operating Fund		<u>3,035,547</u>	<u>3,136,074</u>
CAPITAL FUND			
Serial Bonds Payable	D-23	1,807,000	1,977,000
Bond Anticipation Notes	D-24	595,700	597,000
Encumbrances Payable	D-19	425,671	26,361
Improvement Authorization			
Funded	D-22	148,686	413,386
Unfunded	D-22	991,784	1,396,853
Due to Water Utility Operating Fund	D-14	119,078	
Capital Improvement Fund	D-25	66,669	281,669
Reserve for Amortization	D-26	13,292,411	13,405,671
Deferred Reserve for Amortization	D-27	220,723	723
Fund Balance	D-2	<u>178,962</u>	<u>9,564</u>
Total Capital Fund		<u>17,846,684</u>	<u>18,108,227</u>
		<u>\$ 20,882,231</u>	<u>\$ 21,244,301</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2019 and 2018 of \$1,567,700 and \$1,451,160, respectively. (See Exhibit D-29)

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING FUND BALANCE
REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	D-3	\$ 351,328	\$ 528,355
Water Usage Charges	D-3	2,947,529	2,959,854
Miscellaneous Charges and Fees	D-3	308,784	319,120
Reserve for Woodcliff Lake Improvements - Reimbursements			
Installation of New Well & Pumping Station WCL - Debt Service	D-3	1,300	1,300
Holly Court Water Tank - Debt Service	D-3	64,208	64,208
Reserve for Handy Harmon Settlement	D-11		550,000
Non-Budget Revenue	D-3	85,057	120,350
Other Credits			
Appropriation Reserves Lapsed	D-17	75,266	118,747
Outstanding Checks Voided	D-1	-	63,844
Total Income		<u>3,833,472</u>	<u>4,725,778</u>
EXPENDITURES			
Operating	D-4	3,068,778	3,129,058
Capital Improvements	D-4	5,000	145,000
Debt Service	D-4	234,620	176,753
Deferred Charges and Statutory Expenditures	D-4	256,150	792,540
Change Fund Adjustment	D-1	-	25
Total Expenditures		<u>3,564,548</u>	<u>4,243,376</u>
Statutory Excess to Fund Balance		268,924	482,402
Fund Balance, January 1,	D	<u>630,156</u>	<u>676,109</u>
		899,080	1,158,511
Decreased by:			
Utilized as Anticipated Revenue	D-1,D-3	<u>351,328</u>	<u>528,355</u>
Balance, December 31,	D	<u>\$ 547,752</u>	<u>\$ 630,156</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE- REGULATORY BASIS
WATER UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
Balance, January 1	D	\$ 9,564	\$ 4,723
Increased by:			
Funded Improvement Authorizations Cancelled	D-26	164,882	
Premium on Bond Anticipation Notes Issued	D-16	4,516	
Premium on Serial Bonds Issued	D-2	<u>-</u>	<u>4,841</u>
Balance, December 31,	D	<u>\$ 178,962</u>	<u>\$ 9,564</u>

BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	D-1	\$ 351,328	\$ 351,328	
Water Usage Charges	D-1,D-7	2,997,713	2,947,529	\$ (50,184)
Miscellaneous Charges and Fees	D-1,D-3	275,000	308,784	33,784
Reserve for Woodcliff Lake Improvements - Reimbursements				
Holly Court Water Tank - Debt Service	D-1, D-28	64,208	64,208	
Installation of New Well & Pumping Station WCL - Debt Service	D-1, D-28	<u>1,300</u>	<u>1,300</u>	<u>-</u>
	D-4	<u>\$ 3,689,549</u>	3,673,149	<u>\$ (16,400)</u>
Non-Budget Revenue	D-1, D-3		<u>85,057</u>	
			<u>\$ 3,758,206</u>	
<u>Analysis of Realized Revenue</u>				
Miscellaneous Charges and Fees:				
Fire Sprinklers	D-8		\$ 83,280	
Hydrants	D-8		38,044	
Mobile Antenna Rents	D-5		<u>187,460</u>	
	D-3		<u>\$ 308,784</u>	
Non-Budget Revenue:				
Interest on Delinquent Accounts			\$ 9,903	
Interest on Investments			56,793	
JIF/BMED Dividend			6,438	
Miscellaneous			<u>11,923</u>	
	D-3		<u>\$ 85,057</u>	
Cash Receipts	D-5		\$ 70,496	
Due from Water Utility Capital Fund	D-14		4,702	
Due from Utility Trust Fund	F-3		<u>9,859</u>	
			<u>\$ 85,057</u>	

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries and Wages	\$ 1,265,000	\$ 1,265,000	\$ 1,167,433	\$ 72,567	\$ 25,000
Other Expenses	1,618,500	1,618,500	1,322,666	195,834	100,000
Group Health Insurance	310,278	310,278	225,747	84,531	-
Total Operating	3,193,778	3,193,778	2,715,846	352,932	125,000
CAPITAL IMPROVEMENTS					
Capital Improvement Fund	5,000	5,000	5,000	-	-
Total Capital Improvements	5,000	5,000	5,000	-	-
DEBT SERVICE					
Payment of Bond Principal	170,000	170,000	170,000		
Payment of Bond Anticipation Note Principal	1,300	1,300	1,300		
Interest on Bonds	48,853	48,853	48,852	-	1
Interest on Notes	14,468	14,468	14,468	-	-
Total Debt Service	234,621	234,621	234,620	-	1
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures					
Contribution to					
Public Employees Retirement System	163,150	163,750	163,571	179	
Social Security System (O.A.S.I.)	93,000	92,400	82,953	9,447	-
Total Deferred Charges and Statutory Expenditures	256,150	256,150	246,524	9,626	-
	<u>\$ 3,689,549</u>	<u>\$ 3,689,549</u>	<u>\$ 3,201,990</u>	<u>\$ 362,558</u>	<u>\$ 125,001</u>

	<u>Reference</u>	D-3	D-4	D-1	D, D-1
Cash Disbursed	D-5			\$ 2,973,681	
Encumbrances Payable	D-18			164,989	
Accrued Interest on Bonds and Notes	D-21			63,320	
				<u>\$ 3,201,990</u>	

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
ELECTRIC UTILITY FUND
AS OF DECEMBER 31, 2019 AND 2018**

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
ASSETS			
OPERATING FUND			
Cash	E-5	\$ 1,726,021	\$ 1,508,415
Cash - Change Fund	E-7	75	75
Due from Water Utility Operating Fund	D-13	<u>-</u>	<u>33,331</u>
		<u>1,726,096</u>	<u>1,541,821</u>
Receivables With Full Reserves			
Light and Power Charges Receivable	E-9	550,658	504,261
Other Charges Receivable	E-10	<u>18,577</u>	<u>18,580</u>
		<u>569,235</u>	<u>522,841</u>
Total Operating Fund		<u>2,295,331</u>	<u>2,064,662</u>
CAPITAL FUND			
Cash	E-5, E-6	761,526	951,466
Due from Electric Utility Operating Fund	E-14		24,107
Fixed Capital	E-11	13,302,057	12,949,771
Fixed Capital Authorized and Uncompleted	E-12	<u>750,868</u>	<u>271,222</u>
Total Capital Fund		<u>14,814,451</u>	<u>14,196,566</u>
		<u>\$ 17,109,782</u>	<u>\$ 16,261,228</u>

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
ELECTRIC UTILITY FUND
AS OF DECEMBER 31, 2019 AND 2018
(Continued)

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	E-4,E-16	\$ 509,552	\$ 238,211
Encumbrances Payable	E-17	424,007	496,040
Accrued Interest on Bonds	E-19	3,259	3,707
Overpayments	E-26	23,019	18,822
Due to Current Fund	E-13		74,310
Due to Water Utility Operating Fund	D-13	68,477	
Due to Electric Utility Capital Fund	E-14	<u>-</u>	<u>24,107</u>
		1,028,314	855,197
Reserve for Receivables	E	569,235	522,841
Fund Balance	E-1	<u>697,782</u>	<u>686,624</u>
Total Operating Fund		<u>2,295,331</u>	<u>2,064,662</u>
CAPITAL FUND			
Serial Bonds	E-22	733,000	1,068,000
Encumbrances Payable	E-18	302,282	96,076
Improvement Authorizations			
Funded	E-21	217,139	41,497
Unfunded	E-21	153,995	35,000
Due to General Capital Fund	E-15		3,904
Capital Improvement Fund	E-23	97,500	286,500
Reserve for Capital Improvements	E-20	175,000	437,000
Reserve for Redevelopment Project Improvements	E-27		105,000
Reserve for Amortization	E-24	12,569,057	11,917,785
Deferred Reserve for Amortization	E-25	524,868	200,208
Fund Balance	E-2	<u>41,610</u>	<u>5,596</u>
Total Capital Fund		<u>14,814,451</u>	<u>14,196,566</u>
		<u>\$ 17,109,782</u>	<u>\$ 16,261,228</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2019 and 2018 of \$226,000 and \$35,000 respectively. (See Exhibit E-28)

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING FUND BALANCE -
REGULATORY BASIS - ELECTRIC UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	E-3	\$ 434,480	\$ 436,296
Light and Power Charges	E-3	8,973,979	9,636,390
Miscellaneous Charges and Fees	E-3	51,450	37,754
Non-Budget Revenue	E-3	133,189	123,540
Other Credits to Income			
Appropriation Reserves Lapsed	E-16	226,573	212,284
Outstanding Checks Voided	E-1	-	28,509
		<u>9,819,671</u>	<u>10,474,773</u>
Total Income			
EXPENDITURES			
Operating	E-4	8,671,531	9,447,874
Capital Improvements	E-4	105,000	35,000
Debt Service	E-4	365,920	302,247
Deferred Charges and Statutory Expenditures	E-4	231,582	245,107
Change Fund/Petty Cash Adjustments	E-1	-	1,400
		<u>9,374,033</u>	<u>10,031,628</u>
Total Expenditures			
Excess in Revenue		445,638	443,145
Fund Balance, January 1,	E	<u>686,624</u>	<u>679,775</u>
		1,132,262	1,122,920
Decreased by:			
Utilized as Anticipated Revenue	E-1, E-3	<u>434,480</u>	<u>436,296</u>
Balance, December 31,	E	<u>\$ 697,782</u>	<u>\$ 686,624</u>

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE- REGULATORY BASIS
ELECTRIC UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
Balance, January 1	E	\$ 5,596	\$ 1,919
Increased by:			
Funded Improvement Authorizations Cancelled	E-24	36,014	
Premium on Serial Bonds Issued	E-2	<u>-</u>	<u>3,677</u>
Balance, December 31,	E	<u>\$ 41,610</u>	<u>\$ 5,596</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
ELECTRIC UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	E-1	\$ 434,480	\$ 434,480	
Light and Power Charges	E-1,E-9	9,400,000	8,973,979	\$ (426,021)
Miscellaneous Charges and Fees	E-1,E-3	<u>40,000</u>	<u>51,450</u>	<u>11,450</u>
	E-4	<u>\$ 9,874,480</u>	9,459,909	<u>\$ (414,571)</u>
Non-Budget Revenue	E-1, E-3		<u>133,189</u>	
			<u>\$ 9,593,098</u>	
<u>Analysis of Realized Revenue</u>				
Miscellaneous: Charges and Fees				
Dusk to Dawn Charges	E-10		\$ 17,610	
Interest on Delinquent Accounts	E-5		<u>33,840</u>	
	E-3		<u>\$ 51,450</u>	
Non-Budget Revenue:				
Interest on Investments			\$ 36,489	
BMED Dividend			5,518	
FEMA Severe Winter Storm Reimbursement			52,650	
Miscellaneous			<u>38,532</u>	
	E-3		<u>\$ 133,189</u>	
Cash Receipts	E-5		\$ 112,045	
Due from Electric Utility Capital Fund	E-14		16,288	
Due from Utility Trust Fund	F-4		<u>4,856</u>	
			<u>\$ 133,189</u>	

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
ELECTRIC UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries and Wages	\$ 1,258,000	\$ 1,258,000	\$ 1,242,946	\$ 15,054	
Other Expenses	681,500	681,500	513,866	167,634	
Group Health Insurance	247,042	247,042	166,783	80,259	
Purchase of Electric Current	6,330,000	6,329,989	5,635,296	194,693	\$ 500,000
Franchise & Gross Receipts Taxes-Current Fund	500,000	500,000	500,000		
Payment in Lieu of Taxes - Current Fund	<u>155,000</u>	<u>155,000</u>	<u>155,000</u>	<u>-</u>	<u>-</u>
Total Operating	<u>9,171,542</u>	<u>9,171,531</u>	<u>8,213,891</u>	<u>457,640</u>	<u>500,000</u>
CAPITAL IMPROVEMENTS					
Capital Improvement Fund	5,000	5,000	5,000		
Capital Outlay	<u>100,000</u>	<u>100,000</u>	<u>52,054</u>	<u>47,946</u>	<u>-</u>
Total Capital Improvements	<u>105,000</u>	<u>105,000</u>	<u>57,054</u>	<u>47,946</u>	<u>-</u>
MUNICIPAL DEBT SERVICE -					
Payment of Bond Principal	335,000	335,000	335,000		
Interest on Bonds	<u>31,356</u>	<u>31,367</u>	<u>30,920</u>	<u>-</u>	<u>447</u>
Total Municipal Debt Service	<u>366,356</u>	<u>366,367</u>	<u>365,920</u>	<u>-</u>	<u>447</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures					
Contribution to					
Public Employees Retirement System	140,932	140,932	140,129	803	
Social Security System (O.A.S.I.)	<u>90,650</u>	<u>90,650</u>	<u>87,487</u>	<u>3,163</u>	<u>-</u>
Total Deferred Charges and Statutory Expenditures	<u>231,582</u>	<u>231,582</u>	<u>227,616</u>	<u>3,966</u>	<u>-</u>
	<u>\$ 9,874,480</u>	<u>\$ 9,874,480</u>	<u>\$ 8,864,481</u>	<u>\$ 509,552</u>	<u>\$ 500,447</u>

	<u>Reference</u>	E-3	E-4	E-1	E, E-1
Cash Disbursed	E-5			\$ 8,409,554	
Encumbrances Payable	E-17			424,007	
Accrued Interest on Bonds	E-19			<u>30,920</u>	
				<u>\$ 8,864,481</u>	

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
UTILITY TRUST FUND
AS OF DECEMBER 31, 2019 AND 2018**

ASSETS	<u>Reference</u>	<u>2019</u>	<u>2018</u>
Cash	F-1	\$ 858,886	\$ 784,554
		<u>\$ 858,886</u>	<u>\$ 784,554</u>
LIABILITIES AND RESERVES			
Deposits Payable			
Water Customers	F-2	\$ 547,896	\$ 526,002
Electric Customers	F-2	<u>310,990</u>	<u>258,552</u>
Total Liabilities and Reserves		<u>\$ 858,886</u>	<u>\$ 784,554</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SWIM POOL UTILITY FUND
AS OF DECEMBER 31, 2019 AND 2018**

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
ASSETS			
OPERATING FUND			
Cash	G-5	\$ 383,701	\$ 390,278
Total Operating Fund		<u>383,701</u>	<u>390,278</u>
CAPITAL FUND			
Cash	G-5, G-6	35,615	28,153
Due from Swimming Pool Utility Operating Fund	G-8		12,825
Fixed Capital	G-9	<u>1,178,926</u>	<u>1,120,498</u>
Total Capital Fund		<u>1,214,541</u>	<u>1,161,476</u>
		<u>\$ 1,598,242</u>	<u>\$ 1,551,754</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SWIM POOL UTILITY FUND
AS OF DECEMBER 31, 2019 AND 2018
(Continued)

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	G-4,G-10	\$ 29	\$ 67,457
Encumbrances Payable	G-11	7,643	29,705
Accrued Interest on Notes	G-12		198
Due to Swim Pool Utility Capital Fund	G-8	<u>-</u>	<u>12,825</u>
		7,672	110,185
Fund Balance	G-1	<u>376,029</u>	<u>280,093</u>
Total Operating Fund		<u>383,701</u>	<u>390,278</u>
CAPITAL FUND			
Bond Anticipation Notes	G-15		13,000
Capital Improvement Fund	G-13	16,000	16,000
Reserve for Amortization	G-14	1,178,926	1,112,861
Fund Balance	G-2	<u>19,615</u>	<u>19,615</u>
Total Capital Fund		<u>1,214,541</u>	<u>1,161,476</u>
		<u>\$ 1,598,242</u>	<u>\$ 1,551,754</u>

There were no Bonds and Notes Authorized But Not Issued on December 31, 2019 and 2018.

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING FUND BALANCE -
REGULATORY BASIS
SWIM POOL UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	G-3	\$ 30,312	\$ 78,660
Membership Fees	G-3	249,880	224,150
Miscellaneous Fees	G-3	62,421	49,047
Other Credits			
Appropriation Reserves Lapsed	G-10	63,386	85,221
Accounts Payable Cancelled	G-1	<u>-</u>	<u>300</u>
Total Income		<u>405,999</u>	<u>437,378</u>
EXPENDITURES			
Operating	G-4	246,390	250,744
Capital Improvements	G-4	18,530	70,000
Debt Service	G-4	7,732	13,305
Deferred Charges and Statutory Expenditures	G-4	<u>7,099</u>	<u>9,611</u>
Total Expenditures		<u>279,751</u>	<u>343,660</u>
Excess in Revenue		126,248	93,718
Fund Balance, January 1,	G	<u>280,093</u>	<u>265,035</u>
		406,341	358,753
Decreased by:			
Utilized as Anticipated Revenue	G-1, G-3	<u>30,312</u>	<u>78,660</u>
Balance, December 31,	G	<u>\$ 376,029</u>	<u>\$ 280,093</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE- REGULATORY BASIS
SWIM POOL UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
Balance, January 1	G	\$ 19,615	\$ 361
Increased by:			
Improvement Authorizations Cancelled	G-2	-	24,440
		19,615	24,801
Decreased by:			
Grants Receivable Cancelled	G-2	-	5,186
Balance, December 31,	G	<u>\$ 19,615</u>	<u>\$ 19,615</u>

BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
SWIM POOL UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Utilized	G-1	\$ 30,312	\$ 30,312	
Membership Fees	G-1,G-5	215,000	249,880	\$ 34,880
Miscellaneous	G-1,G-3	<u>40,000</u>	<u>62,421</u>	<u>22,421</u>
	G-4	<u>\$ 285,312</u>	<u>\$ 342,613</u>	<u>\$ 57,301</u>

Analysis of Realized Revenue

Miscellaneous

Guest Fees	\$ 28,379
Swim Lessons	7,121
Fines	5,211
Snack Bar Concession Fee	3,800
Interest on Deposits	8,140
Other Receipts and Fees	<u>9,770</u>

G-3 \$ 62,421

Cash Receipts	G-5	\$ 61,854
Due From Swim Pool Utility Capital Fund	G-8	<u>567</u>

\$ 62,421

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SWIM POOL UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries and Wages	\$ 122,000	\$ 139,262	\$ 139,262		
Other Expenses	<u>111,620</u>	<u>107,128</u>	<u>107,118</u>	\$ 10	-
Total Operating	<u>233,620</u>	<u>246,390</u>	<u>246,380</u>	10	-
CAPITAL IMPROVEMENTS					
Capital Outlay	<u>29,000</u>	<u>18,530</u>	<u>18,528</u>	2	-
Total Debt Service	<u>29,000</u>	<u>18,530</u>	<u>18,528</u>	2	-
DEBT SERVICE					
Payment of Bond Anticipation Note	13,000	13,000	7,637		\$ 5,363
Interest on Notes	<u>292</u>	<u>293</u>	<u>95</u>	-	<u>198</u>
Total Debt Service	<u>13,292</u>	<u>13,293</u>	<u>7,732</u>	-	<u>5,561</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures					
Contribution to Social Security System (O.A.S.I.)	<u>9,400</u>	<u>7,099</u>	<u>7,082</u>	17	-
Total Deferred Charges and Statutory Expenditures	<u>9,400</u>	<u>7,099</u>	<u>7,082</u>	17	-
	<u>\$ 285,312</u>	<u>\$ 285,312</u>	<u>\$ 279,722</u>	<u>\$ 29</u>	<u>\$ 5,561</u>
<u>Reference</u>	G-3	G-4	G-1	G,G-1	
	<u>Reference</u>				
Cash Disbursed	G-5		\$ 264,347		
Encumbrances Payable	G-11		7,643		
Accrued Interest on Notes	G-12		95		
Due to Swim Pool Utility Capital Fund	G-8		<u>7,637</u>		
			<u>\$ 279,722</u>		

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
PUBLIC ASSISTANCE FUND
AS OF DECEMBER 31, 2019 AND 2018**

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
ASSETS			
Cash	H-1	\$ 25,749	\$ 10,592
		<u>\$ 25,749</u>	<u>\$ 10,592</u>
LIABILITIES AND RESERVES			
Due to Current Fund	H-2	\$ 39	\$ 2,200
Reserve for Public Assistance	H-3	<u>25,710</u>	<u>8,392</u>
		<u>\$ 25,749</u>	<u>\$ 10,592</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
Land	\$ 14,623,192	\$ 14,623,192
Buildings and Building Improvements	5,593,227	5,593,227
Machinery and Equipment	<u>6,422,911</u>	<u>6,422,302</u>
	<u>\$ 26,639,330</u>	<u>\$ 26,638,721</u>
Investment in Fixed Assets	<u>\$ 26,639,330</u>	<u>\$ 26,638,721</u>

The Accompanying Notes are an Integral Part of these Financial Statements

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Park Ridge (the "Borough") was incorporated in 1894 and operates under an elected Mayor and Council form of government. The Mayor is elected to a four-year term and the six council members are elected at-large to serve staggered three-year terms. The Mayor is the Chief Executive Officer of the Borough and as such presides over all public meetings, provides leadership in the development of community projects, and makes appointments to various boards. The Borough Council exercises all legislative powers including final adoption of the municipal budget and bond ordinances and confirmation of the Mayor's appointments, and all executive authority which is not specifically provided to the Mayor, by State law. A Borough Administrator is appointed by the Borough Council and is responsible for the implementation of the policies of the Mayor and Council, for the administration of all Borough affairs and for the day to day operations of the Borough. The Borough Administrator is the Chief Administrative Officer for the Borough. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, water and electric supply 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 Borough is financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organization; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Borough is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Borough in that the Borough approves the budget, the issuance of debt or the levying of taxes. The Borough 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 Borough do not include the municipal library or volunteer fire department, 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.

B. Description of Regulatory Basis of Accounting

The financial statements of the Borough of Park Ridge 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 Borough 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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

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

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

Other Trust Fund - This fund is established to account for the assets and resources, which are held by the Borough 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 Borough as collateral.

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

Open Space Preservation Trust Fund - This fund is used to account for the resources which have accumulated from a dedicated tax and other resources to be used for the preservation and improvements of municipal open space, recreation and farmland property.

Affordable Housing Trust Fund - This fund is used to account for receipts and disbursements relating to redevelopment fees and expenditures which are regulated by NJAC 5.97-8.

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 Borough.

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.

Water Utility Fund - This fund is used to account for the revenues and expenditures for the operation of the Borough's water utility and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities and other capital assets for the water utility is accounted for in the capital section of the fund.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

Electric Utility Fund - This fund is used to account for the revenues and expenditures for the operation of the Borough's electric utility system and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities and other capital assets for the sewer utility is accounted for in the capital section of the fund.

Utility Trust Fund – This fund is used to account for refundable deposits collected from customers receiving water and electric services from the Borough.

Swim Pool Utility Fund - This fund is used to account for the revenues and expenditures for operation of the Borough'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 Borough 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 Borough, other than those accounted for in the water, electric and swim pool utility funds. The Borough's infrastructure is not reported in the account group.

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

Reclassifications – Certain reclassifications may have been made to the December 31, 2018 balances to conform to the December 31, 2019 presentation.

Financial Statements – Regulatory Basis

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 Borough presents the regulatory basis financial statements listed in the table of contents which are required by the Division and which differ from the basic financial statements required by GAAP. In addition, the Division requires the regulatory basis financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from reporting requirements under GAAP.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the accounting principles and practices prescribed by the Division in accordance with the regulatory basis of accounting. Measurement focus indicates the type of resources being measured. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The Borough of Park Ridge 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:

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (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.

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.

Property Tax Revenues/Receivables - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of December 31, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Borough 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. The Borough 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/Receivables - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. 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).

Utility Revenues/Receivables - Water utility charges are levied both bi-monthly and quarterly based upon a flat service charge and a consumption or usage charge. Electric utility charges are levied both monthly and bi-monthly based upon a flat service charge and a consumption or usage charge. Swim pool utility charges are based on a flat fee by membership or service type (i.e., family, single, guest, etc.). Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balances sheet of the Borough's utility operating funds. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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.

Deferred Charges - Certain expenditures, operating deficits and other items are required to be deferred to budgets of succeeding years. GAAP requires expenditures, operating deficits and certain other items generally to be recognized when incurred, if measurable.

Funded and unfunded debt authorizations for general capital projects are also recorded as deferred charges and represent permanent long-term debt issues outstanding (funded) and temporary debt issues outstanding or unissued debt authorizations (unfunded), respectively. GAAP does not permit the recording of deferred charges for funded and unfunded debt authorizations.

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.

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 judgements, 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.

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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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.

General Fixed Assets - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Borough of Park Ridge has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Borough as assets with an initial, individual cost of \$500 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 sewerage and drainage systems are not capitalized.

General Fixed Assets purchased after December 31, 2008 are stated at cost. Donated fixed assets are recorded at acquisition value at the date of donation.

General Fixed Assets purchased prior to December 31, 2008 are stated as follows:

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the General Capital Fund until such time as the construction is completed and put into operation for general fixed assets.

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

Property and equipment purchased by the water, electric and swim 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 Funds represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utilities do 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 Borough to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of accrued revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- A. **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 Borough and approved by the State Division of Local Government Services as per N.J.S.A. 40A:4 et seq.

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

Trust Funds (Except Open Space Preservation Trust Fund)
General Capital Fund
Water Utility Capital Fund
Electric Utility Capital Fund
Swim 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 2019 and 2018 the Borough Council increased the original Current Fund budget by \$232,500 and \$29,311, respectively. The 2019 increase was attributable to an emergency appropriation of \$200,000 for legal services and costs and \$32,500 of additional aid allotted to the Borough. The 2018 increase was funded by additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2019 and 2018.

NOTE 3 CASH DEPOSITS AND INVESTMENTS

The Borough 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.

A. **Cash Deposits**

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Borough 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 pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC or NCUSIF.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

A. Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2019 and 2018, the book value of the Borough's deposits were \$14,867,226 and \$13,424,696 and bank and brokerage firm balances of the Borough's deposits amounted to \$15,084,728 and \$14,375,562, respectively. The Borough'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>2019</u>	<u>2018</u>
Insured	<u>\$ 15,084,728</u>	<u>\$ 14,375,562</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 Borough does not have a formal policy for custodial credit risk. As of December 31, 2019 and 2018, none of the Borough's bank balances were exposed to custodial credit risk.

B. Investments

The Borough 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, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the Borough or bonds or other obligations of the school districts which are a part of the Borough or school districts located within the Borough, Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school district, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law, " (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investments in the Department of the Treasury for investment by local units; Local Government investment pools, deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the Borough 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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

As of December 31, 2019 and 2018, the Borough had the following investments:

	<u>2019</u>	<u>2018</u>
	Fair Value	Fair Value
	(LOSAP Only)	(LOSAP Only)
Investment:		
Lincoln Financial Group		
LOSAP Investment Plans (Unaudited)	\$ 1,987,242	\$ 1,738,960

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial risk. As of December 31, 2019 and 2018, \$1,987,242 and \$1,738,960 of the Borough's investments was exposed to custodial credit risk as follows:

	<u>2019</u>	<u>2018</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust		
department but not in the Borough's name:		
Fair Value (LOSAP Only - Unaudited)	\$ 1,987,242	\$ 1,738,960

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

Credit Risk – State law limits investments as noted above (N.J.S.A. 40A:5-15.1 and N.J.A.C. 5:30-14.19). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2019 and 2018, the Borough's investment in Lincoln Financial Group, a subsidiary of Lincoln National Corporation, was rated Baa1 by Moody's Investor Service.

Concentration of Credit Risk – The Borough places no limit in the amount the Borough may invest in any one issuer. More than five (5) percent of the Borough's investments are in Lincoln Financial Group. These investments are 100% of the Borough's total investments.

The fair value of the above-listed investment was based on information provided by Lincoln Financial Group.

Interest earned in the General Capital Fund, Animal Control Fund and certain Other Trust Funds are assigned to the Current Fund in accordance with the regulatory basis of accounting. Interest earned in the Utility Capital and Trust Funds are assigned to the Utility Operating Funds in accordance with the regulatory basis of accounting.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE

Receivables at December 31, 2019 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Electric Utility</u>	<u>Total</u>
<u>2019</u>				
Property Taxes	\$ 828,696			\$ 828,696
Utility Charges and Fees	<u>-</u>	<u>\$ 347,511</u>	<u>\$ 569,235</u>	<u>916,746</u>
	<u>\$ 828,696</u>	<u>\$ 347,511</u>	<u>\$ 569,235</u>	<u>\$ 1,745,442</u>

In 2019, the Borough collected \$329,293, \$289,610 and \$522,841 from delinquent taxes, water utility and electric utility charges and fees, respectively which represented 97%, 100% and 100% of the delinquent tax, water and electric charges receivable at December 31, 2018.

Receivables at December 31, 2018 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Electric Utility</u>	<u>Total</u>
<u>2018</u>				
Property Taxes	\$ 338,447			\$ 338,447
Utility Charges and Fees	<u>-</u>	<u>\$ 289,610</u>	<u>\$ 522,841</u>	<u>812,451</u>
	<u>\$ 338,447</u>	<u>\$ 289,610</u>	<u>\$ 522,841</u>	<u>\$ 1,150,898</u>

In 2018, the Borough collected \$265,613, \$402,050 and \$434,645 from delinquent taxes, water utility and electric utility charges and fees, respectively which represented 96%, 100% and 100% of the delinquent tax, water and electric charges receivable at December 31, 2017.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 5 DUE TO/FROM OTHER FUNDS

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

	<u>2019</u>		<u>2018</u>	
	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>
Current Fund	\$ 25,863		\$ 191,519	\$ 221,946
Trust Fund:				
Animal Control		\$ 3,256		196
Other Trust		22,568		123,986
Unemployment Insurance			9,173	
Open Space Preservation		74,190	21,888	
General Capital Fund	74,190	4,516	211,745	21,547
Water Utility:				
Operating	187,555		13,764	595,442
Capital	4,516	119,078	562,111	
Electric Utility:				
Operating		68,477	33,331	98,417
Capital			24,107	3,904
Swim Pool Utility:				
Operating				12,825
Capital			12,825	
Public Assistance Fund	-	39	-	2,200
Total	<u>\$ 292,124</u>	<u>\$ 292,124</u>	<u>\$ 1,080,463</u>	<u>\$ 1,080,463</u>

The above balances are the result of expenditures being paid by one fund on behalf of another and/or deposits made or revenues earned in one fund which are revenues or receipts for another fund.

The Borough expects all interfund balances to be liquidated within one year.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Under the regulatory basis of accounting, 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>2019</u>			
Current Fund			
Emergency Authorization	\$ 200,000	\$ 200,000	
<u>2018</u>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	\$ 12,480	\$ 12,480	

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 7 FUND BALANCES APPROPRIATED

Under the regulatory basis of accounting, fund balances in the Current Fund and Utility Operating Funds 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:

	2019		2018	
	<u>Fund Balance December 31,</u>	<u>Utilized in Subsequent Year's Budget</u>	<u>Fund Balance December 31,</u>	<u>Utilized in Subsequent Year's Budget</u>
Current Fund				
Cash Surplus	\$ 1,715,771	\$ 1,125,000	\$ 2,039,971	\$ 1,000,000
Non-Cash Surplus	<u>215,936</u>	<u>-</u>	<u>24,170</u>	<u>-</u>
	<u>\$ 1,931,707</u>	<u>\$ 1,125,000</u>	<u>\$ 2,064,141</u>	<u>\$ 1,000,000</u>
Water Utility Operating Fund				
Cash Surplus	\$ 547,752	\$ 260,000	\$ 630,156	\$ 351,328
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 547,752</u>	<u>\$ 260,000</u>	<u>\$ 630,156</u>	<u>\$ 351,328</u>
Electric Utility Operating Fund				
Cash Surplus	\$ 697,782	\$ 512,000	\$ 686,624	\$ 434,480
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 697,782</u>	<u>\$ 512,000</u>	<u>\$ 686,624</u>	<u>\$ 434,480</u>
Swim Pool Utility Operating Fund				
Cash Surplus	\$ 376,029	\$ 45,000	\$ 280,093	\$ 30,312
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 376,029</u>	<u>\$ 45,000</u>	<u>\$ 280,093</u>	<u>\$ 30,312</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 8 FIXED ASSETS

A. General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2019 and 2018.

	Balance, December 31, <u>2018</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2019</u>
<u>2019</u>				
Land	\$ 14,623,192			\$ 14,623,192
Buildings and Building Improvements	5,593,227			5,593,227
Machinery and Equipment	<u>6,422,302</u>	<u>\$ 308,591</u>	<u>\$ 307,982</u>	<u>6,422,911</u>
	<u>\$ 26,638,721</u>	<u>\$ 308,591</u>	<u>\$ 307,982</u>	<u>\$ 26,639,330</u>
	Balance, December 31, <u>2017</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2018</u>
<u>2018</u>				
Land	\$ 14,623,192			\$ 14,623,192
Buildings and Building Improvements	5,593,227			5,593,227
Machinery and Equipment	<u>6,663,345</u>	<u>\$ 482,445</u>	<u>\$ 723,488</u>	<u>6,422,302</u>
	<u>\$ 26,879,764</u>	<u>\$ 482,445</u>	<u>\$ 723,488</u>	<u>\$ 26,638,721</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 8 FIXED ASSETS (Continued)

B. Utility Funds Fixed Assets

The following is a summary of changes in the utility funds fixed assets for the years ended December 31, 2019 and 2018.

<u>Water Utility Fund</u>	Balance December 31, <u>2018</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2019</u>
<u>2019</u>				
Fixed Capital				
Land and Land Rights	\$ 13,438			\$ 13,438
Structures and System Improvements	10,973,081	\$ 589,428		11,562,509
Vehicles and Equipment	3,982,189	-	-	3,982,189
	<u>\$ 14,968,708</u>	<u>\$ 589,428</u>	<u>\$ -</u>	<u>\$ 15,558,136</u>
	Balance December 31, <u>2017</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2018</u>
<u>2018</u>				
Fixed Capital				
Land and Land Rights	\$ 13,438			\$ 13,438
Structures and System Improvements	9,894,992	\$ 1,078,089		10,973,081
Vehicles and Equipment	3,673,905	308,284	-	3,982,189
	<u>\$ 13,582,335</u>	<u>\$ 1,386,373</u>	<u>\$ -</u>	<u>\$ 14,968,708</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 8 FIXED ASSETS (Continued)

B. Utility Funds Fixed Assets (Continued)

<u>Electric Utility Fund</u>	Balance December 31, 2018	Additions	Retirements	Balance, December 31, 2019
<u>2019</u>				
Fixed Capital				
Structures and System Improvements	\$ 9,994,956	\$ 352,286	\$ -	\$ 10,347,242
Vehicles and Equipment	2,954,815	-	-	2,954,815
	<u>\$ 12,949,771</u>	<u>\$ 352,286</u>	<u>\$ -</u>	<u>\$ 13,302,057</u>
	Balance December 31, 2017	Additions	Retirements	Balance, December 31, 2018
<u>2018</u>				
Fixed Capital				
Structures and System Improvements	\$ 9,698,823	\$ 296,133		\$ 9,994,956
Vehicles and Equipment	2,643,890	310,925	-	2,954,815
	<u>\$ 12,342,713</u>	<u>\$ 607,058</u>	<u>\$ -</u>	<u>\$ 12,949,771</u>
<u>Swim Pool Utility Fund</u>	Balance December 31, 2018	Additions	Retirements	Balance, December 31, 2019
<u>2019</u>				
Fixed Capital				
Land and Land Improvements	\$ 54,113			\$ 54,113
Pool Facilities and Improvements	1,005,989	\$ 43,560		1,049,549
Furniture & Equipment	60,396	14,868	-	75,264
	<u>\$ 1,120,498</u>	<u>\$ 58,428</u>	<u>\$ -</u>	<u>\$ 1,178,926</u>
	Balance December 31, 2017	Additions	Retirements	Balance, December 31, 2018
<u>2018</u>				
Fixed Capital				
Land and Land Improvements	\$ 54,113			\$ 54,113
Pool Facilities and Improvements	1,005,989			1,005,989
Furniture & Equipment	60,396	-	-	60,396
	<u>\$ 1,120,498</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,120,498</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 9 MUNICIPAL DEBT

The Local Bond Law (NJSA 40A:2 et.seq.) governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for both general capital and utility capital fund projects and acquisitions or other purposes permitted by the Local Bond Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects and acquisitions and other purposes permitted by the Local Bond Law, must be paid off within ten years and four months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

	<u>2019</u>	<u>2018</u>
Issued		
General		
Bonds, Notes and Loans	\$ 12,969,329	\$ 12,564,117
Water Utility		
Bonds and Notes	2,402,700	2,574,000
Electric Utility		
Bonds and Notes	733,000	1,068,000
Swim Pool Utility		
Notes	<u>-</u>	<u>13,000</u>
	16,105,029	16,219,117
Less Funds Temporarily Held to Pay Bonds, Notes and Loans	<u>21,086</u>	<u>100</u>
Net Debt Issued	16,083,943	16,219,017
Authorized But Not Issued		
General		
Bonds and Notes	525,290	570,475
Water Utility		
Bonds and Notes	1,567,700	1,451,160
Electric Utility		
Bonds and Notes	<u>226,000</u>	<u>35,000</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 18,402,933</u>	<u>\$ 18,275,652</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 9 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of .733% and .718% at December 31, 2019 and 2018, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2019</u>			
General Debt	\$ 13,494,619	\$ 21,086	\$ 13,473,533
School Debt	10,859,466	10,859,466	-
Utility Debt	<u>4,929,400</u>	<u>4,929,400</u>	<u>-</u>
Total	<u>\$ 29,283,485</u>	<u>\$ 15,809,952</u>	<u>\$ 13,473,533</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2018</u>			
General Debt	\$ 13,134,592	\$ 100	\$ 13,134,492
School Debt	11,685,179	11,685,179	-
Utility Debt	<u>5,141,160</u>	<u>5,141,160</u>	<u>-</u>
Total	<u>\$ 29,960,931</u>	<u>\$ 16,826,439</u>	<u>\$ 13,134,492</u>

Statutory Borrowing Power

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

	<u>2019</u>	<u>2018</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 64,365,399	\$ 64,027,228
Less: Net Debt	<u>13,473,533</u>	<u>13,134,492</u>
Remaining Borrowing Power	<u>\$ 50,891,866</u>	<u>\$ 50,892,736</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt

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

General Obligation Bonds

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

	<u>2019</u>	<u>2018</u>
\$4,827,000, 2007 Bonds, due in annual installments of \$325,000 to \$350,000 through October, 2023, interest at 3.875 to 4.00%	\$ 1,327,000	\$ 1,652,000
\$3,215,000, 2012 Bonds, due in annual installments of \$210,000 to \$300,000 through August 2026, interest at 2.00%	1,925,000	2,135,000
\$3,035,000, 2013 Refunding Bonds, due in annual installments of \$340,000 to \$350,000 through February 2022, interest at 3.00% to 4.00%	1,040,000	1,390,000
\$2,207,000, 2013 Bonds, due in annual installments of \$240,000 to \$280,000 through August 2023, interest at 2.00% to 3.00%	1,087,000	1,327,000
\$4,880,000, 2018 Bonds, due in annual installments of \$350,000 to \$700,000 through May 2027, interest at 2.00% to 3.00%	<u>4,530,000</u>	<u>4,880,000</u>
	<u>\$ 9,909,000</u>	<u>\$ 11,384,000</u>

General Intergovernmental Loans Payable

The Borough has entered into a loan agreement with the New Jersey Department of Environmental Protection for the financing relating to the Memorial Field Improvements and the Mill Pond Dam restoration. The Borough levies ad valorem taxes to pay debt service on general intergovernmental loans issued. General intergovernmental loans outstanding at December 31 are as follows:

	<u>2019</u>	<u>2018</u>
\$500,000, 2008 Loan, due in semi - annual installments of \$14,500 to \$16,834 through July, 2026, interest at 2.00%	\$ 221,086	\$ 250,231
\$1,156,000, 2012 Loan, due in semi - annual installments of \$30,171 to \$39,079 through April, 2032, interest at 2.00%	<u>869,243</u>	<u>929,886</u>
	<u>\$ 1,090,329</u>	<u>\$ 1,180,117</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

General Intergovernmental Loans Payable (Continued)

Utility Bonds

The Borough pledges revenue from operations to pay debt service on utility bonds issued. The water and electric utility bonds outstanding at December 31 are as follows:

Water Utility

	<u>2019</u>	<u>2018</u>
\$1,250,000, 2012 Bonds, due in annual installments of \$80,000 to \$95,000 through August, 2027, interest at 2.00% to 2.20%	\$ 715,000	\$ 795,000
\$582,000, 2013 Bonds, due in annual installments of \$40,000 to \$47,000 through August, 2027, interest at 2.00% to 4.00%	352,000	392,000
\$790,000, 2018 Bonds, due in annual installments of \$50,000 to \$75,000 through May, 2031, interest at 2.00% to 3.00%	<u>740,000</u>	<u>790,000</u>
	<u>\$ 1,807,000</u>	<u>\$ 1,977,000</u>

Electric Utility

\$1,693,000, 2007 Bonds, due in annual installment of \$175,000 to \$168,000 through October, 2020, interest at 3.875% to 4.00%	\$ 168,000	\$ 343,000
\$695,000, 2012 Bonds, due in annual installments of \$105,000 through August, 2019, interest at 2.00%		105,000
\$100,000, 2013 Bonds, due in annual installments of \$20,000 through August, 2019, interest at 2.00%		20,000
\$600,000, 2018 Bonds, due in annual installments of \$35,000 to \$70,000 through May, 2028, interest at 2.00% to 3.00%	<u>565,000</u>	<u>600,000</u>
	<u>\$ 733,000</u>	<u>\$ 1,068,000</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2019 is as follows:

Calendar Year	<u>General</u>		<u>Water Utility</u>		<u>Electric Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2020	\$ 1,626,592	\$ 297,291	\$ 175,000	\$ 46,478	\$ 218,000	\$ 21,235	\$ 2,384,596
2021	1,663,432	248,119	180,000	42,390	60,000	13,475	2,207,416
2022	1,690,311	197,372	185,000	38,115	60,000	11,975	2,182,773
2023	1,611,227	149,381	190,000	33,690	60,000	10,475	2,054,773
2024	1,099,181	103,662	195,000	29,103	65,000	8,913	1,500,859
2025-2029	3,117,023	153,405	737,000	69,375	270,000	16,500	4,363,303
2030-2033	<u>191,563</u>	<u>5,785</u>	<u>145,000</u>	<u>4,425</u>	<u>-</u>	<u>-</u>	<u>346,773</u>
	<u>\$ 10,999,329</u>	<u>\$ 1,155,015</u>	<u>\$ 1,807,000</u>	<u>\$ 263,576</u>	<u>\$ 733,000</u>	<u>\$ 82,573</u>	<u>\$ 15,040,493</u>

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years ended December 31, 2019 and 2018 were as follows:

	Balance, December 31, <u>2018</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2019</u>	Due Within <u>One Year</u>
<u>2019</u>					
<u>General Capital Fund</u>					
Bonds Payable	\$ 11,384,000		\$ 1,475,000	\$ 9,909,000	\$ 1,535,000
Intergovernmental Loans Payable	<u>1,180,117</u>	<u>-</u>	<u>89,788</u>	<u>1,090,329</u>	<u>91,592</u>
General Capital Fund Long-Term Liabilities	<u>\$ 12,564,117</u>	<u>\$ -</u>	<u>\$ 1,564,788</u>	<u>\$ 10,999,329</u>	<u>\$ 1,626,592</u>
<u>Water Capital Fund</u>					
Bonds Payable	\$ 1,977,000	\$ -	\$ 170,000	\$ 1,807,000	\$ 175,000
Water Capital Fund Long-Term Liabilities	<u>\$ 1,977,000</u>	<u>\$ -</u>	<u>\$ 170,000</u>	<u>\$ 1,807,000</u>	<u>\$ 175,000</u>
<u>Electric Capital Fund</u>					
Bonds Payable	\$ 1,068,000	\$ -	\$ 335,000	\$ 733,000	\$ 218,000
Electric Capital Fund Long-Term Liabilities	<u>\$ 1,068,000</u>	<u>\$ -</u>	<u>\$ 335,000</u>	<u>\$ 733,000</u>	<u>\$ 218,000</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt (Continued)

	Balance, December 31, <u>2017</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2018</u>	Due Within <u>One Year</u>
<u>2018</u>					
<u>General Capital Fund</u>					
Bonds Payable	\$ 7,604,000	\$ 4,880,000	\$ 1,100,000	\$ 11,384,000	\$ 1,475,000
Intergovernmental Loans Payable	<u>1,268,135</u>	<u>-</u>	<u>88,018</u>	<u>1,180,117</u>	<u>89,788</u>
General Capital Fund Long-Term Liabilities	<u>\$ 8,872,135</u>	<u>\$ 4,880,000</u>	<u>\$ 1,188,018</u>	<u>\$ 12,564,117</u>	<u>\$ 1,564,788</u>
<u>Water Capital Fund</u>					
Bonds Payable	\$ 1,307,000	\$ 790,000	\$ 120,000	\$ 1,977,000	\$ 170,000
Water Capital Fund Long-Term Liabilities	<u>\$ 1,307,000</u>	<u>\$ 790,000</u>	<u>\$ 120,000</u>	<u>\$ 1,977,000</u>	<u>\$ 170,000</u>
<u>Electric Capital Fund</u>					
Bonds Payable	\$ 738,000	\$ 600,000	\$ 270,000	\$ 1,068,000	\$ 335,000
Electric Capital Fund Long-Term Liabilities	<u>\$ 738,000</u>	<u>\$ 600,000</u>	<u>\$ 270,000</u>	<u>\$ 1,068,000</u>	<u>\$ 335,000</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2019 and 2018 was as follows:

Bond Anticipation Notes

<u>Purpose</u>	<u>Rate</u> <u>(%)</u>	<u>Maturity</u> <u>Date</u>	Balance December 31, <u>2018</u>	Renewed/ <u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31, <u>2019</u>
<u>2019</u>						
<u>General Capital Fund</u>						
Acq of New Additional or Replace Equip. Road, Curb, Drainage and Sidewalk Improvement Program	2.75%	5/1/2020		\$ 350,000		\$ 350,000
Replacement of Turf Field at Memorial Field	2.75%	5/1/2020	-	800,000 820,000	-	800,000 820,000
Total General Capital Fund			<u>\$ -</u>	<u>\$ 1,970,000</u>	<u>\$ -</u>	<u>\$ 1,970,000</u>

Water Utility Capital Fund

Installation of New Well and Pumping Station	2.75%	5/1/2020	\$ 98,700	\$ 97,400	\$ 98,700	\$ 97,400
Replacement of Water Main - Glen Road	2.75%	5/1/2020	<u>498,300</u>	<u>498,300</u>	<u>498,300</u>	<u>498,300</u>
Total Water Utility Capital Fund			<u>\$ 597,000</u>	<u>\$ 595,700</u>	<u>\$ 597,000</u>	<u>\$ 595,700</u>

Swim Pool Utility Capital Fund

Installation of Slide and Volleyball Court at Municipal Pool			<u>\$ 13,000</u>	<u>\$ -</u>	<u>\$ 13,000</u>	<u>\$ -</u>
Total Swim Pool Utility Capital Fund			<u>\$ 13,000</u>	<u>\$ -</u>	<u>\$ 13,000</u>	<u>\$ -</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	Balance December 31, <u>2017</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	Balance, December 31, <u>2018</u>
<u>2018</u>						
<u>General Capital Fund</u>						
Impvts. to Roads, Curbs and Sidewalks			\$ 655,776		\$ 655,776	
Various Impvts. & Acq. of Equip.			3,601,396		3,601,396	
Improvements to Borough Hall			380,500		380,500	
Acquisition of a Garbage Truck			<u>197,000</u>	<u>-</u>	<u>197,000</u>	<u>-</u>
Total General Capital Fund			<u>\$ 4,834,672</u>	<u>\$ -</u>	<u>\$ 4,834,672</u>	<u>\$ -</u>
<u>Water Utility Capital Fund</u>						
Various Impvts. & Acq. of Equip.			\$ 491,840		\$ 491,840	
Installation of New Well and Pumping Station	2.25%	5/1/2019	100,000	\$ 98,700	100,000	\$ 98,700
Acquisition of a Dump Truck			170,332		170,332	
Replacement of Water Main - Glen Road	2.25%	5/1/2019		498,300		498,300
Imprvts to Well #7 and #17 Treatment Fac			<u>536,393</u>	<u>-</u>	<u>536,393</u>	<u>-</u>
Total Water Utility Capital Fund			<u>\$ 1,298,565</u>	<u>\$ 597,000</u>	<u>\$ 1,298,565</u>	<u>\$ 597,000</u>
<u>Electric Utility Capital Fund</u>						
Acquisition of Mini-Excavator and Installation of Circuit Breakers at Mill Road Substation			\$ 355,330		\$ 355,330	
Acquisition of Aerial Bucket Truck			<u>225,433</u>	<u>-</u>	<u>225,433</u>	<u>-</u>
Total Electric Utility Capital Fund			<u>\$ 580,763</u>	<u>\$ -</u>	<u>\$ 580,763</u>	<u>\$ -</u>
<u>Swim Pool Utility Capital Fund</u>						
Installation of Slide and Volleyball Court at Municipal Pool	2.25%	5/1/2019	<u>\$ 26,000</u>	<u>\$ 13,000</u>	<u>\$ 26,000</u>	<u>\$ 13,000</u>
Total Swim Pool Utility Capital Fund			<u>\$ 26,000</u>	<u>\$ 13,000</u>	<u>\$ 26,000</u>	<u>\$ 13,000</u>

The purpose of these short-term borrowings was to provide resources for capital construction, acquisitions or improvement projects and other purposes permitted by the Local Bond Law NJSA 40A:2 et. seq. The amounts issued for governmental activities are accounted for in the General Capital Fund. The amounts issued for the water, electric and swim pool utility activities are accounted for in the Water, Electric and Swim Pool Utility Capital Fund.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

State law requires that notes are to be issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year. All bond anticipation notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. In addition any note renewed beyond the third anniversary date of the original note, requires one legally payable installment to be paid.

NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

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

<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
<u>2019</u>		
Various Road Improvement Projects	\$375,902	2020
Generators for Water Wells and Pump Stations	330,278	2020
Electric Bucket Truck	230,027	2020
<u>2018</u>		
Installation of Berm Trap	\$66,577	2019
Electric Substation Diagnostic Testing and Maintenance	40,507	2019
Electric Distribution Tree Trimming	89,484	2019
Well Drilling	157,720	2019
Water Maintenance Service	80,580	2019
Replacement of Generator at Police Department	60,800	2019

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 11 OTHER LONG-TERM LIABILITIES

A. Compensated Absences

Under the existing policies and labor agreements of the Borough, employees are allowed to accumulate (with certain restrictions) unused 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 \$227,799 and \$228,167 at December 31, 2019 and 2018, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2019 and 2018, the Borough has reserved in the Other Trust Fund \$50,048 to fund compensated absences in accordance with NJSA 40A:4-39.

Changes in Other Long-Term Liabilities

Under the regulatory basis of accounting, certain other long-term liabilities which may be considered material to the financial statements are not reported either as an expenditure or a liability. However, under the regulatory basis of accounting, these other long-term liabilities and related information are required to be disclosed in the notes to the financial statements in conformity with the disclosure requirements of the Governmental Accounting Standards Board.

The Borough's changes in other long-term liabilities for the years ended December 31, 2019 and 2018 were as follows:

	Balance, January 1 <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2019</u>	Due Within <u>One Year</u>
<u>2019</u>					
Compensated Absences	\$ 228,167		\$ 368	\$ 227,799	\$ 25,000
Net Pension Liability - PERS	10,713,835		1,353,761	9,360,074	
Net Pension Liability - PFRS	9,221,519		649,611	8,571,908	
Net OPEB Liability	<u>35,740,109</u>	<u>\$ 5,391,454</u>	<u>964,104</u>	<u>40,167,459</u>	<u>-</u>
Total	<u>\$ 55,903,630</u>	<u>\$ 5,391,454</u>	<u>\$ 2,967,844</u>	<u>\$ 58,327,240</u>	<u>\$ 25,000</u>
	Balance, January 1 <u>2018</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2018</u>	Due Within <u>One Year</u>
<u>2018</u>					
Compensated Absences	\$ 778,741		\$ 550,574	\$ 228,167	\$ 50,000
Net Pension Liability - PERS	12,331,110		1,617,275	10,713,835	
Net Pension Liability - PFRS	10,066,212		844,693	9,221,519	
Net OPEB Liability	<u>34,776,890</u>	<u>\$ 1,828,278</u>	<u>865,059</u>	<u>35,740,109</u>	<u>-</u>
Total	<u>\$ 57,952,953</u>	<u>\$ 1,828,278</u>	<u>\$ 3,877,601</u>	<u>\$ 55,903,630</u>	<u>\$ 50,000</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 12 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 Borough employees who are eligible for pension coverage.

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 December 31, 1944. Membership is mandatory for such employees. PFRS is a cost-sharing multi-employer defined benefit pension plan with a special funding situation. For additional information about PFRS, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement benefits as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier	Definition
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tier 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years, but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case, benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Public Employees' Retirement System (PERS) – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage 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. PERS is a cost-sharing multi-employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which, if applicable, vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have a least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

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 Borough employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PERS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

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 cost of living increase for PERS and PERS are funded directly by each of the respective systems, but are currently suspended as a result of reform legislation.

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/pensions.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

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. The financial report 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, or at www.state.nj/treasury/doinvest.

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2019 and 2018 is \$18.1 billion and \$19.7 billion, respectively, and the plan fiduciary net position as a percentage of the total pension liability is 56.27% and 53.60% respectively. The collective net pension liability of the participating employers for local PFRS at June 30, 2019 and 2018 is \$14.2 billion and \$15.4 billion, respectively and the plan fiduciary net position as a percentage of total pension liability is 65.00% and 62.48%, respectively.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2018 and 2017 which were rolled forward to June 30, 2019 and 2018, respectively.

Actuarial Methods and Assumptions

In the July 1, 2018 and 2017 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

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 for 2018 and 2017 based on 10.0% for PFRS, 7.50% (effective July 1, 2018) and 7.34% (effective July 1, 2017) for PERS and 5.50% for DCRP of employee's annual compensation.

For the years ended December 31, 2019 and 2018 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the Borough for 2019, 2018 and 2017 were equal to the required contributions.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions (Continued)

During the years ended December 31, 2019, 2018 and 2017, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS (1)</u>	<u>DCRP</u>
2019	\$ 666,245	\$ 541,243	\$ 753
2018	577,066	490,732	15,291
2017	476,159	433,893	None

(1) Includes Library portion of pension contribution for the year.

In addition for the years ended December 31, 2019, 2018 and 2017 the Borough contributed for long-term disability insurance premiums (LTDI) \$2,593, \$7,178 and \$1,918, respectively for PERS.

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

The regulatory basis of accounting requires participating employers in PERS and PFRS to disclose in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No.68) their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS and PFRS during the fiscal years ended June 30, 2019 and 2018. Employer allocation percentages have been rounded for presentation purposes.

Public Employees Retirement System (PERS)

At December 31, 2019 and 2018, the Borough reported a liability of \$9,360,074 and \$10,713,835, respectively, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019 and 2018, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 and 2017, respectively. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2019, the Borough's proportionate share was .05195 percent, which was a decrease of .00246 percent from its proportionate share measured as of June 30, 2018 of .05441 percent.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

For the years ended December 31, 2019 and 2018, the pension system has determined the Borough's pension expense to be \$730,405 and \$997,630, respectively, for PERS based on the actuarial valuations which are more than the actual contributions reported in the Borough's financial statements of \$541,243 and \$490,732, respectively. At December 31, 2019 and 2018, the Borough's deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Borough's financial statements are from the following sources:

	<u>2019</u>		<u>2018</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 168,001	\$ 41,349	\$ 204,314	\$ 55,244
Changes of Assumptions	934,638	3,248,852	1,765,463	3,425,715
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		147,752		100,496
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>807,905</u>	<u>606,085</u>	<u>1,310,056</u>	<u>252,999</u>
Total	<u>\$ 1,910,544</u>	<u>\$ 4,044,038</u>	<u>\$ 3,279,833</u>	<u>\$ 3,834,454</u>

At December 31, 2019 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense (benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2020	\$ (93,919)
2021	(797,901)
2022	(741,176)
2023	(442,246)
2024	<u>(58,252)</u>
	<u>\$ (2,133,494)</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The Borough's total pension liability reported for the year ended December 31, 2019 was based on the June 30, 2019 measurement date as determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The total pension liability reported for the year ended December 31, 2018 was based on the June 30, 2018 measurement date as determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<u>PERS</u>	<u>2019</u>	<u>2018</u>
Inflation Rate:		2.25%
Price	2.75%	
Wage	3.25%	
Salary Increases:		
Through 2026	2.00-6.00%	1.65-4.15%
	Based on Years of Service	Based on Age
Thereafter	3.00%-7.00%	2.65%-5.15%
	Based on Years of Service	Based on Age
Investment Rate of Return	7.00%	7.00%
Mortality Rate Table	Pub-2010	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2019 and AA for 2018.

The actuarial assumptions used in the July 1, 2018 and 2017 valuations were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018 and July 1, 2011 to June 30, 2014, respectively.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
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NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2019 and 2018, as reported for the years ended December 31, 2019 and 2018, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>2019</u>		<u>2018</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%	5.00%	5.51%
Cash Equivalents	5.00%	2.00%	5.50%	1.00%
U.S. Treasuries	5.00%	2.68%	3.00%	1.87%
Investment Grade Credit	10.00%	4.25%	10.00%	3.78%
US Equity	28.00%	8.26%	30.00%	8.19%
Non-US Developed Markets Equity	12.50%	9.00%	11.50%	9.00%
Emerging Markets Equity	6.50%	11.37%	6.50%	11.64%
High Yield	2.00%	5.37%	2.50%	6.82%
Global Diversified Credit	-	-	5.00%	7.10%
Credit Oriented Hedge Funds	-	-	1.00%	6.60%
Debt Related Private Equity	-	-	2.00%	10.63%
Debt Related Real Estate	-	-	1.00%	6.61%
Real Assets	2.50%	9.31%	2.50%	11.83%
Equity Related Real Estate	-	-	6.25%	9.23%
Buyouts/Venture Capital	-	-	8.25%	13.08%
Private Credit	6.00%	7.92%	-	-
Real Estate	7.50%	8.33%	-	-
Private Equity	12.00%	10.85%	-	-

Discount Rate

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Calendar</u>		
<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2019	6.28%
2018	June 30, 2018	5.66%

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

	<u>2019</u>	<u>2018</u>
Period of Projected Benefit		
Payments for which the Following		
Rates were Applied:		
Long-Term Expected Rate of Return	Through June 30, 2057	Through June 30, 2046
Municipal Bond Rate *	From July 1, 2057 and Thereafter	From July 1, 2046 and Thereafter

* The municipal bond return rate used is 3.50% and 3.87% as of the measurement dates of June 30, 2019 and 2018, respectively. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the Borough's proportionate share of the PERS net pension liability as of December 31, 2019 and 2018 calculated using the discount rate of 6.28% and 5.66%, respectively, as well as what the Borough's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 5.28% and 4.66%, respectively or 1-percentage-point higher 7.28% and 6.66%, respectively than the current rate:

	1% Decrease <u>(5.28%)</u>	Current Discount Rate <u>(6.28%)</u>	1% Increase <u>(7.28%)</u>
<u>2019</u>			
Borough's Proportionate Share of the PERS Net Pension Liability	<u>\$ 11,823,294</u>	<u>\$ 9,360,074</u>	<u>\$ 7,284,462</u>
	1% Decrease <u>(4.66%)</u>	Current Discount Rate <u>(5.66%)</u>	1% Increase <u>(6.66%)</u>
<u>2018</u>			
Borough's Proportionate Share of the PERS Net Pension Liability	<u>\$ 13,471,413</u>	<u>\$ 10,713,835</u>	<u>\$ 8,400,403</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2019 and 2018. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension

system.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Police and Firemen's Retirement System (PFRS)

At December 31, 2019 and 2018, the Borough reported a liability of \$8,571,908 and \$9,221,519, respectively, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2019 and 2018, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 and 2017, respectively. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2019, the Borough's proportionate share was .07004 percent, which was an increase of .00189 percent from its proportionate share measured as of June 30, 2018 of .06815 percent.

For the years ended December 31, 2019 and 2018, the pension system has determined the Borough pension expense to be \$1,051,896 and \$950,596, respectively, for PFRS based on the actuarial valuations which are more than the actual contributions reported in the Borough's financial statements of \$666,245 and \$577,066, respectively. At December 31, 2019 and 2018, the Borough's deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Borough's financial statements are from the following sources:

	2019		2018	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 72,358	\$ 54,270	\$ 93,817	\$ 38,161
Changes of Assumptions	293,720	2,770,362	791,543	2,363,316
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		116,147		50,450
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>1,096,127</u>	<u>286,892</u>	<u>1,263,552</u>	<u>468,470</u>
Total	<u>\$ 1,462,205</u>	<u>\$ 3,227,671</u>	<u>\$ 2,148,912</u>	<u>\$ 2,920,397</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Police and Firemen's Retirement System (PFRS) (Continued)

At December 31, 2019 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense (benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2020	\$ (233,237)
2021	(688,252)
2022	(423,334)
2023	(268,923)
2024	<u>(151,720)</u>
	<u>\$ (1,765,466)</u>

Actuarial Assumptions

The Borough's total pension liability reported for the year ended December 31, 2019 was based on the June 30, 2019 measurement date as determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The total pension liability reported for the year ended December 31, 2018 was based on the June 30, 2018 measurement date as determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<u>PFRS</u>	<u>2019</u>	<u>2018</u>
Inflation Rate:		2.25%
Price	2.75%	
Wage	3.25%	
Salary Increases:		
Through	All Future Years 3.25%-15.25% Based on Years of Service	2026 2.10%-8.98% Based on Age
Thereafter	Not Applicable	3.10%-9.98% Based on Age
Investment Rate of Return	7.00%	7.00%
Mortality Rate Table	Pub - 2010	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2019 and AA for 2018.

The actuarial assumptions used in the July 1, 2018 and July 1, 2017 valuations were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018 and July 1, 2010 to June 30, 2013, respectively.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Police and Firemen's Retirement System (PFRS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2019 and 2018, as reported for the years ended December 31, 2019 and 2018, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>2019</u>		<u>2018</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%	5.00%	5.51%
Cash Equivalents	5.00%	2.00%	5.50%	1.00%
U.S. Treasuries	5.00%	2.68%	3.00%	1.87%
Investment Grade Credit	10.00%	4.25%	10.00%	3.87%
US Equity	28.00%	8.26%	30.00%	8.19%
Non-US Developed Markets Equity	12.50%	9.00%	11.50%	9.00%
Emerging Markets Equity	6.50%	11.37%	6.50%	11.64%
High Yield	2.00%	5.37%	2.50%	6.82%
Global Diversified Credit	-	-	5.00%	7.10%
Credit Oriented Hedge Funds	-	-	1.00%	6.60%
Debt Related Private Equity	-	-	2.00%	10.63%
Debt Related Real Estate	-	-	1.00%	6.61%
Real Assets	2.50%	9.31%	2.50%	11.83%
Equity Related Real Estate	-	-	6.25%	9.23%
Buyouts/Venture Capital	-	-	8.25%	13.08%
Private Credit	6.00%	7.92%	-	-
Real Estate	7.50%	8.33%	-	-
Private Equity	12.00%	10.85%	-	-

Discount Rate

The discount rate used to measure the total pension liabilities of the PFRS plan was as follows:

<u>Calendar Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2019	6.85%
2018	June 30, 2018	6.51%

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Police and Firemen's Retirement System (PFRS) (Continued)

Discount Rate (Continued)

The following table represents the crossover period, if applicable, for the PFRS defined benefit plan:

	<u>2019</u>	<u>2018</u>
Period of Projected Benefit Payments for which the Following Rates were Applied:		
Long-Term Expected Rate of Return	Through June 30, 2076	Through June 30, 2062
Municipal Bond Rate *	From July 1, 2076 and Thereafter	From July 1, 2062 and Thereafter

* The municipal bond return rate used is 3.50% and 3.87% as of the measurement dates of June 30, 2019 and 2018, respectively. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the Borough's proportionate share of the PFRS net pension liability as of December 31, 2019 and 2018 calculated using the discount rate of 6.85% and 6.51%, respectively, as well as what the Borough's proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 5.85% and 5.51%, respectively or 1-percentage-point higher 7.85% and 7.51%, respectively than the current rate:

	1% Decrease (5.85%)	Current Discount Rate (6.85%)	1% Increase (7.85%)
<u>2019</u>			
Borough's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 11,586,096</u>	<u>\$ 8,571,908</u>	<u>\$ 6,077,233</u>
	1% Decrease (5.51%)	Current Discount Rate (6.51%)	1% Increase (7.51%)
<u>2018</u>			
Borough's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 12,341,859</u>	<u>\$ 9,221,519</u>	<u>\$ 6,647,807</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2019 and 2018. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Police and Firemen's Retirement System (PFRS) (Continued)

Special Funding Situation – PFRS

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

At December 31, 2019 and 2018, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,353,521 and \$1,252,591, respectively. For the years ended December 31, 2019 and 2018, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$157,268 and \$148,367, respectively, which are more than the actual contributions the State made on behalf of the Borough of \$91,199 and \$74,184, respectively. At December 31, 2019 (measurement date June 30, 2019) the State's share of the PFRS net pension liability attributable to the Borough was .07004 percent, which was an increase of .00189 percent from its proportionate share measured as of December 31, 2018 (measurement date June 30, 2018) of .06815 percent. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

Pension Plan Fiduciary Net Position

Detailed information about the PFRS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS

Borough Administered Post-Retirement Health Benefits Program

Plan Description

The Borough provides a post employment healthcare plan for its eligible retirees and their dependents. Effective June 1, 2017 the Borough changed from the State Health Benefit Program to a private plan. The plan is a single-employer defined benefit healthcare plan administered by the Bergen Municipal Employees Benefit Fund (BMED) for the Borough. In accordance with Borough employment contracts and personnel policies, the Borough can amend the benefit terms and financing requirements of the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No.75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Benefits Provided

The Borough provides postretirement healthcare insurance benefits for retirees and their dependents who meet certain eligibility requirements 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 surviving spouse and/or dependents are eligible for subsidized coverage upon the death of the retiree. Police who have at least twenty-five (25) years of service with the Borough at the time of retirement are eligible for employer provided post-retirement health coverage. Non uniformed employees who have retired and reached the age of 62 years or older with at least fifteen (15) years of service with the Borough at the time of retirement are eligible for employer provided post-retirement health coverage.

Employees Covered by Postemployment Benefits

At December 31, 2019 and 2018, the following employees were covered by postemployment health care benefits:

	<u>2019</u>	<u>2018</u>
Active Employees	60	60
Inactive Employees or Beneficiaries Currently Receiving Benefits	<u>82</u>	<u>82</u>
	<u>142</u>	<u>142</u>

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The regulatory basis of accounting requires employers with a single-employer defined benefit healthcare plan to disclose in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pension (GASB No. 75)* their collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

At December 31, 2019 and 2018, the Borough's total OPEB liabilities were \$40,167,459 and \$35,740,109, respectively. Net OPEB liability was measured as of December 31, 2019 and 2018, respectively, and the OPEB liability was determined by an actuarial valuation as of these dates, respectively.

For the year ended December 31, 2019 and 2018, the Borough has determined it's OPEB expense to be \$2,143,747 and \$1,828,278, respectively, based on the actuarial valuations which were more than the actual contributions reported in the Borough's financial statements of \$964,104 and \$865,059, respectively. At December 31, 2019 and 2018, the Borough's deferred outflows of resources or deferred inflows and resources related to the OPEB plan which are not reported on the Borough's financial statements are from the following sources:

	2019		2018	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	-	-	-	-
Changes of Assumptions	\$ 3,247,706	-	-	-
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	-	-	-
Total	<u>\$ 3,247,706</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

At December 31, 2019 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2020	\$ 278,009
2021	278,009
2022	278,009
2023	278,009
2024	278,009
Thereafter	<u>1,857,661</u>
	<u>\$ 3,247,706</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions

The Borough's total OPEB liability reported for the year ended December 31, 2019 was based on the December 31, 2019 measurement date as determined by an actuarial valuation as of December 31, 2019. The total OPEB liability reported for the year ended December 31, 2018 was based on the December 31, 2018 measurement date as determined by an actuarial valuation as of December 31, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

December 31, 2019

<i>Mortality</i>	<i>RP 2000 Combined Healthy Male Mortality Rates Set Forward One Year and Adjusted for Generational Improvement</i>
<i>Turnover</i>	<i>NJ State Pensions Ultimate Withdrawal Rates – prior to benefits eligibility</i>
<i>Assumed Retirement Age</i>	<i>At first eligibility after the completion of both 15 years of service and age 62, or 25 years of service if earlier.</i>
<i>Full Attribution Period</i>	<i>Service to Assumed Retirement Age</i>
<i>Annual Discount Rate</i>	<i>2.74% Based on the Bond Buyer 20 Index December 31, 2019</i>
<i>CPI Increase</i>	<i>2.5%</i>
<i>Rate of Salary Increase</i>	<i>2.5%</i>
<i>Medical Trend</i>	<i>Medical: 5.7% in 2019, reducing by 0.1% per annum, leveling at 5% per annum in 2026 Drug: 9.5% in 2019, reducing by 0.5% per annum to 2022 and 1.0% per annum thereafter, leveling at 5% per annum in 2026</i>
<i>Medical Cost Aging Factor</i>	<i>NJ SHBP Medical Morbidity Rates</i>

- Attribution Period – The attribution period begins with the date of hire and ends with the full benefits eligibility date.
- Per Capita Cost Methods – The valuation reflects per capita net premium costs based on actual 2019 medical premiums and the plan option selected. The age specific cost was derived based on per person costs at the average age of the active population (48) and scaled to each age based on the medical cost aging factors. At age 65, Medicare becomes the primary payor of medical benefits and consequentially, per capita plan costs are offset by Medicare payments. When actual data is not available, post 65 costs are decreased using the assumption that Medicare picks up 66.7% of medical costs.
- Retiree Contributions – NJ Chapter 78 requires that certain future retirees contribute toward the cost of their benefits. Specifically, those who had retired prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.5% of their annual retirement allowance from the Public Employees Retirement System. For purposes of this valuation and for conservatism, we have assumed that future retiree contributions percentage rates will not increase. Thus, we assumed that a future retiree will contribute his/her current employee contribution as reported by the Borough increased annually by the rate of medical trend.
- Actuarial Valuation Method – Entry Age Normal Funding Method based on a level percentage of salary. 2019 salaries were reported as \$5.566 million.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions (Continued)

December 31, 2018

<i>Mortality</i>	<i>RP 2000 Combined Healthy Male Mortality Rates Set Forward Three Years</i>
<i>Turnover</i>	<i>NJ State Pensions Ultimate Withdrawal Rates – prior to benefits eligibility</i>
<i>Assumed Retirement Age</i>	<i>At first eligibility after the completion of both 15 years of service and age 62, or 25 years of service if earlier.</i>
<i>Full Attribution Period</i>	<i>Service to Assumed Retirement Age</i>
<i>Annual Discount Rate</i>	<i>4.10% Based on the Bond Buyer 20 Index December 31, 2018</i>
<i>Rate of Salary Increase</i>	<i>2.5%</i>
<i>Consumer Price Index</i>	<i>2.5%</i>
<i>Trend</i>	<i>Medical: 5.8% in 2018, reducing by 0.1% per annum, leveling at 5% per annum in 2026 Drug: 10.0% in 2018, reducing by 0.5% per annum to 2022 and 1.0% per annum thereafter, leveling at 5% per annum in 2026 Dental: 3.5% per annum</i>
<i>Medical Cost Aging Factor</i>	<i>NJ SHBP Medical Morbidity Rates</i>

- Attribution Period – The attribution period begins with the date of hire and ends with the full benefits eligibility date.
- Per Capita Cost Methods – The valuation reflects per capita net premium costs based on actual 2018 medical premiums and the plan option selected. Plan selections are assumed to remain unchanged in retirement. The age specific cost was derived based on per person costs at the average age of the active population (47) and scaled to each age based on the medical cost aging factors. At age 65, Medicare becomes the primary payor of medical benefits and consequentially, per capita plan costs are offset by Medicare payments. When actual data is not available, post 65 costs are decreased using the assumption that Medicare picks up 66.7% of medical costs.
- Retiree Contributions – NJ Chapter 78 requires that certain future retirees contribute toward the cost of their benefits. Specifically, those who had retired prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.5% of their annual retirement allowance from the Public Employees Retirement System. For purposes of this valuation and for conservatism, we have assumed that future retiree contributions percentage rates will not increase. Thus, we assumed that a future retiree will contribute his/her current employee contribution as reported by the Borough increase annually by the rate of medical trend.
- Actuarial Valuation Method – Entry Age Normal Funding Method based on a level percentage of salary. 2018 salaries were reported as \$5.322 million.

The actuarial assumptions used in the December 31, 2019 and 2018 valuation were based on the results of an actuarial experience study as of December 31, 2019 and 2018, respectively.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Changes in the Total OPEB Liability

The change in the Borough's OPEB liability for the years ended December 31, 2019 and 2018 based on measurement date of December 31, 2019 and 2018, respectively, are as follows:

	Total OPEB Liability 2019	Total OPEB Liability 2018
Balance - Beginning of Year	\$ 35,740,109	\$ 34,776,890
Changes for the Year:		
Service Cost	\$ 403,611	403,611
Interest on the Total OPEB Liability	1,462,128	1,424,667
Changes of Benefit Terms		
Differences Between Expected and Actual Experience		
Changes in Assumptions	3,525,715	
Benefit Payments	(964,104)	(865,059)
Net Changes	4,427,350	963,219
Balance - End of Year	\$ 40,167,459	\$ 35,740,109

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Borough's net OPEB liability as of December 31, 2019 and 2018 calculated using the discount rate of 2.74% and 4.10%, respectively, as well as what the Borough's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 1.74% and 3.10%, respectively or 1-percentage-point higher 3.10% and 5.10%, respectively than the current rate:

	1% Decrease (1.74%)	Current Discount Rate (2.74%)	1% Increase (3.74%)
2019			
Net OPEB Liability	\$ 43,676,208	\$ 40,167,459	\$ 37,248,983
	1% Decrease (3.10%)	Current Discount Rate (4.10%)	1% Increase (5.10%)
2018			
Net OPEB Liability	\$ 39,263,757	\$ 35,740,109	\$ 32,829,683

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

The following presents the Borough's net OPEB liability as of December 31, 2019 and 2018 calculated using the healthcare trend rates as disclosed above as well as what the Borough's net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1%</u>	<u>Healthcare Cost</u>	<u>1%</u>
	<u>Decrease</u>	<u>Trend Rates</u>	<u>Increase</u>
<u>2019</u>			
Net OPEB Liability	<u>\$ 36,859,254</u>	<u>\$ 40,167,459</u>	<u>\$ 44,146,507</u>
	<u>1%</u>	<u>Healthcare Cost</u>	<u>1%</u>
	<u>Decrease</u>	<u>Trend Rates</u>	<u>Increase</u>
<u>2018</u>			
Net OPEB Liability	<u>\$ 33,143,846</u>	<u>\$ 35,740,109</u>	<u>\$ 38,878,391</u>

State Administered Post-Retirement Health Benefits Program

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for participating municipalities. The State also sponsors and administers a post-retirement health benefit program for certain eligible former Borough employees and/or their dependents under a special funding situation.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program covering substantially all eligible local government employees from local participating employers.

State Health Benefit Program Fund – Local Government Retired (the Plan) (including Prescription Drug Program Fund) – The Plan is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

State Health Benefit Program Fund – Local Government Retired (the Plan) (Continued)

The Plan provides medical and prescription drug to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retires with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retires and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level coverage.

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

Measurement Focus and Basis of Accounting

The financial statements of the OPEB plan are prepared in accordance with U.S. generally accepted accounting principles as applicable to government organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the other postemployment benefit plan. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Collective Net OPEB Liability

The collective net OPEB liability of the participating employers and the State, as the non-employer contributing entity, of the Plan at June 30, 2019 and 2018 is \$13.5 billion and \$15.7 billion, respectively, and the plan fiduciary net position as a percentage of the total OPEB liability is 1.98% and 1.97%, respectively.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2018 and 2017 which were rolled forward to June 30, 2019 and 2018.

Actuarial Methods and Assumptions

In the June 30, 2018 and 2017 OPEB actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contribution

The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members. The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1967, as disclosed previously. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis.

The employers participating in the OPEB plan made contributions of \$346.4 million and \$421.2 million and the State of New Jersey, as the non-employer contributing entity, contributed \$43.9 million and \$53.5 million for fiscal years 2019 and 2018, respectively.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the actuarial determined contribution, an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The Borough is not required to make contributions to the State Plan under the special funding situation. The State as a non-employer contributing entity makes contributions to the Plan on-behalf of the Borough under a special funding situation.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The regulatory basis of accounting requires participating employers in the State Health Benefit Program Fund – Local Government Retired Plan to disclose in accordance with GASB Statement No. 75, Accounting and *Financial Reporting for Postemployment Benefits other than Pension (GASB No. 75)* their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions. The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal years ended June 30, 2018 and 2017. Employer allocation percentages have been rounded for presentation purposes.

Special Funding Situation

Under N.J.S.A. 43:3C-24 the Borough is responsible for their own OPEB contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 330, P.L. 1997 and Chapter 271, P.L., 1989. Under Chapter 330, P.L. 1997, the State pays the premiums or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989. The amounts contributed on behalf of the Borough by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Accordingly, the Borough's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 75 is zero percent and the State's proportionate share is 100% of OPEB under this legislation.

At December 31, 2019 and 2018, the State's proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$3,892,372 and \$4,373,490, respectively. For the years ended December 31, 2019 and 2018 the plan has determined the State's proportionate share of the OPEB expense attributable to the Borough for the OPEB special funding situation is \$51,594 and \$132,391, respectively. At December 31, 2019, (measurement date June 30, 2019), the State's share of the OPEB liability attributable to the Borough was .07044 percent, which was an increase of .00006 percent from its proportionate share measured as of December 31, 2018 (measurement date June 30, 2018) of .07038 percent. The State's proportionate share attributable to the Borough was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Special Funding Situation (Continued)

Actuarial Assumptions

The State's total OPEB liability attributable to the Borough reported for the year ended December 31, 2019 was based on the June 30, 2019 measurement date as determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The State's total OPEB liability attributable to the Borough reported for the year ended December 31, 2018 was based on the June 30, 2018 measurement date as determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2019</u>	<u>2018</u>
Inflation Rate	2.50%	2.50%
Salary Increases*		
PERS:		
Initial Fiscal Year Applied Through	2026	2026
Rate	2.00% to 6.00%	1.65% to 8.98%
Rate Thereafter	3.00% to 7.00%	2.65% to 9.98%
PFRS:		
Initial Fiscal Year Applied Through	Rate for All Future Years	2026
Rate	3.25% to 15.25%	1.65% to 8.98%
Rate Thereafter	Not Applicable	2.65% to 9.98%
Mortality		
PERS	Pub-2010 General Classification Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2019.	RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2017.
PFRS	Pub-2010 Safety Classification Headcount- Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2019.	RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2017.
Long-Term Rate of Return	2.00%	1.00%

*Salary increases are based on the defined benefit pension plan that the member is enrolled in and for 2019 the members years of service and for 2018 the members age.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

For the June 30, 2019 measurement date healthcare cost trend rates pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.

For the June 30, 2018 measurement date healthcare cost trend rates for pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively. The actuarial assumptions used in the June 30, 2017 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2010 to June 30, 2013 and July 1, 2011 to June 30, 2014, respectively.

100% of active members are considered to participate in the plan upon retirement.

Long-Term Expected Rate of Return

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 2.00% and 1.00% as of June 30, 2019 and 2018, respectively.

Discount Rate

The discount rate used to measure the total OPEB liabilities of the plan was as follows:

<u>Calendar Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2019	3.50%
2018	June 30, 2018	3.87%

The discount rate represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

OPEB Plan Fiduciary Net Position – State Health Benefits Program Fund – Local Government Retired

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 14 RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; termination of employees and natural disasters. The Borough has obtained commercial insurance coverage to guard against these events to minimize the exposure to the Borough should they occur.

The Borough of Park Ridge is a member of the Bergen County Municipal Joint Insurance Fund (BJIF) 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 BJIF and MEL coverage amounts are on file with the Borough.

The Borough is also a member of the Bergen County Municipal Benefits Fund (BMED). This fund is an insured and self-administered group established for the sole purpose of providing medical insurance coverage to the employees of member municipalities. The BMED is a risk-sharing public entity pool. The BMED coverage amounts are on file with the Borough.

The relationship between the Borough 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 Borough 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 Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the Borough 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 Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's unemployment compensation trust fund for the current and previous two years:

<u>Year Ended</u> <u>December 31</u>	<u>Borough</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2019	NONE	\$ 8,447	\$ 14,971	\$ 97,277
2018	NONE	9,173	8,220	101,909
2017	NONE	9,008	12,905	100,082

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 15 CONTINGENT LIABILITIES

The Borough 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 Borough's Attorney, the potential claims against the Borough not covered by insurance policies would not materially affect the financial condition of the Borough.

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2019 and 2018. Amounts claimed have not yet been determined. The Borough 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 Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. As of December 31, 2019 and 2018, the Borough reserved \$421,356 and \$458,081, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

Federal and State Awards - The Borough 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 Borough may be required to reimburse the grantor government. As of December 31, 2019 and 2018, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

NOTE 16 FEDERAL ARBITRAGE REGULATIONS

The Borough 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, 2019 and 2018, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

NOTE 17 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED

The Borough of Park Ridge Length of Service Award Program (the Plan) was created by a Borough ordinance adopted on August 10, 1999 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 Borough of Park Ridge approved the adoption of the Plan at the general election held on November 2, 1999.

The first year of eligibility for entrance into the Plan was calendar year 2000. The tax deferred income benefits for emergency services volunteers, consisting of the Volunteer Fire Department and the First Aid Organization, come from contributions made solely by the Borough on behalf of those volunteers who meet the criteria of a plan created by the governing body.

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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 17 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED (Continued)

The Borough of Park Ridge has contributed \$1,539 and \$1,539 for 2019 and 2018, respectively, for each eligible volunteer fire department member into the Plan. The Borough also contributed a one-third (1/3) share of \$1,539 and \$1,539 for 2019 and 2018, for each eligible volunteer Tri-Boro Ambulance Corp member into the Plan. In addition, the Boroughs of Montvale and Woodcliff Lake also contributed one-third (1/3) share each of \$1,539 and \$1,539 for 2019 and 2018, respectively, for each Tri-Boro Ambulance Corp. member into the plan. The total Borough contributions were \$46,156 and \$40,514 for 2019 and 2018, respectively. The total contributions from the Boroughs of Montvale and Woodcliff Lake were \$24,617 and \$22,566 for 2019 and 2018, respectively.

In accordance with the amendments to Section 457 of the Internal Revenue Code and the State Deferred Revenue Regulations, the Borough 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 Borough'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 Borough 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 Borough's Trust Fund.

NOTE 18 TAX ABATEMENTS

For the years ended December 31, 2019 and 2018, the Borough provided property tax abatements through a certain program authorized under State statutes. This program was the New Jersey Housing and Mortgage Financing Act (NJHMFA).

The New Jersey Housing and Mortgage Financing Act (NJSA 55:14K et. seq.) allows for property tax abatements for residential rental housing projects financed by the New Jersey Housing and Mortgage Finance Agency. These property tax abatements last for the term of the original mortgage financing so long as the residential rental housing project remains subject to the NJHMFA Law and regulations. The process begins when the municipality passes by ordinance or resolution, as appropriate, that such residential rental housing project shall be exempt from property tax provided that an agreement is entered into with the housing sponsor for payments in lieu of taxes (PILOTs) to the municipality. The agreement can require the housing sponsor to a PILOT payment to the municipality in an amount up to 20% of the annual gross revenue from each housing project. For the years ended December 31, 2019 and 2018 the Borough abated property taxes totaling \$117,053 and \$113,884, respectively, under the NJHMFA program. The Borough received \$9,638 and \$12,411 in PILOT payments under this program for the years ended December 31, 2019 and 2018, respectively.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 19 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The World Health Organization has declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, which was first discovered in China and has since spread to other countries, including the United States (and to the Borough) (the “COVID-19 Crisis”). On March 13, 2020, President Trump declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy, governor of the State of New Jersey, has also instituted mandatory measures via various executive orders to contain the spread of the virus, including closing schools and nonessential businesses and limiting social gatherings. These measures, which alter the behavior of businesses and people, are expected to have negative impacts on regional, state and local economies and significant declines in the financial markets in the United States and volatility attributed to concerns about the duration of the pandemic and its continued economic impact. Recently, the United States Congress has passed relief and stimulus legislation. This legislation is intended to address the financial impact of the pandemic on the U.S. economy and financial markets. It is too early to predict if the legislation will have its intended affect.

In compliance with the Governor’s executive orders, the Borough has instituted necessary precautions and procedures, so as to allow the Borough to continue to provide services during this time. The Borough is functioning administratively, and its departments continue to operate both remotely and on-site, where safe and practicable. The Borough will continue to collect property taxes and other municipal revenues. At this time, it is not possible to predict any other financial impacts as a result of this pandemic on the Borough’s operations; however, such amounts, if any, could be material.

NOTE 20 SUBSEQUENT EVENTS

Debt Authorized

On July 14, 2020 the Borough adopted two bond ordinances authorizing the issuance of \$879,353 in Bonds or bond anticipation notes to fund certain capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

Bond Anticipation Notes

On May 1, 2020 the Borough issued bond anticipation notes in the amount of \$2,564,400 to temporarily finance expenditures related to various general and water utility capital projects. The Borough awarded the sale of said notes to Valley Bank, Wayne, New Jersey, at an interest rate of 1.19%. These notes dated May 1, 2020 will mature on April 30, 2021.

CURRENT FUND

BOROUGH OF PARK RIDGE
STATEMENT OF CURRENT CASH AND INVESTMENTS - COLLECTOR/TREASURER

Balance, December 31, 2018		\$ 3,649,428
Increased by:		
Non-Budget Revenue	\$ 248,418	
Petty Cash	750	
Taxes Receivable	44,595,887	
Revenue Accounts Receivable	3,232,912	
NJ Senior Citizen and Veteran's Deductions	62,481	
Grants Receivable	42,196	
Tax Overpayments	14,997	
Prepaid Taxes	461,648	
Fees Payable	37,904	
Due to Outside Lienholder	112,780	
Reserve for Unappropriated Grants	13,554	
Prior Year Checks Voided	35,689	
Receipts from Animal Control Trust Fund	469	
Receipts from Other Trust Fund	92,245	
Receipts from General Capital Fund	114,820	
Receipts from Electric Utility Operating Fund	74,310	
Receipts from Public Assistance Fund	2,376	
		<u>49,143,436</u>
		52,792,864
Decreased by Disbursements:		
2019 Budget Appropriations	13,468,667	
2018 Appropriation Reserves	233,509	
Petty Cash	750	
Encumbrances Payable	106,268	
Tax Overpayments	14,703	
County Taxes Payable	4,530,417	
Local District School Tax Payable	30,007,455	
Payments to Open Space Preservation Trust Fund	112,386	
Fees Payable	22,696	
Due to Outside Lienholder	112,780	
Reserve for Appropriated Grants	27,124	
Reserve for Tax Appeals	136,725	
Payments to General Capital Fund	207,841	
Payments to Water Utility Operating Fund	13,764	
		<u>48,995,085</u>
Balance, December 31, 2019		<u>\$ 3,797,779</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF CHANGE FUNDS**

Balance, December 31, 2018	\$ <u>275</u>
Balance, December 31, 2019	\$ <u>275</u>
<u>Analysis of Balance</u>	
Tax Office	\$ <u>275</u>

STATEMENT OF PETTY CASH FUNDS

Increased by:	
Receipts from Treasurer	\$ 750
Decreased by:	
Returned to Treasurer	\$ <u>750</u>

**STATEMENT OF DUE FROM STATE OF NEW JERSEY
SENIOR CITIZENS' AND VETERANS DEDUCTIONS**

Balance, December 31, 2018	\$ 1,814
Increased by:	
Senior Citizens' Deductions per Tax Duplicate 2019	\$ 5,250
Veterans' Deductions per Tax Duplicate 2019	58,250
Senior Citizens/Veterans Deductions Allowed by Tax Collector - 2019	500
Senior Citizens/Veterans Deductions Allowed by Tax Collector - 2018	<u>250</u>
	<u>64,250</u>
	66,064
Decreased by:	
Receipts from State of New Jersey	<u>62,481</u>
Balance, December 31, 2019	\$ <u>3,583</u>

BOROUGH OF PARK RIDGE
STATEMENT OF GRANT RECEIVABLES

	Balance, December 31, <u>2018</u>	Accrued in <u>2019</u>	<u>Received</u>	<u>Cancelled</u>	Balance, December 31, <u>2019</u>
Mun. Alliance on Alc. and Drug Abuse	\$ 9,876	\$ 9,876	\$ 4,561	\$ 5,315	\$ 9,876
Bulletproof Vest Partnership Grant		382			382
Bergen County Mini Grant		400	400		
Recycling Tonnage Grant		13,509	13,509		
Clean Communities Program		19,586	19,586		
Alcohol Education and Rehabilitation Fund		161	161		
Body Armor Grant		4,324	2,229		2,095
JIF Safety Award	-	1,750	1,750	-	-
	<u>\$ 9,876</u>	<u>\$ 49,988</u>	<u>\$ 42,196</u>	<u>\$ 5,315</u>	<u>\$ 12,353</u>
		Appropriated Grant Reserves		<u>\$ 5,315</u>	

BOROUGH OF PARK RIDGE
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance, December 31, 2018	2019 Levy	<u>Cash Collections</u>		Senior Citizens' and Veterans' Deductions Allowed	Tax Overpayments Applied	Remitted, Abated or Cancelled	Balance, December 31, 2019
			2018	2019				
2017	\$ 11,384			\$ 11,384				
2018	327,063	-	-	317,659	\$ 250	-	\$ 9,154	-
	338,447	-	-	329,043	250	-	9,154	-
2019	-	\$ 45,671,158	\$ 265,693	44,266,844	64,000	\$ 57,456	188,469	\$ 828,696
	<u>\$ 338,447</u>	<u>\$ 45,671,158</u>	<u>\$ 265,693</u>	<u>\$ 44,595,887</u>	<u>\$ 64,250</u>	<u>\$ 57,456</u>	<u>\$ 197,623</u>	<u>\$ 828,696</u>

Analysis of 2019 Property Tax Levy

TAX YIELD

General Purpose Tax	\$ 45,494,276
Added and Omitted Taxes (54:4-63.10 et seq.)	<u>176,882</u>
	<u>\$ 45,671,158</u>

TAX LEVY

Local District School Taxes	\$ 30,018,454
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County Taxes - General	\$ 4,331,503
County Open Space Preservation Tax	185,383
Due County for Added and Omitted Taxes (54:4-63.10 et seq.)	<u>17,541</u>

4,534,427

Municipal Open Space Tax	111,609
Municipal Open Space Tax-Added Taxes	<u>436</u>

112,045

Local Tax for Municipal Purposes	10,216,445
Minimum Library Tax	615,624
Add Additional Tax Levied	<u>174,163</u>

11,006,232

\$ 45,671,158

**BOROUGH OF PARK RIDGE
STATEMENT OF PROPERTY ACQUIRED FOR TAXES-
ASSESSED VALUATION**

Balance, December 31, 2018	<u>\$ 100,650</u>
Balance, December 31, 2019	<u>\$ 100,650</u>

BOROUGH OF PARK RIDGE
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, December 31, <u>2018</u>	Accrued in <u>2019</u>	Collected in <u>2019</u>	Balance, December 31, <u>2019</u>
Borough Clerk				
Licenses				
Alcoholic Beverages		\$ 19,315	\$ 19,315	
Fire Code Department				
Fees and Permits		69,245	69,245	
Health Officer and Registrar				
Fees and Permits		27,106	27,106	
Municipal Court				
Fines and Costs		114,719	114,719	
Interest and Cost on Taxes		122,189	122,189	
Interest on Investments		132,731	132,731	
Insurance Fund Dividends		48,544	48,544	
Hotel Tax		262,243	262,243	
Recycling Program		15,571	15,571	
Cable Television Franchise Fee		142,175	142,175	
Water Utility Rental Fees		105,000	105,000	
Electric Utility Rental Fees		30,000	30,000	
Pistol Range Fee		25,500	25,500	
Tri-Boro Safety Corps		54,163	54,163	
Consolidated Municipal Property Tax Relief Aid		16,161	16,161	
Energy Receipts Tax		366,438	366,438	
Watershed Moratorium Offset Aid		1,598	1,598	
Uniform Construction Code Fees		420,520	420,520	
Uniform Construction Code Fees - Additional Redevelopment Project		250,000	250,000	
Water Utility - Payments in Lieu of Taxes		100,000	100,000	
Electric Utility - Payments in Lieu of Taxes		155,000	155,000	
Electric Utility Payment in Lieu of Franchise &				
Gross Receipts Taxes		500,000	500,000	
Life Hazard Use Fees		12,130	12,130	
Library Reimbursements		61,000	61,000	
Excess Sewer User Fees	\$ 12,400	80,388	73,176	\$ 19,612
Sprint Cell Tower Rent		98,696	98,696	
General Capital Fund Balance (Surplus)		75,000	75,000	
Reserve for Sewer Connections - General Capital Fund	-	50,000	50,000	-
	<u>\$ 12,400</u>	<u>\$ 3,355,432</u>	<u>\$ 3,348,220</u>	<u>\$ 19,612</u>
Cash Receipts			\$ 3,232,912	
Due from Animal Control Trust Fund			273	
Due from General Capital Fund			114,820	
Due from Public Assistance Fund			215	
			<u>\$ 3,348,220</u>	

**BOROUGH OF PARK RIDGE
STATEMENT OF DEFERRED CHARGES**

	Balance, December 31, <u>2018</u>	Amount Resulting from 2019	Balance, December 31, <u>2019</u>
Emergency Authorization	\$ -	\$ 200,000	\$ 200,000
	<u>\$ -</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>

STATEMENT OF DEFERRED CHARGES - SPECIAL EMERGENCY AUTHORIZATION (40A:4-53)

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	Net Amount <u>Authorized</u>	1/5 of Net Amount <u>Authorized</u>	Balance, December 31, <u>2018</u>	Raised in 2019 <u>Budget</u>	Balance, December 31, <u>2019</u>
2014	Preparation of an Approved Tax Map	\$ 62,400	\$ 12,480	\$ 12,480	\$ 12,480	\$ -
				<u>\$ 12,480</u>	<u>\$ 12,480</u>	<u>\$ -</u>

BOROUGH OF PARK RIDGE
STATEMENT OF 2017 APPROPRIATION RESERVES

	Balance, December 31, <u>2018</u>	<u>Transfers</u>	Encumbrance Payable <u>Cancelled</u>	Balance After <u>Modification</u>	<u>Expended</u>	Balance <u>Lapsed</u>
Salaries and Wages						
General Administration	\$ 541			\$ 541		\$ 541
Municipal Clerk	1,299			1,299		1,299
Financial Administration	360			360		360
Revenue Administration	553			553		553
Tax Assessment Administration	200			200		200
Planning Board	2,705			2,705		2,705
Zoning Board Adjustment	150			150		150
Zoning Officer	590			590		590
Housing Task Force	172			172		172
Uniform Construction Code	31			31		31
Police	29			29	\$ 25	4
Police Reserve	80			80		80
Fire	4	\$ 660		664	660	4
Fire Prevention/Uniform Fire Code	2,846			2,846		2,846
Road Repairs and Maintenance	1,136			1,136		1,136
Sewer System	427			427		427
Public Buildings & Grounds	840			840		840
Maintenance of Vehicles	34			34		34
Board of Health	800			800		800
Public Assistance	11			11		11
Recreation	29,220			29,220		29,220
Senior Citizen	1,364			1,364		1,364
Park Ridge Television	210			210		210
Municipal Drug Alliance	12,387	-	-	12,387	12,387	-
Total Salaries & Wages	55,989	660	-	56,649	13,072	43,577
Other Expenses						
General Administration	4		\$ 283	287		287
Municipal Clerk	1,908			1,908	223	1,685
Mayor and Council	258		82	340		340
Financial Administration	89	3,160		3,249	3,249	
Audit Services	-		20,032	20,032		20,032
Revenue Administration	1,000		89	1,089		1,089
Tax Assessment Administration	1,640			1,640		1,640
Legal Services & Costs	42	74,700		74,742	74,700	42
Engineering Services & Costs	1,052	4,200		5,252	5,250	2
Planning Board	336			336	1	335
Zoning Board of Adjustment	6		9	15		15
Zoning Officer	1,383			1,383	3	1,380
Housing Task Force	612			612		612
Uniform Construction Code	924			924	924	
Insurance						
General Liability	572			572		572
Group Insurance for Employees	386	(71,000)	70,999	385		385
Group Insurance Waiver for Employees	62			62		62
Police	110	1,590	1,377	3,077		3,077
Police Reserve	1,080			1,080	391	689
Pistol Range	17	1,620		1,637	887	750
Emergency Management Services	2		72	74		74

BOROUGH OF PARK RIDGE
STATEMENT OF 2017 APPROPRIATION RESERVES

	Balance, December 31, 2018	Transfers	Encumbrance Payable Cancelled	Balance After Modification	Expended	Balance Lapsed
Fire	\$ 576		\$ 574	\$ 1,150		\$ 1,150
Fire Hydrant Services	3			3		3
TriBoro Safety Corps	615		2,747	3,362		3,362
Fire Prevention/Uniform Fire Codes	4,023			4,023	\$ 119	3,904
Municipal Court	2,699		8,290	10,989		10,989
Solid Waste Collection - Sanitation	10,889			10,889	10,582	307
Solid Waste Collection - Recycling			5,855	5,855		5,855
Public Buildings & Grounds	29	\$ 3,000		3,029	1,888	1,141
Maintenance of Vehicles	2,906		1,324	4,230		4,230
Board of Health	634			634	25	609
Municipal Services Act	7,340			7,340		7,340
Park Ridge Television	5			5		5
Recreation	1,111			1,111	11	1,100
Electric	6,177	(4,360)		1,817	123	1,694
Telephone/Communication	64		205	269		269
Water	2,838			2,838	481	2,357
Gasoline	598		2,449	3,047		3,047
Sewer System						
Other Expenses	5,429			5,429		5,429
Shade Tree	7,681	(7,600)		81		81
Landfill Dumping Fees	525	(4,630)	12,585	8,480		8,480
Recycling Tax	418	3,600		4,018	3,600	418
Social Security System	3,146			3,146	1,721	1,425
Deferred Contribution Retirement Plan	9,709	(9,000)		709		709
Public Employees Retirement System	64			64		64
Maintenance of Free Public Library	21,113			21,113	21,113	
Fire Department LOSAP	50,000			50,000	29,232	20,768
Tri-Borough Ambulance LOSAP	20,000			20,000	14,360	5,640
Clean Communities Grant	28,485			28,485	28,485	
Alcohol and Rehabilitation Fund	751			751	751	
Green Team	27			27	27	
Mini Grant - Bergen County	300			300	300	
Recycling Tonnage Grant - Reserve	25,121	-	-	25,121	25,121	-
 Total Other Expenses	 240,079	 (660)	 127,030	 366,449	 233,380	 133,069
 Total	 \$ 296,068	 \$ -	 \$ 127,030	 \$ 423,098	 \$ 246,452	 \$ 176,646
Cash Disbursements					\$ 233,509	
Transferred to Appropriated Grant Reserves					12,943	
					<u>\$ 246,452</u>	

**BOROUGH OF PARK RIDGE
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2018		\$ 233,298
Increased by:		
Charges to 2019 Budget Appropriations	\$ 408,324	
Charges to Appropriated Grant Reserves	<u>1,886</u>	
		<u>410,210</u>
		643,508
Decreased by:		
Payments	106,268	
Cancellations Restored to Appropriation Reserves	<u>127,030</u>	
		<u>233,298</u>
Balance, December 31, 2019		<u><u>\$ 410,210</u></u>

EXHIBIT A-16

STATEMENT OF ACCOUNTS PAYABLE

Balance, December 31, 2018	\$ 8,900
Decreased by:	
Cancelled to Operations	<u><u>8,900</u></u>

EXHIBIT A-17

STATEMENT OF TAX OVERPAYMENTS

Balance, December 31, 2017	\$ 57,456
Increased by:	
Overpayments Received	<u>14,997</u>
	72,453
Decreased by:	
Overpayments Refunded	\$ 14,703
Applied to 2019 Taxes Receivable	<u>57,456</u>
	<u>72,159</u>
Balance, December 31, 2018	<u><u>\$ 294</u></u>

**BOROUGH OF PARK RIDGE
STATEMENT OF PREPAID TAXES**

Balance, December 31, 2018	\$ 265,693
Increased by:	
Collection of 2020 Taxes	<u>461,648</u>
	727,341
Decreased by:	
Applied to 2019 Taxes Receivable	<u>265,693</u>
Balance, December 31, 2019	<u><u>\$ 461,648</u></u>

STATEMENT OF COUNTY TAXES PAYABLE

Balance, December 31, 2018	\$ 13,531
Increased by:	
2019 Levy	
General County	\$ 4,331,503
County Open Space Preservation	185,383
Added and Omitted Taxes (RS 54:4-63.1 et seq.)	<u>17,541</u>
	<u>4,534,427</u>
	4,547,958
Decreased by:	
Payments	<u>4,530,417</u>
Balance, December 31, 2019	<u><u>\$ 17,541</u></u>

STATEMENT OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Increased by:	
2019 Calendar Year Levy	\$ 30,018,454
Decreased by:	
Payments	<u>30,007,455</u>
Balance, December 31, 2019	<u><u>\$ 10,999</u></u>

**BOROUGH OF PARK RIDGE
MUNICIPAL OPEN SPACE TAXES PAYABLE**

Increased by:

2019 Levy	\$ 111,609	
Added and Omitted Taxes (RS 54:4-63.1 et seq.)	<u>436</u>	
		112,045

Decreased by:

Due to Open Space Preservation Trust Fund	<u>\$ 112,045</u>	
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EXHIBIT A-22

STATEMENT OF DUE TO OUTSIDE LIENHOLDER

Increased by:

Cash Receipts	\$ 112,780	
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Decreased by:

Cash Disbursements	<u>\$ 112,780</u>	
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EXHIBIT A-23

STATEMENT OF FEES PAYABLE

	Balance, December 31, 2018	Fees Collected	Payments	Balance, December 31, 2019
Due State of New Jersey				
Marriage License Fees	\$ 2,601	\$ 1,230	\$ 1,000	\$ 2,831
State Construction Fees	<u>481</u>	<u>36,674</u>	<u>21,696</u>	<u>15,459</u>
	<u>\$ 3,082</u>	<u>\$ 37,904</u>	<u>\$ 22,696</u>	<u>\$ 18,290</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF RESERVE FOR TAX APPEALS**

Balance, December 31, 2018	\$ 458,081
Increased by:	
Transferred from 2019 Tax Collections	<u>100,000</u>
	558,081
Decreased by:	
Tax Judgments Refunded	<u>136,725</u>
Balance, December 31, 2019	<u>\$ 421,356</u>

STATEMENT OF MISCELLANEOUS RESERVES

	Balance, December 31, <u>2018</u>	Balance, December 31, <u>2019</u>
Planning Consultant	<u>\$ 6,250</u>	<u>\$ 6,250</u>
	<u>\$ 6,250</u>	<u>\$ 6,250</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF RESERVE FOR APPROPRIATED GRANTS**

	Balance, December 31, <u>2018</u>	Transferred from 2018 Appropriation <u>Reserves</u>	Paid or Charged	Cancelled	Balance, December 31, <u>2019</u>
Recycling Tonnage Grant	\$ 6,075		\$ 6,075		
Distracted Driver Grant	5,500		5,500		
Occupant Protection Grant	4,402				\$ 4,402
Clean Communities Grant		\$ 1,865			1,865
Alcohol Education and Rehab.-DWI Court	2,492	751			3,243
Domestic Violence Grant	2,178				2,178
Federal Forestry Grant	3,000				3,000
Body Armor Replacement Fund	6,599		3,632		2,967
Drive Sober or Get Pulled Over	8,577		8,577		
Municipal Alliance on Alcoholism & Drug Abuse	4,359	10,001	\$ 2,981	\$ 10,001	1,378
Bergen County Green Team Grant	1,195	26	1,195		26
Bergen County - Historical Grant	1,050		1,050		
Bergen County Mini Grant	-	300	-	-	300
	<u>\$ 45,427</u>	<u>\$ 12,943</u>	<u>\$ 29,010</u>	<u>\$ 10,001</u>	<u>\$ 19,359</u>
Cash Disbursements			\$ 27,124		
Encumbrances Payable			1,886		
Grants Receivable				\$ 5,315	
Credited to Operations			-	4,686	
			<u>\$ 29,010</u>	<u>\$ 10,001</u>	

EXHIBIT A-27

STATEMENT OF RESERVE FOR GRANTS - UNAPPROPRIATED

	Balance, December 31, <u>2018</u>	Cash <u>Receipts</u>	Balance, December 31, <u>2019</u>
Recycling Tonnage Grant	\$ -	\$ 13,554	\$ 13,554
	<u>\$ -</u>	<u>\$ 13,554</u>	<u>\$ 13,554</u>

TRUST FUNDS

**BOROUGH OF PARK RIDGE
STATEMENT OF TRUST FUNDS CASH**

	<u>Animal Control</u>	<u>Other Trust</u>	<u>Unemployment Insurance</u>	<u>Open Space</u>	<u>Affordable Housing</u>
Balance, December 31, 2018	\$ 13,290	\$ 1,441,545	\$ 93,123	\$ 258,042	\$ 371,220
Increased by Receipts:					
Developers Escrow		\$ 371,870			
Receipts from Current Fund				\$ 112,386	
Receipts from Other Trust Fund			\$ 9,173		
Receipts from General Capital Fund				30,047	
Receipts for General Capital Fund				150,787	
Unemployment - Employee Contributions			8,447		
Payroll Deductions Payable		8,606,829			
Due to State of NJ - Registration Fees	\$ 659				
Dog License Fees	6,370				
Cat License Fees	215				
Police Outside Duty Receivable		319,109			
Miscellaneous Reserves and Deposits		618,527			
Interest on Deposits	273	-	1,892	2,630	\$ 7,008
Developers Fees	-	-	-	-	28,114
	<u>7,517</u>	<u>9,916,335</u>	<u>19,512</u>	<u>295,850</u>	<u>35,122</u>
	20,807	11,357,880	112,635	553,892	406,342
Decreased by Disbursements:					
Developers Escrow		505,279			
Payroll Deductions Payable		8,585,091			
Payments to Current Fund	469	92,245			
Payments to General Capital Fund				195,000	
Payments to Unemployment Insurance Trust Fund		9,173			
Dog License Fees Paid to State of NJ	649				
Reserve for Animal Control Expenditures	2,544				
Due to State - Unemployment Claims			9,111		
Miscellaneous Reserves and Deposits		723,274			
Reserve for Open Space Expenditures				36,260	
Reserve for Affordable Housing Expenditures	-	-	-	-	5,345
	<u>3,662</u>	<u>9,915,062</u>	<u>9,111</u>	<u>231,260</u>	<u>5,345</u>
Balance, December 31, 2019	<u>\$ 17,145</u>	<u>\$ 1,442,818</u>	<u>\$ 103,524</u>	<u>\$ 322,632</u>	<u>\$ 400,997</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF DUE TO STATE OF NEW JERSEY-DOG LICENSE FEES
ANIMAL CONTROL FUND**

Balance, December 31, 2018	\$ 154
Increased by:	
State Fees Collected	<u>659</u>
	813
Decreased by:	
Payments to State	<u>649</u>
Balance, December 31, 2019	<u>\$ 164</u>

**STATEMENT OF DUE TO CURRENT FUND
ANIMAL CONTROL FUND**

Balance, December 31, 2018	\$ 196
Increased by:	
Interest on Deposits	\$ 273
Statutory Excess in Reserve	<u>3,256</u>
	<u>3,529</u>
	3,725
Decreased by:	
Payments to Current Fund	<u>469</u>
Balance, December 31, 2019	<u>\$ 3,256</u>

**STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES
ANIMAL CONTROL FUND**

Balance, December 31, 2018	\$ 12,940
Increased by:	
Dog License Fees	\$ 6,370
Cat License Fees	<u>215</u>
	<u>6,585</u>
	19,525
Decreased by:	
Disbursements for Expenditures Under R.S. 4:19-15.11:	2,544
Statutory Excess Due to Current Fund	<u>3,256</u>
	<u>5,800</u>
Balance, December 31, 2019	<u>\$ 13,725</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF DUE FROM CURRENT FUND
OPEN SPACE PRESERVATION TRUST FUND**

Balance, December 31, 2018		\$ 341
Increased by:		
2019 Levy	\$ 111,609	
Added and Omitted Taxes	<u>436</u>	
		<u>112,045</u>
		112,386
Decreased by:		
Receipts from Current Fund		<u>\$ 112,386</u>

**STATEMENT OF DUE TO STATE - UNEMPLOYMENT CLAIMS
UNEMPLOYMENT INSURANCE TRUST FUND**

Balance, December 31, 2018		\$ 387
Increased by:		
Unemployment Claims		<u>14,971</u>
		15,358
Decreased by:		
Payments to State		<u>9,111</u>
Balance, December 31, 2019		<u>\$ 6,247</u>

**STATEMENT OF RESERVE FOR UNEMPLOYMENT INSURANCE BENEFITS
UNEMPLOYMENT INSURANCE TRUST FUND**

Balance, December 31, 2018		\$ 101,909
Increased by:		
Employee Contributions	\$ 8,447	
Interest on Deposits	<u>1,892</u>	
		<u>10,339</u>
		112,248
Decrease by:		
Unemployment Claims Due to State		<u>14,971</u>
Balance, December 31, 2019		<u>\$ 97,277</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF RESERVE FOR OPEN SPACE EXPENDITURES
OPEN SPACE PRESERVATION TRUST FUND**

Balance, December 31, 2018		\$ 279,930
Increased by:		
Municipal Open Space Tax Levy - Due from Current Fund	\$ 111,609	
Municipal Open Space Added Taxes - Due from Current Fund	<u>436</u>	
	\$ 112,045	
Reserve for Preliminary Cost Cancelled - Due from General Capital Fund	8,500	
Grant Reimbursement - Due from General Capital Fund	76,597	
Interest on Deposits	<u>2,630</u>	
		<u>199,772</u>
		479,702
Decreased by:		
Appropriated to Finance Improvement Authorization in General Capital Fund	195,000	
Disbursements for Open Space Expenditures	<u>36,260</u>	
		<u>231,260</u>
Balance, December 31, 2019		<u>\$ 248,442</u>

EXHIBIT B-11

**STATEMENT OF RESERVE FOR AFFORDABLE HOUSING
AFFORDABLE HOUSING TRUST FUND**

Balance, December 31, 2018		\$ 371,220
Increased by:		
Developers Fees	\$ 28,114	
Interest on Deposits	<u>7,008</u>	
		<u>35,122</u>
		406,342
Decreased by:		
Disbursements for Affordable Housing Expenditures		<u>5,345</u>
Balance, December 31, 2019		<u>\$ 400,997</u>

EXHIBIT B-12

**STATEMENT OF DEVELOPERS ESCROW DEPOSITS
OTHER TRUST FUND**

Balance, December 31, 2018		\$ 783,765
Increased by:		
Cash Receipts		<u>371,870</u>
		1,155,635
Decreased by:		
Cash Disbursements		<u>505,279</u>
Balance, December 31, 2019		<u>\$ 650,356</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF PAYROLL DEDUCTIONS PAYABLE
OTHER TRUST FUND**

Balance, December 31, 2018	\$ 903
Increased by:	
Payroll Deposits	<u>8,606,829</u>
	8,607,732
Decreased by:	
Payroll Disbursements	<u>8,585,091</u>
Balance, December 31, 2019	<u>\$ 22,641</u>

EXHIBIT B-14

**STATEMENT OF DUE TO CURRENT FUND
OTHER TRUST FUND**

Balance, December 31, 2018	\$ 114,813
Decreased by:	
Payments to Current Fund	<u>92,245</u>
Balance, December 31, 2019	<u>\$ 22,568</u>

EXHIBIT B-15

**STATEMENT OF DUE TO UNEMPLOYMENT INSURANCE TRUST FUND
OTHER TRUST FUND**

Balance, December 31, 2018	\$ 9,173
Decreased by:	
Payments to Unemployment Insurance Trust Fund	<u>9,173</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF POLICE OUTSIDE DUTY RECEIVABLE
OTHER TRUST FUND**

Balance, December 31, 2018	\$ 26,034
Increased by:	
Police Outside Duty Billings	<u>311,320</u>
	337,354
Decreased by:	
Cash Receipts	<u>319,109</u>
Balance, December 31, 2019	<u>\$ 18,245</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF MISCELLANEOUS RESERVES AND DEPOSITS
OTHER TRUST FUND**

	Balance, December 31, <u>2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2019</u>
Fire Prevention Penalty Fees	\$ 32,327	\$ 4,185	\$ 34,000	\$ 2,512
DARE Donations	30,336	40,159	45,187	25,308
Recreation Fees	127,266	92,243	99,892	119,617
Tax Sale Premiums	229,772	219,400	67,000	382,172
Legal Advertising Escrow Deposits	6,465		6,465	-
Fuel Depot Fees (Community Resale)	(5,167)	223,207	184,470	33,570
Open Bail Account	2,432			2,432
UCC Penalties	6,500	85	5,000	1,585
Outside Police Duty Fees	(55,706)	319,109	247,495	15,908
Storm Recovery Reserve	65,000			65,000
Accumulated Absences Reserve	50,048			50,048
Recreation Fees - Golden Age Club	12,926	20,383	30,004	3,305
Miscellaneous Fees and Deposits	<u>30,692</u>	<u>18,865</u>	<u>3,761</u>	<u>45,796</u>
	<u>\$ 532,891</u>	<u>\$ 937,636</u>	<u>\$ 723,274</u>	<u>\$ 747,253</u>
Cash Receipts		\$ 618,527		
Police Outside Duty Receivable-Collections		319,109		
Cash Disbursements		<u>-</u>	<u>\$ 723,274</u>	
		<u>\$ 937,636</u>	<u>\$ 723,274</u>	

Analysis of Miscellaneous Fees and Deposits - December 31, 2019

Recreation Fees - Mayor's Golf Outing	\$ 20,200
Park Ridge TV Donations	110
Borough 125th Anniversary Donations	4,455
DARE Donations - Junior Police Academy	20,570
Other Deposits	<u>461</u>
	<u>\$ 45,796</u>

GENERAL CAPITAL

BOROUGH OF PARK RIDGE
STATEMENT OF GENERAL CAPITAL CASH AND INVESTMENTS

Balance, December 31, 2018		\$ 976,978
Increased by Receipts:		
Grants Receivable	\$ 213,923	
Bond Anticipation Notes Issued	1,970,000	
Premium on Bond Anticipation Notes Issued	14,934	
2019 Budget Appropriations - Capital Improvement Fund	110,000	
Interest Earned	39,820	
Receipts from Current Fund	207,841	
Receipts for Water Utility Capital Fund	4,516	
Receipts from Electric Utility Capital Fund	3,904	
Receipts from Other Trust Fund	39,000	
Receipts from Open Space Preservation Trust Fund	195,000	
Grant Receipts for Funded Improvement Authorization (2009-11)	<u>8,513</u>	
		<u>2,807,451</u>
		3,784,429
Decreased by Disbursements:		
Improvement Authorizations	1,383,546	
Contracts Payable	74,648	
Reserve for Sewer Improvements	50,000	
Payments to Current Fund	114,820	
Payments to Open Space Preservation Trust Fund	<u>30,047</u>	
		<u>1,653,061</u>
Balance, December 31, 2019		<u>\$ 2,131,368</u>

**BOROUGH OF PARK RIDGE
ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS**

	Balance, December 31, <u>2019</u>
Fund Balance	\$ 105,910
Capital Improvement Fund	9,569
Reserve for Community Center	250,000
Reserve for Sewer Improvements	208,260
Reserve for Payment of Debt	100
Encumbrances Payable	642,144
Grants Receivable	(505,600)
Due to Water Utility Capital Fund	4,516
Excess Note Proceeds	20,986

Improvement Authorizations:

<u>Ord. No.</u>	<u>Description</u>	
07-07A	Improvements to Mill Pond Dam & Engineering Dredging	48,977
07-7B	Engineering & Design for Dredging Mill Pond	59,986
15-01	Various Improvements & Acquisitions of Equipment	98
15-10	Various Improvements & Acquisitions of Equipment	7,029
16-11	Various Improvements and Acq. Of Equipment	41,415
16-15	Various Improvements and Acq. Of Equipment	179,670
17-02	Various Improvements and Acquisition of Equipment	66,557
17-10	Various Capital Improvements and Acquisitions	19,969
18-10	Refurbishment of the Police Pistol Range	(8,369)
18-12	Acquisition of an SUV for Police Department	(34,806)
18-14	Acquisition of a Hydraulic Lift Trailer	(14,200)
18-16	Repair of the 55 Park Avenue Bridge	140,876
19-02	Sulak Lane Basketball Court Improvements	36,307
19-04	Park Ave ADA Curb Cut Improvements	35,350
19-08	2019 Road, Curb, Drainage and Sidewalk Program	55,594
19-09	Improvements to Turf Field at Memorial Field	737,166
19-10	2019 Road, Curb, Drainage and Sidewalk Program	91,914
19-15	Acquisition of New Additional or Replacement Equip	(123,493)
19-24	Various Capital Improvements and Acquisitions	54,248
19-28	Borough Hall Improvements	<u>1,195</u>
		<u>\$ 2,131,368</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF GRANTS RECEIVABLE**

Ord. No.	Agency	Balance, December 31, 2018	Prior Year Adjustment	2019 Awards	Cash Receipts	Cancelled	December 31, 2019	Balance Pledged To:	
								Improvement Authorization	Reserve
14-19	County of Bergen Open Space - Sulak Recreation Facility		\$ 74,190		\$ 74,190				
15-06	County of Bergen - ADA Cooperative Curb Ramp Construction	\$ 78,102	(74,190)			\$ 3,912			
16-11	DEP - Woodcliff Lake Reservoir Walkway	24,000					\$ 24,000		\$ 24,000
16-15	DOT - Mill Road Improvements	49,121			31,852		17,269	\$ 17,269	
16-15	DOT - Park Avenue Improvements	220,000					220,000	220,000	
19-02	County of Bergen Open Space - Sulak Lane			\$ 82,147	76,597	5,550			
19-10	County of Bergen - 2019 Road Repaving			83,500			83,500	83,500	
19-10	DOT - Mallon to Quackenbush Improvements			150,000	150,000				
19-10	DOT - Quackenbush to Pascack Improvements	-	-	138,800	32,071	-	106,729	106,729	-
		<u>\$ 371,223</u>	<u>\$ -</u>	<u>\$ 454,447</u>	<u>\$ 364,710</u>	<u>\$ 9,462</u>	<u>\$ 451,498</u>	<u>\$ 427,498</u>	<u>\$ 24,000</u>
	Fund Balance					\$ 3,912			
	Cash Receipts				\$ 213,923				
	Due from Open Space Preservation Trust Fund				150,787				
	Improvement Authorizations			\$ 372,300					
	Reserve for Grants Receivable			82,147	-	5,550			
				<u>\$ 454,447</u>	<u>\$ 364,710</u>	<u>\$ 9,462</u>			

**BOROUGH OF PARK RIDGE
STATEMENT OF DUE TO WATER UTILITY CAPITAL FUND**

Balance, December 31, 2018	\$ -
Increased by:	
Premium on Bond Anticipation Notes Issued	<u>\$ 4,516</u>
Balance, December 31, 2019	<u>\$ 4,516</u>

STATEMENT OF DUE FROM CURRENT FUND

Balance, December 31, 2018	\$ 207,841
Increased by:	
Payments to Current Fund	<u>114,820</u>
	322,661
Decreased by:	
Interest Earned	\$ 39,820
Anticipated Revenue in Current Fund Budget - Capital Fund Balance	75,000
Receipts from Current Fund	<u>207,841</u>
	<u>\$ 322,661</u>

BOROUGH OF PARK RIDGE
STATEMENT OF DUE TO/FROM OPEN SPACE PRESERVATION TRUST FUND

Balance, December 31, 2018 (Due to)		\$ 21,547
Increased by:		
Receipts from Open Space Preservation Trust Fund	\$ 195,000	
Reserve for Preliminary Costs Cancelled	8,500	
Grant Receipts for Open Space Funded Improvement Authorization (2019-02)	<u>76,597</u>	
		<u>280,097</u>
		301,644
Decreased by:		
Payments to Open Space Preservation Trust Fund	\$ 30,047	
Appropriation of Finance Improvement Authorization (2019-02)	195,000	
Grant Receipts Deposited in Open Space Preservation Trust Fund	<u>150,787</u>	
		<u>375,834</u>
Balance, December 31, 2019 (Due from)		<u>\$ 74,190</u>

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2018		\$ 12,564,117
Increased by:		
Serial Bonds Issued		<u>-</u>
		12,564,117
Decreased by:		
2019 Budget Appropriations		
General Serial Bonds	\$ 1,475,000	
Green Trust Loan	<u>89,788</u>	
		<u>1,564,788</u>
Balance, December 31, 2019		<u>\$ 10,999,329</u>

BOROUGH OF PARK RIDGE
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

		Analysis of Balance December 31, 2019					
Ord. No.	Improvement Description	Balance, December 31, 2018	2019 Authori- zations	Improvement Authorizations Cancelled	Balance, December 31, 2019	Financed by Bond Anticipation Notes	Unexpended Improvement Authorizations
18-09	Acquisition of Equipment	\$ 351,500		\$ 22,486	\$ 329,014	\$ 329,014	
18-10	Refurbishment of the Police Pistol Range	9,072			9,072	\$ 8,369	\$ 703
18-12	Acquisition of an SUV for Police Department	38,000			38,000	34,806	3,194
18-14	Acquisition of a Hydraulic Lift Trailer	14,200			14,200	14,200	
18-16	Repair of the 55 Park Avenue Bridge	157,703			157,703		157,703
19-08	2019 Road, Curb, Drainage and Sidewalk Program		\$ 803,700		803,700	800,000	3,700
19-09	Improvements to Turf Field at Memorial Field		824,600		824,600	820,000	4,600
19-10	2019 Road, Curb, Drainage and Sidewalk Program		159,315		159,315		159,315
19-15	Acquisition of New Additional or Replacement Equip	-	138,700	-	138,700	-	15,207
		<u>\$ 570,475</u>	<u>\$ 1,926,315</u>	<u>\$ 22,486</u>	<u>\$ 2,474,304</u>	<u>\$ 1,949,014</u>	<u>\$ 344,422</u>
						\$ 1,970,000	
						20,986	
						<u>\$ 1,949,014</u>	
						Improvement Authorizations - Unfunded	\$ 1,137,182
						Less: Unexpended Proceeds of Bond Anticipation Notes:	
						Ord. 19-08	55,594
						Ord. 19-09	<u>737,166</u>
							<u>\$ 344,422</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2018		\$ 97,300
Increased by:		
Charges to Improvement Authorizations		<u>623,259</u>
		720,559
Decreased by:		
Cash Disbursements	\$ 74,648	
Cancellations Restored to Improvement Authorizations	<u>3,767</u>	
		<u>78,415</u>
Balance, December 31, 2019		<u>\$ 642,144</u>

EXHIBIT C-11

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2018		\$ 954
Increased by:		
2019 Budget Appropriation		<u>110,000</u>
		110,954
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>101,385</u>
Balance, December 31, 2019		<u>\$ 9,569</u>

BOROUGH OF PARK RIDGE
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

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		2019 Authorizations														
Ord. No.	Improvement Description	Ordinance Amount	Balance, December 31, 2018		Deferred Charges Unfunded	Grants Receivable	Capital Surplus	Capital Improvement Fund	UCC and Fire Prev Other Trust	Municipal Open Space Trust	Contracts Payable Canceled	Paid or Charged	Authorizations Canceled	Balance, December 31, 2019		
			Funded	Unfunded										Funded	Unfunded	
07-7A-08-8F	Repairs of Mill Pond Dam	\$ 1,293,800	\$ 48,977												\$ 48,977	
07-7B	Engineering & Design for Dredging Mill Pond	200,000	115,916									\$ 55,930			59,986	
13-03	Various Improvements & Acquisition of Equip.	1,304,710	7								\$ 317		\$ 324			
14-19	Improvements to Sulak Recreation										750		750			
15-01	Various Improvements & Acquisition of Equip.	1,300,000	49,052									48,954			98	
15-03	Various Public Improvements	100,000	18,500									18,500				
15-10	Various Improvements & Acquisition of Equip.	20,000	4,329								2,700				7,029	
16-11	Various Improvements and Acq. Of Equipment	253,737	59,602									4,693	13,494		41,415	
16-15	Various Improvements and Acq. Of Equipment	461,567	179,670												179,670	
17-02	Various Improvements and Acq. Of Equipment	1,324,400	273,825									99,166	108,102		66,557	
17-10	Various Capital Improvements and Acquisitions	82,881	34,994									7,625	7,400		19,969	
18-09	Acquisition of Equipment	370,000		\$ 22,805								319	22,486			
18-10	Refurbishment of the Police Pistol Range	68,000		717								14			\$ 703	
18-12	Acquisition of an SUV for Police Department	40,000		3,194											3,194	
18-16	Repair of the 55 Park Avenue Bridge	325,000	140,876	157,703											140,876	157,703
19-01	Acquisition of a Finance System	80,000					\$ 80,000					80,000				
19-02	Sulak Lane Basketball Court Improvements	195,000								\$ 195,000		158,693			36,307	
19-04	Park Ave ADA Curb Cut Improvements	42,000					42,000					6,650			35,350	
19-08	2019 Road, Curb, Drainage and Sidewalk Program	846,000			\$ 803,700			\$ 42,300				786,706			59,294	
19-09	Improvements to Turf Field at Memorial Field	868,000			824,600			43,400				126,234			741,766	
19-10	2019 Road, Curb, Drainage and Sidewalk Program	540,000			159,315	\$ 372,300		8,385				288,771			91,914	159,315
19-15	Acquisition of New Additional or Replacement Equip	146,000			138,700			7,300				130,793			15,207	
19-18	Acquisition of an SUV for Police Department	58,000					58,000					58,000				
19-24	Various Capital Improvements and Acquisitions	171,200					132,200		\$ 39,000			116,952			54,248	
19-28	Borough Hall Improvements	20,000	-	-	-	-	20,000	-	-	-	-	18,805	-	-	1,195	-
			\$ 925,748	\$ 184,419	\$ 1,926,315	\$ 372,300	\$ 332,200	\$ 101,385	\$ 39,000	\$ 195,000	\$ 3,767	\$ 2,006,805	\$ 152,556	\$ 783,591	\$ 1,137,182	
												Cash Disbursed	\$ 1,383,546			
												Contracts Payable	623,259			
												Deferred Charges Unfunded	\$ 22,486			
												Fund Balance	-	130,070		
													\$ 2,006,805	\$ 152,556		

**BOROUGH OF PARK RIDGE
STATEMENT OF BOND ANTICIPATION NOTES**

Ord. No.	<u>Improvement Description</u>	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31,		Balance, December 31,	
						<u>2018</u>	<u>Increased</u>	<u>2019</u>	
124	18-09 Acquisition of New Additional or Replacement Equipment	5/1/2019	5/1/2019	5/1/2020	2.75 %		\$ 350,000	\$ 350,000	
	19-08 2019 Road, Curb, Drainage and Sidewalk Imprvt Program	5/1/2019	5/1/2019	5/1/2020	2.75		800,000	800,000	
	19-09 Replacement and Expansion of Turf at Memorial Field	5/1/2019	5/1/2019	5/1/2020	2.75	<u>-</u>	<u>820,000</u>	<u>820,000</u>	
						<u>\$ -</u>	<u>\$ 1,970,000</u>	<u>\$ 1,970,000</u>	
					Notes Issued for Cash		<u>\$ 1,970,000</u>		

**BOROUGH OF PARK RIDGE
STATEMENT OF GENERAL SERIAL BONDS**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturity of Bonds Outstanding at December 31, 2019</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2018</u>	<u>Decreased</u>	<u>Balance, December 31, 2019</u>
			<u>Date</u>	<u>Amount</u>				
General Improvements	10/15/2007	\$ 4,827,000	2020-2021	\$ 325,000	3.875 %			
			2022	350,000	3.875			
			2023	327,000	4.000	\$ 1,652,000	\$ 325,000	\$ 1,327,000
General Improvements	8/15/2012	3,215,000	2020	225,000	2.000			
			2021-2022	250,000	2.000			
			2023-2026	300,000	2.000	2,135,000	210,000	1,925,000
General Refunding	2/15/2013	3,035,000	2020-21	350,000	4.000			
			2022	340,000	4.000	1,390,000	350,000	1,040,000
General Improvements	8/15/2013	2,207,000	2020	260,000	3.000			
			2021	270,000	3.000			
			2022	280,000	3.000			
			2023	277,000	3.000	1,327,000	240,000	1,087,000
General Improvements	5/15/2018	4,880,000	2020	375,000	2.000			
			2021-22	375,000	2.500			
			2023	610,000	2.500			
			2024	700,000	2.500			
			2025-26	700,000	3.000			
			2027	695,000	3.000	<u>4,880,000</u>	<u>350,000</u>	<u>4,530,000</u>
						<u>\$ 11,384,000</u>	<u>\$ 1,475,000</u>	<u>\$ 9,909,000</u>
Paid by Budget Appropriation							<u>\$ 1,475,000</u>	

**BOROUGH OF PARK RIDGE
STATEMENT OF GREEN TRUST LOANS**

Purpose	Date of Issue	Amount of Original Issue	Maturity of Loans Outstanding at December, 31 2019		Interest Rate	Balance, December 31, 2018	Decreased	Balance, December 31, 2019
			Date	Amount				
Memorial Field Improvements	10/20/2008	\$ 500,000				%		
			2020	\$ 29,730	2.00			
			2021	30,327	2.00			
			2022	30,937	2.00			
			2023	31,559	2.00			
			2024	32,193	2.00			
			2025	32,840	2.00			
			2026	33,500	2.00	\$ 250,231	\$ 29,145	\$ 221,086
Mill Pond Dam Improvements	7/9/2012	1,156,000	2020	61,862	2.00			
			2021	63,105	2.00			
			2022	64,374	2.00			
			2023	65,668	2.00			
			2024	66,988	2.00			
			2025	68,334	2.00			
			2026	69,707	2.00			
			2027	71,109	2.00			
			2028	72,538	2.00			
			2029	73,995	2.00			
			2030	75,483	2.00			
			2031	77,001	2.00			
			2032	39,079	2.00	929,886	60,643	869,243
						\$ 1,180,117	\$ 89,788	\$ 1,090,329
							\$ 89,788	
			Paid by Budget Appropriation					

**BOROUGH OF PARK RIDGE
STATEMENT OF DUE FROM OTHER TRUST FUND**

Increased by:

Appropriated to Finance Improvement Authorization - Ordinance #18-16	\$ 39,000
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Decreased by:

Receipts from Other Trust Fund	<u>39,000</u>
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EXHIBIT C-17

STATEMENT OF RESERVE FOR MUNICIPAL BUILDING IMPROVEMENTS

Balance, December 31, 2018	\$ 2,252
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Decreased by:

Cancelled to Fund Balance	<u>2,252</u>
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EXHIBIT C-18

STATEMENT OF RESERVE FOR PRELIMINARY EXPENSES

<u>Purpose</u>	Balance December 31, <u>2018</u>	<u>Cancelled</u>	Balance December 31, <u>2019</u>
Sulak Lane Basketball Court Improvements	\$ <u>8,500</u>	\$ <u>8,500</u>	\$ -
	<u>\$ 8,500</u>	<u>\$ 8,500</u>	<u>\$ -</u>
Due to Open Space Preservation Trust Fund		<u>\$ 8,500</u>	

EXHIBIT C-19

STATEMENT OF RESERVE FOR COMMUNITY CENTER

Balance, December 31, 2018	<u>\$ 250,000</u>
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Balance, December 31, 2019	<u>\$ 250,000</u>
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**BOROUGH OF PARK RIDGE
STATEMENT OF RESERVE FOR SEWER IMPROVEMENTS**

Balance, December 31, 2018	\$ 258,260
Decreased by:	
Anticipated as Current Fund Revenue	<u>50,000</u>
Balance, December 31, 2019	<u>\$ 208,260</u>

STATEMENT OF RESERVE FOR PAYMENT OF DEBT

Balance, December 31, 2018	<u>\$ 100</u>
Balance, December 31, 2019	<u>\$ 100</u>

BOROUGH OF PARK RIDGE
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Description	Balance December 31, 2018	2019 Authorizations	Bond Anticipation Notes Issued	Improvement Authorizations Cancelled	Balance December 31, 2019
18-09	Acquisition of Equipment	\$ 351,500		\$ 329,014	\$ 22,486	
18-10	Refurbishment of the Police Pistol Range	9,072				\$ 9,072
18-12	Acquisition of an SUV for Police Depart.	38,000				38,000
18-14	Acquisition of a Hydraulic Lift Trailer	14,200				14,200
18-16	Repair of the 55 Park Avenue Bridge	157,703				157,703
19-08	2019 Road, Curb, Drainage and Sidewalk Imprvts		\$ 803,700	800,000		3,700
19-09	Improvements to Turf Field at Memorial Field		824,600	820,000		4,600
19-10	2019 Road, Curb, Drainage and Sidewalk Imprvts		159,315			159,315
19-15	Acquisition of New Additional or Replacement Equipment	-	138,700	-	-	138,700
		<u>\$ 570,475</u>	<u>\$ 1,926,315</u>	<u>\$ 1,949,014</u>	<u>\$ 22,486</u>	<u>\$ 525,290</u>

WATER UTILITY FUND

**BOROUGH OF PARK RIDGE
STATEMENT OF CASH - COLLECTOR/TREASURER
WATER UTILITY FUND**

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2018	\$ 2,832,700	\$ 114,562
Increased by Receipts:		
Water Usage Charges Receivable	\$ 2,854,270	
Other Charges Receivable	121,324	
Mobile Antenna Rent	187,460	
Non-Budget Revenue	70,496	
Other Liabilities	66,597	
2019 Budget Appropriation - Capital Improvement Fund		\$ 5,000
Overpayments	28,294	
Woodcliff Lake Surcharge Receivable	100,119	
Interest Earned		4,702
Received from Current Fund	13,764	
Received from Water Utility Operating Fund		562,111
Received from Water Utility Capital Fund	5,302	
Received From Utility Trust Fund	<u>9,859</u>	<u>-</u>
	<u>3,457,485</u>	<u>571,813</u>
	6,290,185	686,375
Decreased by Disbursements:		
2019 Budget Appropriations	2,973,681	
Encumbrances Payable	157,271	23,880
Improvement Authorizations		298,559
Interest on Bonds and Notes	63,310	
Payments made to Electric Utility Operating Fund	33,331	
Payments made to Water Utility Operating Fund		5,302
Payments made to Water Utility Capital Fund	<u>562,111</u>	<u>-</u>
	<u>3,789,704</u>	<u>327,741</u>
Balance, December 31, 2019	<u>\$ 2,500,481</u>	<u>\$ 358,634</u>

**BOROUGH OF PARK RIDGE
ANALYSIS OF CASH
WATER UTILITY CAPITAL FUND**

		Balance, December 31, <u>2019</u>
Fund Balance		\$ 178,962
Capital Improvement Fund		66,669
Encumbrances Payable		425,671
Due to Water Utility Operating Fund		119,078
Due from General Capital Fund		(4,516)
Improvement		
<u>Authorizations:</u> <u>Description</u>		
<u>Ord.</u>		
<u>No.</u>		
2012-9	Various Public Improvements/Acquisitions	81,988
2014-15	Various Public Improvements/Acquisitions	(100,867)
2014-21	Installation of New Well and Pumping Station	(206,222)
2015-11	Various Public Improvements/Acquisitions	32,507
2016-14	Acquisition of Water Distribution Equipment and Machinery	723
2017-17	Replacement of Water Main at Glen Road	(89,206)
2019-06	Acquisition of Water Distribution Equipment and Machinery	14,276
2019-17	Various Improvements	(179,621)
2017-22	Acquisition of Technology Upgrades	<u>19,192</u>
		<u>\$ 358,634</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF WATER USAGE CHARGES RECEIVABLE
WATER UTILITY OPERATING FUND**

Balance, December 31, 2018		\$	176,194
Increased by:			
Water Usage Charges Levied			<u>3,001,636</u>
			3,177,830
Decreased by:			
Water Usage Charges Collected:			
Cash Receipts	\$	2,854,270	
Receipts in Electric Utility Operating Fund		68,477	
Overpayments Applied		<u>24,782</u>	
			<u>2,947,529</u>
Balance, December 31, 2019		\$	<u>230,301</u>

**STATEMENT OF OTHER CHARGES RECEIVABLE
WATER UTILITY OPERATING FUND**

Balance, December 31, 2018		\$	73,763
Increased by:			
Other Water Charges Levied			
Fire Sprinklers	\$	80,708	
Hydrants		<u>39,389</u>	
			<u>120,097</u>
			193,860
Decreased by:			
Other Water Charges Collected:			
Fire Sprinklers		83,280	
Hydrants		<u>38,044</u>	
			<u>121,324</u>
Balance, December 31, 2019		\$	<u>72,536</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF WOODCLIFF LAKE SURCHARGE RECEIVABLE
WATER UTILITY OPERATING FUND**

Balance, December 31, 2018	\$ 39,653
Increased by:	
Surcharges Levied	<u>105,140</u>
	144,793
Decreased by:	
Surcharges Collected	<u>100,119</u>
Balance, December 31, 2019	<u><u>\$ 44,674</u></u>

**BOROUGH OF PARK RIDGE
STATEMENT OF FIXED CAPITAL
WATER UTILITY CAPITAL FUND**

		<u>Additions by</u>		
	Balance, December 31, <u>2018</u>	Budget Capital <u>Outlay</u>	<u>Ordinance</u>	Balance, December 31, <u>2019</u>
Source of Supply Plant:				
Structures and Improvements	\$ 336,184			\$ 336,184
Wells and Springs	5,117,418		\$ 1,922	5,119,340
Water Diversion Rights	551			551
Pumping Plant:				
Land and Land Rights	12,887			12,887
Structures and Improvements	568,810			568,810
Electric Pumping Equipment	832,127			832,127
Water Treatment Plant - Water				
Treatment Equipment	1,243,473			1,243,473
Computer Hardware/Software-Equipment	111,245			111,245
Transmission and Distribution Plant:				
Structures and Improvements	673,915			673,915
Distribution Reservoirs and Standpipes	908,591			908,591
Transmission and Distribution Mains	1,456,591		587,506	2,044,097
Services	236,634			236,634
Meters	975,443			975,443
Hydrants	421,139			421,139
Well Communication System-Equipment	18,864			18,864
General Plant:				
Structures and Improvements	176,138			176,138
Improvements to Utility Garage	102,218			102,218
Office Furniture and Equipment	209,803			209,803
Transportation Equipment	356,788			356,788
Other General Equipment	311,672			311,672
Tools-Equipment	154,570			154,570
Other Utility Assets:				
Other Tangible Property-Equipment	242,936			242,936
Meter Reading System	6,763			6,763
Pickup Trucks	179,688			179,688
Dump Trucks	170,332			170,332
New Hybrid Vehicles	37,456			37,456
Backhoe Loader	86,031			86,031
Valve Box Vacuum	20,441	-	-	20,441
	<u>\$ 14,968,708</u>	<u>\$ -</u>	<u>\$ 589,428</u>	<u>\$ 15,558,136</u>

BOROUGH OF PARK RIDGE
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
WATER UTILITY CAPITAL FUND

Ord. No.	Improvement Description	Balance, December 31, 2018	2019 Authorizations Deferred Reserve for Amortization of Future Revenue	Deferred Charge Authorizations Cancelled	Costs to Fixed Capital	Balance, December 31, 2019
96-8/98-11.1	Construction of Well #20	\$ 30,149		\$ 30,149		
2004-07	Replacement of Water Mains	44,460		44,460		
2012-9	Various Public Improvements & Acq.	363,471		279,743	\$ 1,740	\$ 81,988
2014-15	Various Public Improvements & Acq.	281,686				281,686
2014-21	Installation of New Well and Pumping Station	900,000				900,000
2015-011	Various Public Improvements & Acq.	32,507				32,507
2016-13	Acquisition of a Dump Truck	9,668		9,668		
2016-14	Acquisition of Water Distribution Equipment and Machinery	723				723
2016-21/	Improvements to Well #7 Pumping Facility					
2017-03	and Well #17 Treatment Facility	182			182	-
2017-17	Replacement of Water Main on Glen Road	800,000			587,506	212,494
2019-06	Acquisition of Water Distribution Equipment		\$ 200,000			200,000
2019-17	Various Improvements			\$ 196,000		196,000
2019-22	Acquisition of Technology Upgrades	-	20,000	-	-	20,000
		<u>\$ 2,462,846</u>	<u>\$ 220,000</u>	<u>\$ 364,020</u>	<u>\$ 589,428</u>	<u>\$ 1,925,398</u>

EXHIBIT D-12

STATEMENT OF DUE FROM CURRENT FUND
WATER UTILITY OPERATING FUND

Balance, December 31, 2018	\$ 13,764
Decreased by:	
Receipts from Current Fund	<u>\$ 13,764</u>

EXHIBIT D-13

STATEMENT OF DUE TO/FROM ELECTRIC UTILITY OPERATING FUND
WATER UTILITY OPERATING FUND

Balance, December 31, 2018 (Due To)	\$ 33,331
Increased by:	
Water Utility Operating Fund Receipts Deposited in Electric Utility Operating Fund	<u>68,477</u>
	101,808
Decreased by:	
Payments to Electric Utility Operating Fund	<u>33,331</u>
Balance, December 31, 2019 (Due From)	<u>\$ 68,477</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF DUE TO/FROM WATER UTILITY OPERATING FUND
WATER UTILITY CAPITAL FUND**

Balance, December 31, 2018 (Due From)		\$ 562,111
Increased by:		
Payments to Water Utility Operating Fund		<u>5,302</u>
		567,413
Decreased by:		
Interest Earned	\$ 4,702	
Funded Improvement Authorization Cancelled - Reserve for WCL Improvements	119,678	
Receipts from Water Utility Operating Fund	<u>562,111</u>	
		<u>686,491</u>
Balance, December 31, 2019 (Due To)		<u>\$ 119,078</u>

**STATEMENT OF OTHER LIABILITIES
WATER UTILITY OPERATING FUND**

Increased by:		
Unallocated Cash Receipts		<u>\$ 66,597</u>
Balance, December 31, 2019		<u>\$ 66,597</u>

**STATEMENT OF DUE FROM GENERAL CAPITAL FUND
WATER UTILITY CAPITAL FUND**

Increased by:		
Premium on Bond Anticipation Notes Issued Deposited in General Capital Fund		<u>\$ 4,516</u>
Balance, December 31, 2019		<u>\$ 4,516</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF 2018 APPROPRIATION RESERVES
WATER UTILITY OPERATING FUND**

	Balance, December 31, <u>2018</u>	Cancelled <u>Restored</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING					
Other Expenses	\$ 19,981	\$ 17,551	\$ 37,532		\$ 37,532
Group Insurance	<u>15,331</u>	<u>-</u>	<u>15,331</u>	<u>-</u>	<u>15,331</u>
Total Operating	<u>35,312</u>	<u>17,551</u>	<u>52,863</u>	<u>-</u>	<u>52,863</u>
CAPITAL IMPROVEMENTS					
Capital Outlay	<u>7,904</u>	<u>-</u>	<u>7,904</u>	<u>-</u>	<u>7,904</u>
Total Capital Improvements	<u>7,904</u>	<u>-</u>	<u>7,904</u>	<u>-</u>	<u>7,904</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures					
Contribution to					
Public Employees Retirement System	4,737		4,737		4,737
Social Security System (O.A.S.I.)	<u>9,762</u>	<u>-</u>	<u>9,762</u>	<u>-</u>	<u>9,762</u>
Total Deferred Charges and Statutory Expenditures	<u>14,499</u>	<u>-</u>	<u>14,499</u>	<u>-</u>	<u>14,499</u>
	<u>\$ 57,715</u>	<u>\$ 17,551</u>	<u>\$ 75,266</u>	<u>\$ -</u>	<u>\$ 75,266</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF ENCUMBRANCES PAYABLE
WATER UTILITY OPERATING FUND**

Balance, December 31, 2018	\$ 174,822
Increased by:	
Charges to 2019 Budget Appropriations	<u>164,989</u>
	339,811
Decreased by:	
Cash Disbursements	\$ 157,271
Cancellations Restored to 2018 Appropriation Reserves	<u>17,551</u>
	<u>174,822</u>
Balance, December 31, 2019	<u><u>\$ 164,989</u></u>

**STATEMENT OF ENCUMBRANCES PAYABLE
WATER UTILITY CAPITAL FUND**

Balance, December 31, 2018	\$ 26,361
Increased by:	
Charges to Improvement Authorizations	<u>423,344</u>
	449,705
Decreased by:	
Cash Disbursements	\$ 23,880
Cancellations Restored to Improvement Authorizations	<u>154</u>
	<u>\$ 24,034</u>
Balance, December 31, 2019	<u><u>\$ 425,671</u></u>

**BOROUGH OF PARK RIDGE
STATEMENT OF OVERPAYMENTS
WATER UTILITY OPERATING FUND**

Balance, December 31, 2018	\$ 24,782
Increased by:	
Overpayments Received	<u>28,294</u>
	53,076
Decreased by:	
Overpayments Applied to Water Usage Charges Receivable	<u>24,782</u>
Balance, December 31, 2019	<u><u>\$ 28,294</u></u>

**STATEMENT OF ACCRUED INTEREST ON BONDS AND NOTES
WATER UTILITY OPERATING FUND**

Balance, December 31, 2018	\$ 22,639
Increased by:	
Budget Appropriation for Interest on Bonds and Notes	<u>63,320</u>
	85,959
Decreased by:	
Interest Paid	<u>63,310</u>
Balance, December 31, 2019	<u><u>\$ 22,649</u></u>

**BOROUGH OF PARK RIDGE
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
WATER UTILITY CAPITAL FUND**

Ord. No.	Improvement Description	Ordinance Amount	Balance, December 31, 2018		2019 Authorizations		Contracts Payable Cancelled	Paid or Charged	Authorizations Cancelled	Balance, December 31, 2019	
			Funded	Unfunded	Deferred Charges to Future Revenue	Capital Improvement Fund				Funded	Unfunded
96-8/98-11.1/											
14-03	Construction of Well #20	\$ 425,000	\$ 149	\$ 30,000					\$ 30,149		
2004-07	Replacement of Water Mains	150,000		44,460					44,460		
2012-9	Various Public Improvements and Acq.	1,085,000	363,471				\$ 1,740	279,743	\$ 81,988		
2014-15	Various Public Improvements and Acq.	470,000	11,686	270,000			112,553			\$ 169,133	
2014-21	Installation of New Well and Pumping Station	900,000		835,053			241,275				593,778
2015-11	Various Public Improvements and Acq.	315,000	32,507						32,507		
2016-13	Acquisition of a Dump Truck	180,000	4,668	5,000				9,668			
2016-14	Acq of Water Distribution Equipment and Machinery	150,000	723							723	
2016-21/ 2017-03	Improvements to Well #7 Pumping Facility and Well # 17 Treatment Facility	650,000	182				182				
2017-17	Replacement of Water Main at Glen Road	800,000		212,340			\$ 154				212,494
2019-06	Acq of Water Distribution Equipment and Machinery	200,000				\$ 200,000		185,724		14,276	
2019-17	Various Improvements	196,000			\$ 196,000			179,621			16,379
2019-22	Acquisition of Technology Upgrades	20,000	-	-	-	20,000	-	808	-	19,192	-
			<u>\$ 413,386</u>	<u>\$ 1,396,853</u>	<u>\$ 196,000</u>	<u>\$ 220,000</u>	<u>\$ 154</u>	<u>\$ 721,903</u>	<u>\$ 364,020</u>	<u>\$ 148,686</u>	<u>\$ 991,784</u>
						Cash Disbursements		\$ 298,559			
						Encumbrances Payable		<u>423,344</u>			
								<u>\$ 721,903</u>			

**BOROUGH OF PARK RIDGE
STATEMENT OF SERIAL BONDS
WATER UTILITY CAPITAL FUND**

Purpose	Date of Issue	Amount of Original Issue	Maturity of Bonds Outstanding at December 31, 2019			Balance, December 31, 2018	Decreased	Balance, December 31, 2019
			Date	Amount	Interest Rate			
Water Utility Bonds	8/16/2012	\$ 1,250,000	2020-22	\$ 85,000	2.00%			
			2023-25	90,000	2.00%			
			2026	95,000	2.10%			
			2027	95,000	2.20%	\$ 795,000	\$ 80,000	\$ 715,000
Water Utility Bonds	8/15/2013	582,000	2020-21	40,000	3.00%			
			2022-23	45,000	3.00%			
			2024	45,000	3.25%			
			2025	45,000	3.50%			
			2026	45,000	4.00%			
			2027	47,000	4.00%	392,000	40,000	352,000
Water Utility Bonds	5/15/2018	790,000	2020	50,000	2.00%			
			2021-23	55,000	2.50%			
			2024	60,000	2.50%			
			2025-26	60,000	3.00%			
			2027-28	65,000	3.00%			
			2029-30	70,000	3.00%			
			2031	75,000	3.00%	790,000	50,000	740,000

**BOROUGH OF PARK RIDGE
STATEMENT OF BOND ANTICIPATION NOTES
WATER UTILITY CAPITAL FUND**

142	Ord. No.	<u>Improvement Description</u>	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, <u>2018</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2019</u>
	14-21	Installation of New Well and Pumping Facility - Woodcliff Lake	10/8/2015	5/1/2018 5/1/2019	5/1/2019 5/1/2020	2.25 % 2.75	\$ 98,700	\$ 97,400	\$ 98,700	\$ 97,400
	17-17	Replacement of Water Main Glen Road - Woodcliff Lake	5/1/2018	5/1/2018 5/1/2019	5/1/2019 5/1/2020	2.25 % 2.75	498,300 -	498,300 498,300	498,300 -	498,300
							<u>\$ 597,000</u>	<u>\$ 595,700</u>	<u>\$ 597,000</u>	<u>\$ 595,700</u>
						Paid by Budget Appropriation Renewals		\$ 1,300 \$ 595,700		
								<u>\$ 595,700</u>	<u>\$ 597,000</u>	

**BOROUGH OF PARK RIDGE
STATEMENT OF CAPITAL IMPROVEMENT FUND
WATER UTILITY CAPITAL FUND**

Balance, December 31, 2018	\$ 281,669
Increased by:	
2019 Budget Appropriation	<u>5,000</u>
	286,669
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>220,000</u>
Balance, December 31, 2019	<u>\$ 66,669</u>

**STATEMENT OF RESERVE FOR AMORTIZATION
WATER UTILITY CAPITAL FUND**

Balance, December 31, 2018	\$ 13,405,671
Increased by:	
Serial Bonds Paid by Operating Budget	\$ 170,000
Bond Anticipation Notes Paid by Budget	<u>1,300</u>
	<u>171,300</u>
	13,576,971
Decreased by:	
Funded Authorizations Cancelled to Fund Balance	164,882
Funded Authorizations Cancelled to Reserve for WCL Improvements - Due to Water Utility Operating Fund	<u>119,678</u>
	<u>284,560</u>
Balance, December 31, 2019	<u>\$ 13,292,411</u>

**STATEMENT OF DEFERRED RESERVE FOR AMORTIZATION
WATER UTILITY CAPITAL FUND**

<u>Ord. No.</u>	<u>Improvement Description</u>	Balance, December 31, <u>2018</u>	Fixed Capital <u>Authorized</u>	Balance, December 31, <u>2019</u>
2016-14	Acq. Of Water Distribution Equipment and Machinery	\$ 723		\$ 723
2019-06	Acq. Of Water Distribution Equipment and Machinery		\$ 200,000	200,000
2019-22	Acquisition of Technology Upgrades	<u>-</u>	<u>20,000</u>	<u>20,000</u>
		<u>\$ 723</u>	<u>\$ 220,000</u>	<u>\$ 220,723</u>
Capital Improvement Fund			<u>\$ 220,000</u>	

**BOROUGH OF PARK RIDGE
STATEMENT OF MISCELLANEOUS RESERVES
WATER UTILITY OPERATING FUND**

	Balance, December 31, <u>2018</u>	<u>Increased</u>	Realized in 2019 <u>Budget</u>	Balance, December 31, <u>2019</u>
Payment of Water Tank	\$ 9,201			\$ 9,201
Construction of Water Line	1,500			1,500
Woodcliff Lake Improvements	374,139	\$ 219,797	\$ 65,508	528,428
Handy Harmon Settlement	<u>956,068</u>	<u>-</u>	<u>-</u>	<u>956,068</u>
	<u>\$ 1,340,908</u>	<u>\$ 219,797</u>	<u>\$ 65,508</u>	<u>\$ 1,495,197</u>
Woodcliff Lake Surcharge Collected		\$ 100,119		
Funded Improvement Authorization Cancelled - Due From Water Utility Capital Fund		<u>119,678</u>		
		<u>\$ 219,797</u>		

EXHIBIT D-29

**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
WATER UTILITY CAPITAL FUND**

Ord. <u>No.</u>	<u>Purpose</u>	Balance, December 31, <u>2018</u>	2019 <u>Authorizations</u>	<u>Cancelled</u>	Balance, December 31, <u>2019</u>
98-11.1	Construction of Well #20	\$ 30,000		\$ 30,000	
2004-07	Replacement of Water Mains	44,460		44,460	
2014-15	Various Public Improvements & Acq.	270,000			\$ 270,000
2014-21	Installation of New Well and Pumping Station	800,000			800,000
2016-13	Acquisition of a Dump Truck	5,000		5,000	
2017-17	Replacement of Water Main Glen Road - WCL	301,700			301,700
2019-17	Various Improvements	<u>-</u>	<u>\$ 196,000</u>	<u>-</u>	<u>196,000</u>
		<u>\$ 1,451,160</u>	<u>\$ 196,000</u>	<u>\$ 79,460</u>	<u>\$ 1,567,700</u>

ELECTRIC UTILITY FUND

**BOROUGH OF PARK RIDGE
STATEMENT OF CASH - COLLECTOR/TREASURER
ELECTRIC UTILITY FUND**

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2018	\$ 1,508,415	\$ 951,466
Increased by Receipts:		
Light and Power Charges Receivable	\$ 8,955,157	
Other Charges Receivable	17,610	
Interest on Delinquent Accounts	33,840	
Interest on Deposits		\$ 16,288
Non-Budget Revenue	112,045	
Petty Cash	300	
Overpayments	23,019	
2019 Budget Appropriation - Capital Improvement Fund		5,000
Reserve for Redevelopment Project Improvements		63,868
Receipts from Water Utility Operating Fund	33,331	
Receipts for Water Utility Operating Fund	68,477	
Receipts from Electric Utility Operating Fund		24,107
Receipts from Electric Utility Capital Fund	16,288	
Receipts from Utility Trust Fund	4,856	-
	<u>9,264,923</u>	<u>109,263</u>
	10,773,338	1,060,729
Decreased by Disbursements:		
2019 Appropriations	8,409,554	
2018 Appropriation Reserves	16,005	
Petty Cash	300	
Encumbrances Payable	491,673	96,076
Improvement Authorizations		182,935
Interest on Bonds	31,368	
Payments to Current Fund	74,310	
Payments to General Capital Fund		3,904
Payments to Electric Utility Operating Fund		16,288
Payments to Electric Utility Capital Fund	24,107	-
	<u>9,047,317</u>	<u>299,203</u>
Balance, December 31, 2019	<u>\$ 1,726,021</u>	<u>\$ 761,526</u>

**BOROUGH OF PARK RIDGE
ANALYSIS OF CASH
ELECTRIC UTILITY CAPITAL FUND**

Balance,
December 31,
2019

Fund Balance	\$ 41,610
Capital Improvement Fund	97,500
Encumbrances Payable	302,282
Reserve for Capital Improvements	175,000
Improvement Authorizations:	
Ord.	
<u>No.</u>	<u>Description</u>
2019-07	Purchase of Electric Distribution Infrastructure
	Materials and Capital Improvements
	98,175
2019-16	Various Capital Improvements
	(72,005)
2019-23	Technology Update
	18,191
2019-26	Acquisition of Bucket Truck and Electric
	Distribution System Infrastructure Materials
	31,938
2019-27	Acquisition of Electric Metering Equipment and
	Related Expenses
	<u>68,835</u>
	<u>\$ 761,526</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF CHANGE FUNDS
ELECTRIC UTILITY OPERATING FUND**

Balance, December 31, 2018	\$ <u>75</u>
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Balance, December 31, 2019	\$ <u>75</u>
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**STATEMENT OF PETTY CASH
ELECTRIC UTILITY OPERATING FUND**

Increased by:	
Receipts from Treasurer	\$ 300
Decreased by:	
Returned to Treasurer	<u>300</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF LIGHT AND POWER CHARGES RECEIVABLE
ELECTRIC UTILITY OPERATING FUND**

Balance, December 31, 2018		\$ 504,261
Increased by:		
Light and Power Charges Levied		<u>9,020,376</u>
		9,524,637
Decreased by:		
Light and Power Charges Collected	\$ 8,955,157	
Overpayments Applied	<u>18,822</u>	
		<u>8,973,979</u>
Balance, December 31, 2019		<u>\$ 550,658</u>

**STATEMENT OF OTHER CHARGES RECEIVABLE
ELECTRIC UTILITY OPERATING FUND**

Balance, December 31, 2018		\$ 18,580
Increased by:		
Other Electric Charges Levied - Dusk to Dawn		<u>17,607</u>
		36,187
Decreased by:		
Other Electric Charges Collected - Dusk to Dawn		<u>17,610</u>
Balance, December 31, 2019		<u>\$ 18,577</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF FIXED CAPITAL
ELECTRIC UTILITY CAPITAL FUND**

	Balance, December 31, <u>2018</u>	Additions By:		Balance, December 31, <u>2019</u>
		Budget Capital <u>Outlay</u>	<u>Ordinance</u>	
Structures and Improvements	\$ 1,347,683		\$ 89,692	\$ 1,437,375
Electric Wire Storage Shed	320,326			320,326
Regulating Station	6,102			6,102
Hydro Generator-Equipment	7,732			7,732
Mill Road Substation	932,713			932,713
Brae Boulevard Substation	1,691,727			1,691,727
Poles, Towers and Fixtures	509,171		34,498	543,669
Cable & Wires	1,124,199		45,156	1,169,355
Underground Conduit	107,584		21,408	128,992
Underground Conductors & Devices	204,226			204,226
Line Transformers	692,557		94,562	787,119
Installation of Customers' Services	8,817			8,817
Office Furniture, Etc.-Equipment	231,147			231,147
Vehicles/Equipment	1,135,274			1,135,274
Meters & Current Transformers	342,847	\$ 52,078	9,872	404,797
Street Lighting & Signal System	354,943		5,020	359,963
Tools, Shop & Garage Equipment	289,743			289,743
Computer Hardware/Software-Equipment	248,523			248,523
Meter Reading System-Equipment	12,660			12,660
Smoke Detectors-Equipment	149,897			149,897
Municipal Improvement	75,000			75,000
Holiday Decorations-Equipment	67,416			67,416
Store Equipment	12,880			12,880
Laboratory Equipment	6,397			6,397
Miscellaneous Equipment	89,935			89,935
Bear's Nest Village- Regulating Station	713,408			713,408
Construction of Additional Voltage Regulator	149,395			149,395
Construction of Mini-Substation	349,865			349,865
Recreational Lighting-Equipment	13,113			13,113
Scada System	117,028			117,028
Improvement to Utility Garage	225,962			225,962
Improvement to Electric System	226,522			226,522
Conversion Mill Road Substation & Museum	250,000			250,000
Replace Brae Road Transformer	244,881			244,881
Pick-up Trucks	64,113			64,113
Aerial Bucket Trucks	560,880			560,880
Mini Excavator and Trailer	65,105	-	-	65,105
	<u>\$ 12,949,771</u>	<u>\$ 52,078</u>	<u>\$ 300,208</u>	<u>\$ 13,302,057</u>
2019 Budget Appropriations		\$ 52,054		
2018 Appropriation Reserves		24		
		<u>\$ 52,078</u>		

BOROUGH OF PARK RIDGE
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
ELECTRIC UTILITY CAPITAL FUND

Ord. No.	Improvement Description	Balance, December 31, 2018	2019 Authorizations		Costs to Fixed Capital	Authorizations Cancelled	Balance, December 31, 2019
			Deferred Reserve for Amortization	Deferred Charges to Future Revenue			
2011-21/							
2012-10	Various Public Impvts./Acqu. of Vehicle	\$ 3,208				\$ 3,208	
2012-04	Acquisition of Aerial Bucket Truck	18,880				18,880	
2014-04	Purchase of Electric Distribution Infrastructure Materials	208			\$ 208		
2014-14/	Acquisition of Mini-Excavator and Install						
2015-15	Circuit Breakers at Mill Pond Station	24,934				24,934	
2016-12	Acquisition of Aerial Bucket	23,992				23,992	
2017-16	Purchase of Electric Distribution Infrastructure Materials	200,000			200,000		
2019-05	Acquisition of Electric Distribution Infrastructure Materials and Related Expenses		\$ 100,000		100,000		-
2019-07	Purchase of Electric Distribution Infrastructure Materials and Capital Improvements		175,000				\$ 175,000
2019-16	Various Capital Improvements			\$ 226,000			226,000
2019-23	Technology Update		19,000				19,000
2019-26	Acquisition of Bucket Truck and Electric Distribution System Infrastructure Materials		262,000				262,000
2019-27	Acquisition of Electric Metering Equipment and Related Expenses	-	68,868	-	-	-	68,868
		<u>\$ 271,222</u>	<u>\$ 624,868</u>	<u>\$ 226,000</u>	<u>\$ 300,208</u>	<u>\$ 71,014</u>	<u>\$ 750,868</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF DUE TO CURRENT FUND
ELECTRIC UTILITY OPERATING FUND**

Balance, December 31, 2018	\$ 74,310
Decreased by:	
Payments to Current Fund	<u>74,310</u>

**STATEMENT OF DUE FROM ELECTRIC UTILITY OPERATING FUND
ELECTRIC UTILITY CAPITAL FUND**

Balance, December 31, 2018	\$ 24,107
Increased by:	
Payments to Electric Utility Operating Fund	<u>16,288</u>
	40,395
Decreased by:	
Interest Earned	\$ 16,288
Receipts from Electric Utility Operating Fund	<u>24,107</u>
	<u>40,395</u>

**STATEMENT OF DUE TO GENERAL CAPITAL FUND
ELECTRIC UTILITY CAPITAL FUND**

Balance, December 31, 2018	\$ 3,904
Decreased by:	
Payments to General Capital Fund	<u>3,904</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF 2018 APPROPRIATION RESERVES
ELECTRIC UTILITY OPERATING FUND**

	Balance, December 31, <u>2018</u>	Encumbrances <u>Restored</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING					
Salaries and Wages	\$ 3,446		\$ 3,446		\$ 3,446
Other Expenses	108,889	\$ 4,367	113,256		113,256
Group Health Insurance	22,784		22,784	\$ 268	22,516
Purchase of Electric Current	<u>78,216</u>	<u>-</u>	<u>78,216</u>	<u>15,701</u>	<u>62,515</u>
Total Operating	<u>213,335</u>	<u>4,367</u>	<u>217,702</u>	<u>15,969</u>	<u>201,733</u>
CAPITAL IMPROVEMENTS					
Capital Outlay	<u>10,863</u>	<u>-</u>	<u>10,863</u>	<u>24</u>	<u>10,839</u>
Total Capital Improvements	<u>10,863</u>	<u>-</u>	<u>10,863</u>	<u>24</u>	<u>10,839</u>
DEFERRED CHARGES AND STATUTORY					
Statutory Expenditures					
Contribution to					
Public Employees Retirement System	779		779	12	767
Social Security System (O.A.S.I.)	<u>13,234</u>	<u>-</u>	<u>13,234</u>	<u>-</u>	<u>13,234</u>
Total Deferred Charges and Statutory Expenditures	<u>14,013</u>	<u>-</u>	<u>14,013</u>	<u>12</u>	<u>14,001</u>
	<u>\$ 238,211</u>	<u>\$ 4,367</u>	<u>\$ 242,578</u>	<u>\$ 16,005</u>	<u>\$ 226,573</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF ENCUMBRANCE PAYABLE
ELECTRIC UTILITY OPERATING FUND**

Balance, December 31, 2018	\$ 496,040
Increased by:	
Charges to 2019 Budget Appropriations	<u>424,007</u>
	920,047
Decreased by:	
Cash Disbursements	\$ 491,673
Cancellations Restored to 2018 Appropriation Reserves	<u>4,367</u>
	<u>496,040</u>
Balance, December 31, 2019	<u>\$ 424,007</u>

**STATEMENT OF ENCUMBRANCES PAYABLE
ELECTRIC UTILITY CAPITAL FUND**

Balance, December 31, 2018	\$ 96,076
Increased by:	
Charges to Improvement Authorizations	<u>302,282</u>
	398,358
Decreased by:	
Cash Disbursements	<u>96,076</u>
Balance, December 31, 2019	<u>\$ 302,282</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF ACCRUED INTEREST ON BONDS
ELECTRIC UTILITY OPERATING FUND**

Balance, December 31, 2018	\$ 3,707
Increased by:	
Budget Appropriation for Interest on Bonds	<u>30,920</u>
	34,627
Decreased by:	
Interest Paid	<u>31,368</u>
Balance, December 31, 2019	<u>\$ 3,259</u>

**STATEMENT OF RESERVE FOR CAPITAL IMPROVEMENTS
ELECTRIC UTILITY CAPITAL FUND**

Balance, December 31, 2018	\$ 437,000
Decreased by:	
Appropriation to Finance Improvement Authorization	<u>262,000</u>
Balance, December 31, 2019	<u>\$ 175,000</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
ELECTRIC UTILITY CAPITAL FUND**

Ord. No.	Improvement Description	Ordinance Amount	2019 Authorizations									
			Balance, December 31, 2018		Deferred Charges to Future Revenue	Reserve for Capital Improvements	Capital Improvement Fund	Reserve for Redevelopment Project Imprvts	Paid or Charged	Authorizations Cancelled	Balance, December 31, 2019	
			Funded	Unfunded							Funded	Unfunded
2011-21/ 2012-10	Var Pub. Impvts./Acqu. of Vehicle	\$ 415,000	\$ 3,208							\$ 3,208		
2012-04	Acquisition of Aerial Bucket Truck	200,000	18,880							18,880		
2014-04	Purchase of Electric Distribution Infrastructure Materials	125,000	208						\$ 208			
2014-14/ 2015-15	Acquisition of Mini-Excavator and Install Circuit Breakers at Mill Road Station	385,000	5,264	\$ 19,670							24,934	
2016-12	Acquisition of Aerial Bucket	250,000	8,662	15,330							23,992	
2017-16	Purchase of Electric Distribution Infrastructure Materials	200,000	5,275						5,275			
2019-05	Acquisition of Electric Distribution Infrastructure Materials and Related Expenses	100,000						\$ 100,000	100,000			
2019-07	Purchase of Electric Distribution Infrastructure Materials and Capital Improvements	175,000					\$ 175,000		76,825		\$ 98,175	
2019-16	Various Capital Improvements	226,000			\$ 226,000				72,005			\$ 153,995
2019-23	Technology Update	19,000					19,000		809		18,191	
2019-26	Acquisition of Bucket Truck and Electric Distribution System Infrastructure Materials	262,000				\$ 262,000			230,062		31,938	
2019-27	Acquisition of Electric Metering Equipment and Related Expenses	68,868	-	-	-	-	-	68,868	33	-	68,835	-
			<u>\$ 41,497</u>	<u>\$ 35,000</u>	<u>\$ 226,000</u>	<u>\$ 262,000</u>	<u>\$ 194,000</u>	<u>\$ 168,868</u>	<u>\$ 485,217</u>	<u>\$ 71,014</u>	<u>\$ 217,139</u>	<u>\$ 153,995</u>
							Cash Disbursements		\$ 182,935			
							Contracts Payable		<u>302,282</u>			
									<u>\$ 485,217</u>			

**BOROUGH OF PARK RIDGE
STATEMENT OF SERIAL BONDS
ELECTRIC UTILITY CAPITAL FUND**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturity of Bonds Outstanding at December 31, 2019</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2018</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2019</u>
			<u>Date</u>	<u>Amount</u>					
Electric Utility Bonds	10/15/2007	\$ 1,693,000	2020	168,000	4.000%	\$ 343,000		\$ 175,000	\$ 168,000
Electric Utility Bonds	8/15/2012	695,000				105,000		105,000	
Electric Utility Bonds	8/15/2013	100,000				20,000		20,000	
Electric Utility Bonds	5/16/2018	600,000	2020	50,000	2.000%				
			2021	60,000	2.500%				
			2022	60,000	2.500%				
			2023	60,000	2.500%				
			2024	65,000	2.500%				
			2025	65,000	3.000%				
			2026	65,000	3.000%				
			2027	70,000	3.000%				
			2028	70,000	3.000%	600,000	\$ -	35,000	565,000
						<u>\$1,068,000</u>	<u>\$ -</u>	<u>\$ 335,000</u>	<u>\$ 733,000</u>
Paid by Budget Appropriation								<u>\$ 335,000</u>	

**BOROUGH OF PARK RIDGE
STATEMENT OF CAPITAL IMPROVEMENT FUND
ELECTRIC UTILITY CAPITAL FUND**

Balance, December 31, 2018	\$ 286,500
Increased by:	
2019 Budget Appropriation	<u>5,000</u>
	291,500
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>194,000</u>
Balance, December 31, 2019	<u>\$ 97,500</u>

EXHIBIT E-24

**STATEMENT OF RESERVE FOR AMORTIZATION
ELECTRIC UTILITY CAPITAL FUND**

Balance, December 31, 2018	\$ 11,917,785
Increased by:	
Serial Bonds Paid by Operating Budget	\$ 335,000
Capital Outlay Operating Budget:	
2019 Budget Appropriations	52,054
2018 Appropriation Reserves	24
Transfer from Deferred Reserve for Amortization	<u>300,208</u>
	<u>687,286</u>
	12,605,071
Decreased by:	
Authorizations Cancelled to Fund Balance	<u>36,014</u>
Balance, December 31, 2019	<u>\$ 12,569,057</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF DEFERRED RESERVE FOR AMORTIZATION
ELECTRIC UTILITY CAPITAL FUND**

Ord. No.	Improvement Description	Balance, December 31, 2018	Fixed Capital Authorized	To Reserve For Amortization Fixed Capital	Balance, December 31, 2019
14-04	Purchase of Electric Distribution Infrastructure Materials	\$ 208		\$ 208	
17-16	Purchase of Electric Distribution Infrastructure Materials	200,000		200,000	
19-05	Acq of Electric Distribution Infrastructure		\$ 100,000	100,000	
19-07	Purchase of Electric Distribution and Imprvts		175,000		\$ 175,000
19-23	Technology Update		19,000		19,000
19-26	Acq of Bucket Truck and Electric Materials		262,000		262,000
19-27	Acq of Metering Equipment	-	68,868	-	68,868
		<u>\$ 200,208</u>	<u>\$ 624,868</u>	<u>\$ 300,208</u>	<u>\$ 524,868</u>
	Capital Improvement Fund		\$ 194,000		
	Reserve for Capital Improvements		262,000		
	Reserve for Redevelopment Payment Improvements		<u>168,868</u>		
			<u>\$ 624,868</u>		

EXHIBIT E-26

**STATEMENT OF OVERPAYMENTS
ELECTRIC UTILITY OPERATING FUND**

Balance, December 31, 2018	\$ 18,822
Increased by:	
Overpayments Received	<u>23,019</u>
	41,841
Decreased by:	
Overpayments Applied to Light and Power Charges Receivable	<u>18,822</u>
Balance, December 31, 2019	<u>\$ 23,019</u>

EXHIBIT E-27

**STATEMENT OF RESERVE FOR REDEVELOPMENT PROJECT IMPROVEMENTS
ELECTRIC UTILITY CAPITAL FUND**

Balance, December 31, 2018	\$ 105,000
Increased by:	
Cash Receipts	<u>63,868</u>
	168,868
Decreased by:	
Appropriation to Finance Improvement Authorization	<u>168,868</u>

BOROUGH OF PARK RIDGE
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
ELECTRIC UTILITY CAPITAL FUND

Ord. No.	Purpose	Balance, December 31, 2018	2019 Authorizations	Cancelled	Balance, December 31, 2019
2014-14/	Acquisition of Min-Excavator and Install				
2015-15	Circuit Breakers at Mill Road Station	\$ 19,670		\$ 19,670	
2016-12	Acquisition of Aerial Bucket	15,330		15,330	
2019-16	Various Capital Improvements	<u>-</u>	<u>\$ 226,000</u>	<u>-</u>	<u>\$ 226,000</u>
		<u>\$ 35,000</u>	<u>\$ 226,000</u>	<u>\$ 35,000</u>	<u>\$ 226,000</u>

UTILITY TRUST FUND

BOROUGH OF PARK RIDGE
STATEMENT OF CASH - UTILITY TRUST FUND

Balance, December 31, 2018		\$ 784,554
Increased by Receipts:		
Interest Earned	\$ 14,715	
Water and Electric Utility Deposit Payable	<u>134,896</u>	
		<u>149,611</u>
		934,165
Decreased by Disbursements:		
Deposits Payable	60,564	
Payments to Water Utility Operating Fund	9,859	
Payments to Electric Utility Operating Fund	<u>4,856</u>	
		<u>75,279</u>
Balance, December 31, 2019		<u>\$ 858,886</u>

STATEMENT OF DEPOSIT PAYABLE
UTILITY TRUST FUND

	Balance, December 31, <u>2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2019</u>
Water Utility Customers	\$ 526,002	\$ 49,718	\$ 27,824	\$ 547,896
Electric Utility Customers	<u>258,552</u>	<u>85,178</u>	<u>32,740</u>	<u>310,990</u>
	<u>\$ 784,554</u>	<u>\$ 134,896</u>	<u>\$ 60,564</u>	<u>\$ 858,886</u>
Cash Receipts		\$ 134,896		
Cash Disbursements		<u>-</u>	<u>\$ 60,564</u>	
		<u>\$ 134,896</u>	<u>\$ 60,564</u>	

**BOROUGH OF PARK RIDGE
STATEMENT OF DUE TO WATER UTILITY OPERATING FUND
UTILITY TRUST FUND**

Increased by:	
Interest on Deposits	\$ 9,859
Decreased by:	
Payments to Water Utility Operating Fund	<u>\$ 9,859</u>

**STATEMENT OF DUE TO ELECTRIC UTILITY OPERATING FUND
UTILITY TRUST FUND**

Increased by:	
Interest on Deposits	\$ 4,856
Decreased by:	
Payments to Electric Utility Operating Fund	<u>\$ 4,856</u>

SWIM POOL UTILITY FUND

**BOROUGH OF PARK RIDGE
STATEMENT OF CASH - COLLECTOR/TREASURER
SWIM POOL UTILITY FUND**

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2018	\$ 390,278	\$ 28,153
Increased by Receipts:		
Membership Fees	\$ 249,880	
Miscellaneous Revenue	61,854	
Receipts from Swim Pool Utility Operating Fund		\$ 25,825
Interest Earned		567
Receipts from Swim Pool Utility Capital Fund	5,930	
Petty Cash	250	-
	<u>317,914</u>	<u>26,392</u>
	708,192	54,545
Decreased by Disbursements:		
2019 Budget Appropriations	264,347	
2018 Appropriation Reserves	4,071	
Encumbrances	29,705	
Payment of Bond Anticipation Notes Payable		5,363
Accrued Interest on Notes	293	
Petty Cash	250	
Payments to Swim Pool Utility Operating Fund		5,930
Payments for Swim Pool Utility Operating Fund		7,637
Payments to Swim Pool Utility Capital Fund	25,825	-
	<u>324,491</u>	<u>18,930</u>
Balance, December 31, 2019	<u>\$ 383,701</u>	<u>\$ 35,615</u>

EXHIBIT G-6

**ANALYSIS OF CASH
SWIM POOL UTILITY CAPITAL FUND**

	Balance, December 31, <u>2019</u>
Fund Balance	\$ 19,615
Capital Improvement Fund	<u>16,000</u>
	<u>\$ 35,615</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF PETTY CASH
SWIM POOL UTILITY OPERATING FUND**

Increased by:		
Receipts from Treasurer	\$	250
Decreased by:		
Returned to Treasurer	\$	<u>250</u>

**STATEMENT OF DUE FROM SWIM POOL UTILITY OPERATING FUND
SWIM POOL UTILITY CAPITAL FUND**

Balance, December 31, 2018	\$	12,825	
Increased by:			
Payments to Swim Pool Utility Operating Fund	\$	5,930	
Payments Made for Swim Pool Utility Operating Fund		<u>7,637</u>	
			<u>13,567</u>
			26,392
Decreased by:			
Interest Earned		567	
Cash Receipts from Swim Pool Utility Operating Fund		<u>25,825</u>	
			<u>26,392</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF FIXED CAPITAL
SWIM POOL UTILITY CAPITAL FUND**

	Balance, December 31, <u>2018</u>	Additions By: Budget <u>Capital Outlay</u>	Balance, December 31, <u>2019</u>
Municipal Pool	\$ 841,996	\$ 2,550	\$ 844,546
Swim Pool Slide	48,900		48,900
Sanitary Sewer Reconstruction	5,075		5,075
Painting & Sandblasting	10,000	39,900	49,900
Handicapped Improvements	87,238	-	87,238
Snack Bar Improvements		1,110	1,110
Bridge	8,260		8,260
Electrical Work	4,520		4,520
Furniture	20,493	11,275	31,768
Recreation Equipment	5,023		5,023
Other Equipment	32,984	3,593	36,577
Landscaping	5,223		5,223
Land Improvements	18,379		18,379
Water Sprinklers	8,785		8,785
Parking Lot Improvement	21,726		21,726
Security Lock	750		750
Small Tools	1,146	-	1,146
	<u>\$ 1,120,498</u>	<u>\$ 58,428</u>	<u>\$ 1,178,926</u>
2019 Budget		\$ 18,528	
2018 Prior Period Adjustment		<u>39,900</u>	
		<u>\$ 58,428</u>	

**BOROUGH OF PARK RIDGE
STATEMENT OF 2018 APPROPRIATION RESERVES
SWIM POOL UTILITY OPERATING FUND**

	Balance, December 31, <u>2018</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING				
Salaries and Wages	\$ 12	\$ 12		\$ 12
Other Expenses	<u>37,345</u>	<u>37,345</u>	\$ 4,071	<u>33,274</u>
Total Operating	<u>37,357</u>	<u>37,357</u>	<u>4,071</u>	<u>33,286</u>
CAPITAL IMPROVEMENTS				
Capital Outlay	<u>30,100</u>	<u>30,100</u>	-	<u>30,100</u>
Total Statutory Expenditures	<u>30,100</u>	<u>30,100</u>	-	<u>30,100</u>
	<u>\$ 67,457</u>	<u>\$ 67,457</u>	<u>\$ 4,071</u>	<u>\$ 63,386</u>

**STATEMENT OF ENCUMBRANCES PAYABLE
SWIM POOL UTILITY OPERATING FUND**

Balance, December 31, 2018	\$ 29,705
Increased by:	
Charges to 2019 Budget Appropriations	<u>7,643</u>
	37,348
Decreased by:	
Cash Disbursement	<u>29,705</u>
Balance, December 31, 2019	<u>\$ 7,643</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF ACCRUED INTEREST ON NOTES
SWIM POOL UTILITY OPERATING FUND**

Balance, December 31, 2018	\$ 198
Increased by:	
Budget Appropriation for Interest on Notes	<u>95</u>
	293
Decreased by:	
Cash Disbursements	<u>293</u>

EXHIBIT G-13

**STATEMENT OF CAPITAL IMPROVEMENT FUND
SWIM POOL UTILITY CAPITAL FUND**

Balance, December 31, 2018	<u>\$ 16,000</u>
Balance, December 31, 2019	<u>\$ 16,000</u>

EXHIBIT G-14

**STATEMENT OF RESERVE FOR AMORTIZATION
SWIM POOL UTILITY CAPITAL FUND**

Balance, December 31, 2018	\$ 1,112,861
Increased by:	
Notes Paid by Budget Appropriation	\$ 7,637
Capital Outlay	
By Operating Budget - 2019	18,528
By Operating Budget - 2018 Prior Period Adjustment	<u>39,900</u>
	<u>66,065</u>
Balance, December 31, 2019	<u>\$ 1,178,926</u>

Ord. No.	<u>Improvement Description</u>	Date of Issue of Original <u>Note</u>	Date of <u>Issue</u>	Date of <u>Maturity</u>	Interest <u>Rate</u>	Balance, December 31, <u>2018</u>	<u>Decreased</u>	Balance, December 31, <u>2019</u>
15-02	Installation of Slide and Volleyball Court at Municipal Pool	10/8/2015	5/1/2018	5/1/2019	2.25%	\$ 13,000	\$ 13,000	-
						<u>\$ 13,000</u>	<u>\$ 13,000</u>	<u>\$ -</u>
				Paid by Budget Appropriation			\$ 7,637	
				Paid by Capital Cash			<u>5,363</u>	
							<u>\$ 13,000</u>	

PUBLIC ASSISTANCE FUND

**BOROUGH OF PARK RIDGE
STATEMENT OF PUBLIC ASSISTANCE CASH - TREASURER**

	<u>Total</u>	<u>Account #1</u>	<u>Account #2</u>
Balance, December 31, 2018	\$ 10,592	\$ 1,960	\$ 8,632
Increased by:			
State Aid	49,500		49,500
Interest on Investments	<u>248</u>	<u>35</u>	<u>213</u>
	60,340	1,995	58,345
Decreased by:			
Public Assistance Expenditures Eligible for State Aid	32,215		32,215
Payments to Current Fund	<u>2,376</u>	<u>2</u>	<u>2,374</u>
Balance, December 31, 2019	<u>\$ 25,749</u>	<u>\$ 1,993</u>	<u>\$ 23,756</u>

**STATEMENT OF DUE TO CURRENT FUND
PUBLIC ASSISTANCE FUND**

Balance, December 31, 2018	\$ 2,200
Increased by:	
Interest on Investments	<u>215</u>
	2,415
Decreased by:	
Payments to Current Fund	<u>2,376</u>
Balance, December 31, 2019	<u>\$ 39</u>

BOROUGH OF PARK RIDGE
STATEMENT OF RESERVE FOR PUBLIC ASSISTANCE EXPENDITURES

	<u>Total</u>	<u>Account #1</u>	<u>Account #2</u>
Balance, December 31, 2018	\$ 8,392	\$ 1,960	\$ 6,432
Increased by:			
Revenues	<u>49,533</u>	<u>33</u>	<u>49,500</u>
	57,925	1,993	55,932
Decreased by:			
Expenditures	<u>32,215</u>	<u>-</u>	<u>32,215</u>
Balance, December 31, 2019	<u>\$ 25,710</u>	<u>\$ 1,993</u>	<u>\$ 23,717</u>

EXHIBIT H-4

STATEMENT OF PUBLIC ASSISTANCE REVENUES

	<u>Total</u>	<u>Account #1</u>	<u>Account #2</u>
State Aid Payments:	\$ 49,500		\$ 49,500
Interest on Investments	<u>33</u>	<u>\$ 33</u>	<u>-</u>
Total Revenues	49,533	33	49,500
Interest on Investments - Due to Current Fund	<u>215</u>	<u>2</u>	<u>213</u>
Total Receipts	<u>\$ 49,748</u>	<u>\$ 35</u>	<u>\$ 49,713</u>

EXHIBIT H-5

STATEMENT OF PUBLIC ASSISTANCE EXPENDITURES

	<u>Total</u>	<u>Account #1</u>	<u>Account #2</u>
Current Year Assistance Reported			
Maintenance	\$ 16,970	-	\$ 16,970
Temporary Rental Assistance			11,710
Shelter/Motel/Housing Assistance			2,950
Home Furnishing Assistance	<u>585</u>	<u>-</u>	<u>585</u>
Total Expenditures	\$ 17,555	\$ -	\$ 32,215
Due to Current Fund	<u>2,376</u>	<u>2</u>	<u>2,374</u>
Total Disbursements	<u>\$ 19,931</u>	<u>\$ 2</u>	<u>\$ 34,589</u>

**BOROUGH OF PARK RIDGE
BERGEN COUNTY, NEW JERSEY**

PART II

GOVERNMENT AUDITING STANDARDS

YEAR ENDED DECEMBER 31, 2019

LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, CPA

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

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Park Ridge
Park Ridge, New Jersey

We have audited, in accordance with the 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, the financial statements – regulatory basis of the Borough of Park Ridge as of and for the year ended December 31, 2019, and the related notes to the financial statements, and have issued our report thereon dated July 28, 2020. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was modified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund financial statements.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Park Ridge's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Borough of Park Ridge in Part III of this report of audit entitled, "Letter of Comments and Recommendations".

Purpose of this Report

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

LERCH, VINCI & HIGGINS, LLP

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



Jeffery C. Bliss
Registered Municipal Accountant
RMA Number CR00427

Fair Lawn, New Jersey
July 28, 2020

BOROUGH OF PARK RIDGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	State Account Number	CFDA Number	Grant Year	Award Amount	2019 Grant Receipts	Balance January 1, 2019	Revenue Realized	Expended	Cancelled	Balance December 31, 2019	Cumulative Expended
<u>Federal Program</u>											
U.S. Department of Transportation (Passed through State Department of Law and Public Safety)											
Impaired Driving Countermeasure	066-1160-100-157	20.616	2016	\$ 3,077		\$ 3,077		\$ 3,077			\$ 3,077
Drive Sober or Get Pulled Over	066-1160-100-157	20.601	2017	5,500		5,500		5,500			5,500
Occupant Protection	066-1160-100-155	20.616	2016	4,402		4,402				\$ 4,402	
Distracted Driver	066-1160-100-158	20.616	2017	5,500		5,500		5,500			5,500
U.S. Department of Homeland Security											
Disaster Grants											
(Passed through the State Department of Law and Public Safety)											
FEMA - Severe Winter Storm & Snow Storm Quinn	066-1200-100-C27	97.036	2019	48,842	\$ 48,842		\$ 48,842	48,842			48,842
FEMA - Severe Winter Storm & Snow Storm Quinn	066-1200-100-C27	97.036	2019	52,650	52,650		52,650	52,650			52,650
U.S. Department of Environmental Protection											
(Passed through State Department of Environmental Protection)											
Recreational Trails Program		20.219									
Woodcliff Lake Reservoir Walkway (Ord 16-11)	100424875205		2016	24,000		19,815				19,815	4,185
U.S. Department of Agriculture											
(Passed through State Forestry Services)											
Cooperative Forestry Assistance	042-4870-100-038	10.664	2015	3,000		3,000	-	-	-	3,000	
						<u>\$ 41,294</u>	<u>\$ 101,492</u>	<u>\$ 115,569</u>	<u>\$ -</u>	<u>\$ 27,217</u>	

Note: The Federal Awards programs were not subject to an audit in accordance with U.S. Uniform Guidance.

See Accompanying Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance

BOROUGH OF PARK RIDGE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2019

<u>State Grant Program</u>	<u>Account Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2019 Grant Receipts</u>	<u>Balance, January 1, 2019</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Program Income</u>	<u>Balance, December 31, 2019</u>	<u>Cumulative Expended</u>
Drug and Alcohol Municipal Alliance (Passed through Bergen County)	N/A	2019	\$ 9,876			\$ 9,876				\$ 9,876	
		2018	9,876	\$ 4,561	\$ 9,876		\$ 1,008	\$ 7,490		1,378	\$ 1,008
		2017	2,511		2,511			2,511			
		2016	6,727		2,528		2,528				6,727
		2015	4,989		1,831		1,831				4,989
Clean Communities Grant Program	042-4900-765-004	2019	19,586	\$ 19,586		19,586				19,586	
		2018	17,549		17,549		15,684			1,865	15,684
		2017	18,342		10,936		10,936			-	18,342
Bulletproof Vest Partnership Grant		2019	382			382				382	
Alcohol Education and Rehabilitation	098-9735-760-001	2019	161	161		161				161	
		2018	586		586					586	
		2017	165		165					165	
		2016	423		423					423	
		2015	1,653		1,653					1,653	
		2014	1,123		416					416	707
Department of Community Affairs Domestic Violence Grant	N/A	Prior	2,178		2,178					2,178	
Body Armor Replacement Fund	066-1020-718-001	2018	4,324	2,229		4,324				4,324	
		2017	2,027		1,147					1,147	880
		2016	2,024		264					264	1,760
		2015	2,015		429					429	1,586
		2012	1,989		318					318	1,671
		2011	1,948		1,948		1,139			809	1,139
		2010	2,859		2,009		2,009				2,859
		2007	1,914		484		484				1,914

BOROUGH OF PARK RIDGE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Account Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2019 Grant Receipts</u>	<u>Balance, January 1, 2019</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Program Income</u>	<u>Balance, December 31, 2019</u>	<u>Cumulative Expended</u>
<u>State Grant Program</u>											
Recycling Tonnage Grant	042-4900-752-001	2019	\$ 13,554	\$ 13,554							
		2018	13,509	13,509		\$ 13,509				\$ 13,509	
		2017	28,049		\$ 25,121		\$ 25,121				\$ 28,049
		2016	6,075		6,075		6,075				6,075
Department of Transportation											
Mill Road Improvements (Current)	078-6320-480-XXX	2017	150,000	31,852							150,000
Park Avenue Improvements (Ord. 16-15)	078-6320-480-XXX	2016	220,000		221,000			1,000		220,000	
Mallon to Quackenbush Imprvts (Ord. 19-10)	078-6320-480-AMQ	2019	150,000	150,000		150,000	150,000			-	150,000
Quackenbush to Pascack Imprvts (Ord. 19-10)	078-6320-480-AM2	2019	138,800	32,071		138,800	32,071			106,729	32,071
Department of Human Services											
General Assistance	054-7550-100-250	2019	49,500	49,500	6,432	49,500	32,215	-	-	23,717	32,215
					<u>\$ 315,879</u>	<u>\$ 386,138</u>	<u>\$ 281,101</u>	<u>\$ 11,001</u>	<u>\$ -</u>	<u>\$ 409,915</u>	

Note: The State Financial Assistance programs were not subject to an audit in accordance with N.J. OMB Circular 15-08.

See Accompanying Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance

**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**

**BOROUGH OF PARK RIDGE
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2019**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 101,492	\$ 47,838	\$ 149,330
General Capital Fund		288,800	288,800
Public Assistance Fund	<u>-</u>	<u>49,500</u>	<u>49,500</u>
	<u>\$ 101,492</u>	<u>\$ 386,138</u>	<u>\$ 487,630</u>

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the Borough's fiscal year and grant program year.

**BOROUGH OF PARK RIDGE
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2019**

NOTE 5 STATE LOANS OUTSTANDING

The Borough's state loans outstanding at December 31, 2019, which are not required to be reported on the schedule of state financial assistance, are as follows:

<u>Loan Program</u>	<u>State Account Number</u>	<u>Total</u>
Green Trust Loan Program -	042-4800-533-02	
Memorial Field Improvements		\$ 221,086
Mill Pond Dam Improvements		<u>869,243</u>
		<u>\$ 1,090,329</u>

NOTE 6 DE MINIMIS INDIRECT COST RATE

The Borough has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**BOROUGH OF PARK RIDGE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2019**

Part I – Summary of Auditor's Results

Financial Statements

Type of auditors' report issued on financial statements

Modified for Unaudited LOSAP Fund

Internal control over financial reporting:

1) Material weakness(es) identified

_____ yes X no

2) Significant deficiency(ies) that are not
considered to be material weakness(es)?

_____ yes X none reported

Noncompliance material to the financial
statements noted?

_____ yes X no

Federal Awards Section

Not Applicable

State Awards Section

Not Applicable

**BOROUGH OF PARK RIDGE
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2019**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18-5.20 of *Government Auditing Standards*.

There are none.

**BOROUGH OF PARK RIDGE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2019**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

CURRENT YEAR FEDERAL AWARDS

Not Applicable

CURRENT YEAR STATE AWARDS

Not Applicable.

**BOROUGH OF PARK RIDGE
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019**

This section identifies the status of prior year findings related to the financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and NJ OMB Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

There were none.

**BOROUGH OF PARK RIDGE
BERGEN COUNTY, NEW JERSEY**

PART III

**SUPPLEMENTARY DATA
LETTER OF COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2019**

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
CURRENT FUND**

	Year 2019			Year 2018		
	Amount	Percent		Amount	Percent	
REVENUE AND OTHER INCOME REALIZED						
Fund Balance Utilized	\$ 1,000,000	2.00 %	\$	900,000	1.85 %	
Miscellaneous - From Other Than Local						
Property Tax Levies	3,646,626	7.31		3,259,803	6.69	
Collection of Delinquent Taxes and Tax Title Liens	329,293	0.66		265,613	0.54	
Collection of Current Tax Levy	44,553,993	89.24		43,897,556	90.06	
Other Credits to Income	<u>394,833</u>	<u>0.79</u>		<u>417,235</u>	<u>0.86</u>	
Total Income	<u>49,924,745</u>	<u>100.00 %</u>		<u>48,740,207</u>	<u>100.00 %</u>	
EXPENDITURES						
Budget Expenditures						
Municipal Purposes	14,592,253	29.62 %		13,822,166	28.98 %	
County Taxes	4,534,427	9.21		4,452,460	9.34	
Local District School Tax	30,018,454	60.94		29,256,925	61.35	
Municipal Open Space Taxes	112,045	0.23		112,105	0.24	
Other Expenditures	<u>-</u>	<u>-</u>		<u>44,524</u>	<u>0.09</u>	
Total Expenditures	<u>49,257,179</u>	<u>100.00 %</u>		<u>47,688,180</u>	<u>100.00 %</u>	
Excess in Revenue	667,566			1,052,027		
Adjustments to Income before Fund Balance:						
Expenditures Included Above Which are by Statute						
Deferred Charges to Budget of Succeeding Yea	<u>200,000</u>			<u>-</u>		
Statutory Excess to Fund Balance	867,566			1,052,027		
Fund Balance, January 1	<u>2,064,141</u>			<u>1,912,114</u>		
	2,931,707			2,964,141		
Less Utilization as Anticipated Revenue	<u>1,000,000</u>			<u>900,000</u>		
Fund Balance, December 31	\$ 1,931,707		\$	2,064,141		

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
WATER UTILITY OPERATING FUND**

	<u>Year 2019</u>			<u>Year 2018</u>		
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>	
REVENUE AND OTHER INCOME REALIZED						
Fund Balance Utilized	\$ 351,328	9.17 %	\$	528,355	11.18 %	
Water Usage Charges	2,947,529	76.89		2,959,854	62.63	
Miscellaneous Charges and Fees	308,784	8.05		319,120	6.75	
Reserve for Woodcliff Lake Improvements	65,508	1.71		65,508	1.38	
Reserve for Handy Harmon Settlement	-	-		550,000	11.64	
Non-Budget Revenue	85,057	2.22		120,350	2.55	
Other Credits to Income	<u>75,266</u>	<u>1.96</u>		<u>182,591</u>	<u>3.86</u>	
Total Income	<u>3,833,472</u>	<u>100.00 %</u>		<u>4,725,778</u>	<u>100.00 %</u>	
EXPENDITURES						
Operating	3,068,778	86.09 %		3,129,058	73.74 %	
Capital Improvements	5,000	0.14		145,000	3.42	
Debt Service	234,620	6.58		176,753	4.16	
Deferred Charges and Statutory Expenditures	256,150	7.19		792,540	18.68	
Other Expenditures	<u>-</u>	<u>-</u>		<u>25</u>	<u>0.00</u>	
Total Expenditures	<u>3,564,548</u>	<u>100.00 %</u>		<u>4,243,376</u>	<u>100.00 %</u>	
Excess in Revenue	268,924			482,402		
Fund Balance, January 1	<u>630,156</u>			<u>676,109</u>		
	899,080			1,158,511		
Less Utilization as Anticipated Revenue	<u>351,328</u>			<u>528,355</u>		
Fund Balance, December 31	<u>\$ 547,752</u>			<u>\$ 630,156</u>		

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
ELECTRIC UTILITY OPERATING FUND**

	<u>Year 2019</u>			<u>Year 2018</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 434,480	4.42 %	\$	436,296	4.17 %
Light and Power Charges	8,973,979	91.39		9,636,390	92.00
Miscellaneous Charges and Fees	51,450	0.52		37,754	0.36
Non-Budget Revenue	133,189	1.36		123,540	1.18
Other Credits to Income	<u>226,573</u>	<u>2.31</u>		<u>240,793</u>	<u>2.30</u>
Total Income	<u>9,819,671</u>	<u>100.00 %</u>		<u>10,474,773</u>	<u>100.00 %</u>
EXPENDITURES					
Operating	8,671,531	92.51 %		9,447,874	94.18 %
Capital Improvements	105,000	1.12		35,000	0.35
Debt Service	365,920	3.90		302,247	3.01
Deferred Charges and Statutory Expenditures	231,582	2.47		245,107	2.44
Other Expenditures	<u>-</u>	<u>-</u>		<u>1,400</u>	<u>0.01</u>
Total Expenditures	<u>9,374,033</u>	<u>100.00 %</u>		<u>10,031,628</u>	<u>100.00 %</u>
Excess in Revenue	445,638			443,145	
Fund Balance, January 1	<u>686,624</u>			<u>679,775</u>	
	1,132,262			1,122,920	
Less Utilization as Anticipated Revenue	<u>434,480</u>			<u>436,296</u>	
Fund Balance, December 31	<u>\$ 697,782</u>			<u>\$ 686,624</u>	

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
SWIM POOL UTILITY OPERATING FUND**

	<u>Year 2019</u>			<u>Year 2018</u>		
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>	
REVENUE AND OTHER INCOME REALIZED						
Fund Balance Utilized	\$ 30,312	7.47 %	\$	78,660	17.98 %	
Membership Fees	249,880	61.55		224,150	51.25	
Miscellaneous Fees	62,421	15.37		49,047	11.21	
Other Credits to Income	<u>63,386</u>	<u>15.61</u>		<u>85,521</u>	<u>19.55</u>	
Total Income	<u>405,999</u>	<u>100.00 %</u>		<u>437,378</u>	<u>100.00 %</u>	
EXPENDITURES						
Operating	246,390	88.08 %		250,744	72.96 %	
Capital Improvements	18,530	6.62		70,000	20.37	
Debt Service	7,732	2.76		13,305	3.87	
Deferred Charges and Statutory Expenditures	<u>7,099</u>	<u>2.54</u>		<u>9,611</u>	<u>2.80</u>	
Total Expenditures	<u>279,751</u>	<u>100.00 %</u>		<u>343,660</u>	<u>100.00 %</u>	
Excess in Revenue	126,248			93,718		
Fund Balance, January 1	<u>280,093</u>			<u>265,035</u>		
	406,341			358,753		
Less Utilization as Anticipated Revenue	<u>30,312</u>			<u>78,660</u>		
Fund Balance, December 31	<u>\$ 376,029</u>			<u>\$ 280,093</u>		

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Tax Rate</u>	<u>\$2.844</u>	<u>\$2.767</u>	<u>\$2,702</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.639	.612	.580
Library	.039	.038	.039
Municipal Open Space	.007	.007	.007
County	.271	.267	.282
County – Open Space	.011	.010	.011
Local District School	1.877	1.833	1.783

Assessed Valuation

2019	<u>\$1,599,658,079</u>	
2018	<u>\$1,596,627,719</u>	
2017		<u>\$1,591,597,259</u>

Comparison of Tax Levies and Collection

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2019	\$ 45,671,158	\$ 44,653,993	97.77%
2018	44,313,112	43,947,556	99.17%
2017	43,090,475	42,725,796	99.15%

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

Delinquent Taxes and Tax Title Liens

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

<u>December 31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2019	-	\$ 828,696	\$ 828,696	1.81%
2018	-	338,447	338,447	0.76%
2017	-	277,681	277,681	0.64%

Property Acquired by Tax Title Lien Liquidation

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

<u>Year</u>	<u>Amount</u>
2019	\$100,650
2018	100,650
2017	100,650

Comparison of Water Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(*)</u>	<u>Percentage of Collection</u>
2019	\$3,001,636	\$2,947,529	98.20%
2018	2,844,068	2,959,854	104.07%
2017	2,938,454	2,848,255	96.93%

Comparison of Electric Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(*)</u>	<u>Percentage of Collection</u>
2019	\$9,020,376	\$8,973,979	99.49%
2018	9,724,761	9,636,390	99.09%
2017	9,262,937	9,239,750	99.75%

*Includes collection of prior year receivables.

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

Comparative Schedule of Fund Balances

	<u>Year</u>	<u>Balance, December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2019	\$1,931,707	\$1,125,000
	2018	2,064,141	1,000,000
	2017	1,912,114	900,000
	2016	1,888,071	800,000
	2015	1,871,258	750,700
Water Utility Fund	2019	\$547,752	\$260,000
	2018	630,156	351,328
	2017	676,109	528,355
	2016	868,290	604,542
	2015	618,454	407,266
Electric Utility Operating Fund	2019	\$697,782	\$512,000
	2018	686,624	434,480
	2017	679,775	436,296
	2016	860,117	528,350
	2015	815,879	575,870
Swim Pool Utility Operating Fund	2019	\$376,029	\$45,000
	2018	280,093	30,312
	2017	265,035	78,660
	2016	261,854	39,000
	2015	212,356	39,000

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

OFFICIALS IN OFFICE AND SURETY BONDS

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate or Personal Surety</u>
Keith Misciagna	Mayor		
Matthew Capilli	Council President		
Kelly Epstein	Councilwoman		
Thomas Farinaro	Councilman		
John Ferguson	Councilman		
Robert Metzdorf	Councilman		
Michael Mintz	Councilman		
Julie Falkenstern	Borough Administrator		
Magdalena Giandomenico	Borough Clerk	(a)	
Durene Ayer	Chief Financial Officer	(a)	
Jessica Mazzarella	Tax Collector/Treasurer	(a)	MELJIF
William Beattie	Director of Operations	(a)	
Carmine Alampi, Esq.	Borough Attorney		
Neglia Engineering Assoc.	Borough Engineer		
Burgis Associates	Borough Planner		
Rogut McCarthy, LLC	Borough Bond Counsel		
Joseph Madden	Police Chief		
Thomas Derienzo, Jr.	Fire Chief		
Tonya Tardibuono	Zoning Officer	(a)	
Paul Renaud	Construction Code Official	(a)	
Robert Campora	Tax Assessor	(a)	
Peter Wayne	Superintendent of Public Works	(a)	
Paul Longo	Supervisor of Electric		
Chris O'Leary	Supervisor of Water and Sewer		
Robert Murken	Electric Sub-Code Official	(a)	
Brian Drews	Plumbing Sub-Code Official	(a)	
Paul Renaud	Fire Subcode Official	(a)	
Katherine Bowen	Director of Welfare	(a)	

- (a) Public Employee Dishonesty Coverage was issued by the Municipal Excess Liability Joint Insurance Fund (MELJIF) in the amount of \$1,000,000 per loss covering all employees including statutory bond coverages.

**BOROUGH OF PARK RIDGE
LETTER OF COMMENTS AND RECOMMENDATIONS**

GENERAL COMMENTS

Prior Year Findings Unresolved

Payroll

- **Finding** – Our audit of employee pension system reporting revealed pensionable base pay wages reported on the quarterly state pension reports were not revised to reflect salary changes made to certain employees during 2019.

Recommendation – Employee's pensionable base pay reported on the quarterly state pension reports be revised to reflect salary changes made during the year.

- **Finding** – Our audit of employee health benefit contributions revealed employees are contributing 50% of the required contribution for dental premiums. We noted only one bargaining unit agreement which stipulated to employees contributing 50% of total dental premium, not 50% of the required contribution

Recommendation – Payroll procedures be reviewed to ensure that employee health benefit contributions are properly calculated in accordance with bargaining unit agreements and Borough policy.

Departments

- **Finding** – Our audit of the Recreation Department revealed that the cash receipts ledger is incomplete and does not include all recreation fees collected during the year.

Recommendation – A complete cash receipts ledger be maintained for all amounts collected by the Recreation Department.

Current Year Findings

Finance

- **Finding** – Our audit revealed the balance reported in the Other Trust Fund for developer escrow deposits and tax title lien premiums are not in agreement with the subsidiary reports as of December 31, 2019. Additionally, old inactive and deficit developer escrow deposits be reviewed and cleared of record.

Recommendation –Developer escrow deposits and tax title lien premium balances reported in the Other Trust Fund be in agreement with subsidiary reports. In addition, old inactive and deficit balances of developer escrow deposits be reviewed and cleared of record.

**BOROUGH OF PARK RIDGE
LETTER OF COMMENTS AND RECOMMENDATIONS**

GENERAL COMMENTS (Continued)

Current Year Findings (Continued)

Finance (Continued)

- **Finding** – Our audit of purchasing revealed the following:
 - The use of a cooperative purchasing agreement contract for fuel purchases which exceeded the bid threshold was not approved by formal resolution of the governing body.
 - A political contribution disclosure form was not obtained for all vendors who receive non-fair and open contracts or purchase which exceed \$17,500.
 - Competitive quotes were not obtained for office cleaning services that exceeded the quote threshold.
 - Award for a per unit price contract was increased without approval by formal Council resolution.

Recommendation – Purchasing procedures be reviewed and revised to ensure that all contract awards and purchases are made in accordance with the Local Public Contracts Law and State procurement guidelines.

- **Finding** – Our audit of the Golden Age Club petty cash account revealed seven (7) payments were made payable to “cash” for gratuities at senior luncheons.

Recommendation – All payments made from the Golden Age Club petty cash account be made payable to an individual or vendor.

Departments

- **Finding** – Our audit of the Construction Code Department indicated that permit fees charged were not in agreement with the approved fee ordinance.

Recommendation – Construction Code Department permit fees be charged in accordance with the approved Borough fee ordinance.

Contracts and Agreements Required to be Advertised for NJS 40A:11-4

NJS 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the bid threshold, except by contract or agreement."

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$17,500. The Borough has adopted a resolution increasing the threshold to \$40,000 effective July 1, 2015 and has appointed the Director of Operations as qualified purchasing agent in accordance with regulations established by the Division of Local Government Services.

**BOROUGH OF PARK RIDGE
LETTER OF COMMENTS AND RECOMMENDATIONS**

GENERAL COMMENTS (Continued)

Contracts and Agreements Required to be Advertised for NJS 40A:11-4 (Continued)

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

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

Sulak Basketball Court Improvements	Electric Wathhome Meters
Roadway Improvements	Acquisition of Vehicles
Water Meters	Electric Distribution Materials

The minutes indicate that resolutions were adopted and advertised, authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5.

Our examination of expenditures did reveal certain payments, contracts or agreements in excess of \$40,000 "for the performance of any work, or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJS 40A:11-6.

Collection of Interest of Delinquent Taxes

The statute provides the method for authorizing interest and the maximum rate to be charged for the-non-payment of taxes or assessments on or before the date when they would become delinquent.

The Governing Body on January 1, 2019 adopted the following resolution authorizing interest to be charged on delinquent taxes and water accounts:

"BE IT RESOLVED, by the Borough Council of the Borough of Park Ridge that the Tax Collector is hereby authorized and directed to charge interest on delinquent taxes and assessments accounts as follows:

First 10 Days of Tax Payments	No Penalty
Thereafter, from the Due Date of	
Tax Payments for the 1st \$1,500	8%
Thereafter, the Balance in Excess	
of \$1,500	18%

It appears from an examination of the Collector's record that interest was collected in accordance with the foregoing resolution.

BOROUGH OF PARK RIDGE
LETTER OF COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS (Continued)

Delinquent Taxes and Tax Title Liens

The last tax sale was held on November 6, 2019.

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

<u>Year</u>	<u>Number of Liens</u>
2019	0
2018	0
2017	0
2016	0
2015	0

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

Suggestions to Management

- A review be made of all vendor identification codes in the Munidex System to verify all vendors have been assigned a valid identification code.
- A review be made of the pension payments made for 2015 and 2016 to determine if any overpayments were reimbursed back to Borough.
- A review be made to determine if the 2017 retro pension report was remitted to the state pension system.
- A review be made to determine that all retirees on the Borough's health benefit bills are still active eligible retirees and if retiree contributions are required.
- PILOT agreement with Lehman Gardens be obtained and filed with the Borough Clerk.
- Police Department unused sick and vacation time records be maintained in a central file and location along with all other Borough employees.

APPRECIATION

We desire to express our appreciation to the Administrator, Chief Financial Officer, and the other Borough staff who assisted us during the course of our audit.

**BOROUGH OF PARK RIDGE
LETTER OF COMMENTS AND RECOMMENDATIONS**

RECOMMENDATIONS

Finance

It is recommended that:

1. Developer escrow deposits and tax title lien premium balances reported in the Other Trust Fund be in agreement with subsidiary reports. In addition, old inactive and deficit balances of developer escrow deposits be reviewed and cleared of record.
2. Purchasing procedures be reviewed and revised to ensure all contract awards and purchases are made in accordance with the Local Public Contracts Law and State procurement guidelines.
3. All payments made from the Golden Age Club petty cash account be made payable for an individual or vendor.

Payroll

It is recommended that:

- * 1. Employee's pensionable base pay reported on the quarterly state pension reports be revised to reflect salary changes made during the year.
- * 2. Payroll procedures be reviewed to ensure that employee health benefit contributions are properly calculated in accordance with bargaining unit agreements and Borough policy.

Departments

It is recommended that:

- * 1. A complete cash receipts ledger be maintained for all amounts collected by the Recreation Department.
- 2. Construction Code Department permit fees be charged in accordance with the approved Borough fee ordinance.

BOROUGH OF PARK RIDGE
LETTER OF COMMENTS AND RECOMMENDATIONS

* * * * *

A review was performed on all prior year recommendations and corrective action was taken on all, except the recommendations denoted with an asterisk (*).

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

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

Lerch, Vinci & Higgins, LLP

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



Jeffrey C. Bliss
Certified Public Accountant
RMA Number CR00429