

BOROUGH OF PARK RIDGE
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2014

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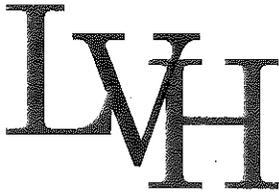
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**BOROUGH OF PARK RIDGE
BERGEN COUNTY, NEW JERSEY**

PART I

**REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2014**



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, 2014 and 2013, 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, 2014, 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 principles 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. 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 of 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 and presented by the Borough of Park Ridge on the basis of the financial accounting and reporting principles 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 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 requirement that the Borough of Park Ridge prepare and present its financial statements on the regulatory basis of accounting as discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph above, 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, 2014 and 2013, 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, 2014 and 2013. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 39.2 percent and 37.3 percent of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2014 and 2013.

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, 2014 and 2013, 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, 2014 in accordance with the financial accounting and reporting principles 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 June 4, 2015 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of 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
June 4, 2015

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
ASSETS			
Cash	A-4	\$ 3,143,873	\$ 3,088,390
Cash - Change Funds	A-5	375	375
Cash - Petty Cash Fund	A-6	750	750
Due from State of New Jersey - Senior Citizens' and Veterans' Deductions	A-7	273	1,118
Grant Receivables	A-8	<u>194,554</u>	<u>204,554</u>
		<u>3,339,825</u>	<u>3,295,187</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-9	242,089	199,746
Property Acquired for Taxes - Assessed Valuation	A-10	100,650	100,650
Revenue Accounts Receivable	A-11	22,827	37,621
Due from Animal Control Fund	B-5	7,712	2,611
Due from Other Trust Fund	B-14	429,137	37,290
Due from Water Utility Operating Fund	D-13	5,321	
Due from Swim Pool Utility Operating Fund	G-10	13	13
Due from Public Assistance Fund	H-2	<u>3,845</u>	<u>2,445</u>
		<u>811,594</u>	<u>380,376</u>
Deferred Charges			
Expenditures without Appropriation	A-12		61,261
Special Emergency Authorizations	A-13	<u>236,154</u>	<u>271,754</u>
		<u>236,154</u>	<u>333,015</u>
Total Assets		<u>\$ 4,387,573</u>	<u>\$ 4,008,578</u>

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3,A-14	\$ 364,784	\$ 509,478
Encumbrances Payable	A-15	281,710	204,040
Accounts Payable	A-16	80,969	115,446
Tax Appeal Judgements Payable	A-17		85,205
Prepaid Taxes	A-18	224,291	237,543
County Taxes Payable	A-19	6,348	5,494
Fees Payable	A-21	9,904	4,036
Special Emergency Notes	A-22	173,754	271,754
Due to Unemployment Insurance Trust Fund	B-7	12,000	12,000
Due to General Capital Fund	C-6	8,579	11,165
Due to Electric Utility Operating Fund	E-14	112,630	
Reserve for:			
Tax Appeals	A-23	190,130	200,340
Miscellaneous Reserves	A-24	6,250	6,250
Appropriated Grant Reserves	A-25	72,923	58,450
Unappropriated Grant Reserves	A-26	<u>68,104</u>	<u>100,490</u>
		1,612,376	1,821,691
Reserve for Receivables and Other Assets	A	811,594	380,376
Fund Balance	A-1	<u>1,963,603</u>	<u>1,806,511</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 4,387,573</u>	<u>\$ 4,008,578</u>

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 680,700	\$ 650,000
Miscellaneous Revenue Anticipated	A-2	2,794,377	2,859,551
Receipts from Delinquent Taxes	A-2	199,996	322,050
Receipts from Current Taxes	A-2	38,767,043	37,751,689
Non-Budget Revenue	A-2	198,391	209,664
Other Credits to Income			
Unexpended Balances of Appropriation Reserves	A-14	294,820	503,936
Statutory Excess - Animal Control Fund	B-5	5,047	872
Adjustments to Other Trust Fund Miscellaneous Reserves	A-1		261
Cancelled Accounts Payable	A-16	74,348	
Interfunds and Other Receivables Liquidated	A-1	<u>-</u>	<u>5,404</u>
Total Revenue		<u>43,014,722</u>	<u>42,303,427</u>
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries & Wages	A-3	4,148,021	3,944,688
Other Expenses	A-3	5,361,873	5,347,511
Capital Improvements	A-3	260,755	269,000
Debt Service	A-3	1,388,364	1,269,561
Deferred Charges and Statutory Expenditures	A-3	910,505	1,158,527
County Taxes	A-19	4,034,495	4,002,977
Local District School Tax	A-20	25,952,544	25,056,829
Expenditures Without Appropriation	A-1	-	61,261
Senior Citizens Deductions Disallowed for Prior Year Taxes	A-7	250	2,367
Refund of Prior Years Revenue	A-4	509	2,599
Interfunds and Other Receivables Created	A	<u>403,669</u>	<u>30,160</u>
Total Expenditures		<u>42,460,985</u>	<u>41,145,480</u>
Excess in Revenue		553,737	1,157,947
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-13	62,400	61,261
Expenditures Included Above Which were Funded by			
Capital Ordinance	A-12	<u>221,655</u>	<u>-</u>
Statutory Excess to Fund Balance		837,792	1,219,208
FUND BALANCE, JANUARY 1	A	<u>1,806,511</u>	<u>1,237,303</u>
		2,644,303	2,456,511
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	<u>680,700</u>	<u>650,000</u>
FUND BALANCE, DECEMBER 31	A	<u>\$ 1,963,603</u>	<u>\$ 1,806,511</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, 2014

	Reference	Budget	Added By: 40A:4-87	Realized	Excess or (Deficit)
FUND BALANCE ANTICIPATED	A-1	\$ 680,700	-	\$ 680,700	-
MISCELLANEOUS REVENUES					
Licenses					
Alcoholic Beverages	A-11	14,000		16,822	\$ 2,822
Fees and Permits					
Fire Code Department	A-11	38,000		44,988	6,988
Board of Health	A-11	17,000		13,816	(3,184)
Fines and Costs - Municipal Court	A-11	115,000		113,756	(1,244)
Interest and Costs on Taxes	A-11	60,000		59,576	(424)
Joint Insurance Fund Dividend	A-11	15,000		16,188	1,188
Hotel Tax	A-11	250,000		302,475	52,475
Recycling Program	A-11	24,000		20,088	(3,912)
Cable Television Franchise Fee	A-11	127,000		127,260	260
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	14,000		5,251	(8,749)
Tri-Boro Safety Corps.	A-11	50,000		44,031	(5,969)
Consolidated Municipal Property Tax Relief Aid	A-11	23,952		23,952	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	A-11	358,646		358,646	
Watershed Moratorium Offset Aid	A-11	1,598		1,598	
Uniform Construction Code Fees	A-11	200,000		199,032	(968)
Clean Communities Program - Reserve	A-26	16,566		16,566	
Over the Limit Under Arrest - Reserve	A-26	3,050		3,050	
Recycling Tonnage Program - Reserve	A-26	13,293		13,293	
Alcohol Education and Rehabilitation Fund - Reserve	A-26	897		897	
Body Armor Replacement Fund - Reserve	A-26	2,441		2,441	
CDBG - Senior Programs - Reserve	A-26	6,638		6,638	
CDBG - Bathroom Renovations Memorial/Davies Field Field - Reserve	A-26	34,300		34,300	
Bergen County Police Consolidation	A-26	23,305		23,305	
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		13,090	2,090
Library Reimbursements	A-11	80,000		72,877	(7,123)
Excess Sewer User Fees	A-11	58,000		122,758	64,758
Sprint Cell Tower Rent	A-11	65,000		83,174	18,174
General Capital Fund Surplus	C-6	9,900		9,900	
Reserve for Payment of Debt	C-6	75,000		75,000	
FEMA Reimbursement Hurricane Sandy Emergency	A-11	18,000	-	79,609	61,609
Total Miscellaneous Revenues	A-1	<u>2,615,586</u>	<u>-</u>	<u>2,794,377</u>	<u>178,791</u>
RECEIPTS FROM DELINQUENT TAXES	A-1,A-9	<u>140,000</u>	<u>-</u>	<u>199,996</u>	<u>59,996</u>
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET					
Local Tax For Municipal Purposes		8,409,157		8,759,498	350,341
Minimum Library Tax		575,506	-	575,506	-
Total Amount to be Raised by Taxes	A-2	<u>8,984,663</u>	<u>-</u>	<u>9,335,004</u>	<u>350,341</u>
	A-3	<u>\$ 12,420,949</u>	<u>\$ -</u>	<u>13,010,077</u>	<u>\$ 589,128</u>
Non-Budget Revenue	A-1,A-2			<u>198,391</u>	
				<u>\$ 13,208,468</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, 2014**

	<u>Reference</u>	<u>Realized</u>
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenue from Collections	A-1, A-9	\$ 38,767,043
Less Allocated to School and County Taxes	A-19,A-20	<u>29,987,039</u>
		8,780,004
Add Appropriation Reserve for Uncollected Taxes	A-3	<u>555,000</u>
Amount for Support of Municipal Budget Appropriation	A-2	<u>\$ 9,335,004</u>
Analysis of Non-Budget Revenue		
Sale of Equipment		\$ 49,788
Snow Removal		19,440
Parking Permits		19,675
Police Fees		1,424
Smoke Detector Fees		5,375
Bid Specs		2,700
Housing Registration		9,300
Senior Citizen and Veterans Administration Fees		1,842
Zoning/Planning Board Fees		7,292
Filming Fees		8,275
Payment in Lieu of Taxes		22,789
Miscellaneous		<u>50,491</u>
	A-2	<u>\$ 198,391</u>
Cash Receipt	A-4	\$ 193,181
Due from Animal Contr	B-5	54
Due from Other Trust Fi	B-14	434
Due from General Capit	C-6	<u>4,722</u>
		<u>\$ 198,391</u>

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
General Administration					
Salaries and Wages	\$ 88,400	\$ 88,400	\$ 86,283	\$ 2,117	
Other Expenses	38,150	34,750	26,440	8,310	
Mayor and Council					
Salaries and Wages	43,200	43,200	43,200		
Other Expenses	14,550	14,550	11,851	2,699	
Municipal Clerk					
Salaries and Wages	111,900	111,900	107,118	4,782	
Other Expenses	41,300	41,300	40,558	742	
Other Expenses - Grant Professional	10,000	10,000	3,355	6,645	
Financial Administration					
Salaries and Wages	114,547	114,547	113,887	660	
Other Expenses	44,805	44,805	32,475	12,330	
Audit Services					
Other Expenses	30,000	30,000	3,200	26,800	
Revenue Administration					
Salaries and Wages	31,200	31,900	31,867	33	
Other Expenses	15,250	9,250	8,490	760	
Tax Assessment Administration					
Salaries and Wages	23,400	24,325	24,305	20	
Other Expenses	3,875	1,875	743	1,132	
Other Expenses - Property Appraisals	10,000	10,000	9,900	100	
Other Expenses - Tax Maps		62,400	62,400	-	
Legal Services and Costs					
Other Expenses	108,375	86,040	61,355	24,685	
Engineering Services and Costs					
Other Expenses	43,800	83,800	81,723	2,077	
LAND USE ADMINISTRATION					
Planning Board					
Salaries and Wages	33,050	33,050	31,398	1,652	
Other Expenses	33,505	33,505	19,643	13,862	
Zoning Board of Adjustment					
Salaries and Wages	27,150	27,150	24,563	2,587	
Other Expenses	11,257	11,257	8,768	2,489	
Zoning Officer					
Salaries and Wages	13,000	13,360	13,355	5	
Other Expenses	1,615	1,965	1,965	-	
Housing Task Force					
Salaries and Wages	10,200	10,200	10,200	-	
Other Expenses	650	650	650	-	
INSURANCE					
General Liability	207,600	211,600	211,493	107	
Employee Group Health	1,242,169	1,227,169	1,224,817	2,352	
Employee Group Health Waiver	17,000	20,500	19,627	873	
Tri-Boro Ambulance	5,000	5,000	-	5,000	

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, 2014**

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balance <u>Cancelled</u>
	<u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Continued)					
PUBLIC SAFETY FUNCTIONS					
Police					
Salaries and Wages	\$ 2,485,386	\$ 2,501,386	\$ 2,500,415	\$ 971	
Other Expenses	123,000	123,000	120,327	2,673	
Pistol Range					
Other Expenses	15,000	15,000	10,300	4,700	
Police Reserves/EMC					
Salaries and Wages	17,000	14,000	13,085	915	
Other Expenses	19,700	19,700	18,999	701	
Tri-Borough Safety Corps					
Other Expenses	276,500	276,500	255,162	21,338	
Emergency Management Services					
Salaries and Wages	3,000	3,000	3,000		
Other Expenses	6,898	6,898	5,395	1,503	
First Aid Organization					
Other Expenses - Contribution	20,000	20,000	20,000		
Fire Department					
Salaries and Wages	50,000	50,000	49,925	75	
Other Expenses	88,752	88,752	57,568	31,184	
Fire Hydrant Services	15,000	15,000	14,910	90	
Fire Prevention					
Salaries and Wages	32,500	34,000	33,969	31	
Other Expenses	8,750	8,750	6,700	2,050	
PUBLIC WORKS FUNCTION					
Streets and Road Maintenance					
Salaries and Wages	616,253	616,253	602,162	14,091	
Other Expenses	180,700	180,700	166,971	13,729	
Sewer System					
Salaries and Wages	49,800	45,800	43,973	1,827	
Other Expenses	12,300	7,300	7,085	215	
Shade Tree					
Other Expenses	20,480	15,480	9,960	5,520	
Solid Waste Collection					
Other Expenses - Sanitation	312,600	312,600	312,520	80	
Other Expenses - Recycling	115,250	115,250	115,159	91	
Building and Grounds					
Salaries and Wages	84,100	84,100	82,700	1,400	
Other Expenses	69,950	75,950	75,364	586	
Vehicle Maintenance					
Salaries and Wages	86,700	83,700	81,988	1,712	
Other Expenses	54,400	54,400	49,930	4,470	

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Cont'd)					
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries and Wages	\$ 25,000	\$ 25,750	\$ 25,145	\$ 605	
Other Expenses	46,490	46,490	43,778	2,712	
Administration of Public Assistance					
Salaries and Wages	9,400	9,400	9,283	117	
Other Expenses	1,300	1,300	-	1,300	
Aid to Mental Health					
Other Expenses	8,000	8,000	8,000		
Contributions to Social Service Agencies					
Other Expenses	1,000	1,000	1,000		
Municipal Alliance					
Other Expenses	6,200	6,200		6,200	
PARKS AND RECREATION FUNCTIONS					
Recreation Services and Programs					
Salaries and Wages	22,000	22,000	20,029	1,971	
Other Expenses	24,500	24,500	22,650	1,850	
Senior Citizens					
Salaries and Wages	10,000	11,000	10,251	749	
Other Expenses	7,500	7,500	7,500		
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events					
	2,000	2,000	2,000		
Park Ridge Television					
Salaries and Wages	6,400	6,400	6,240	160	
Other Expenses	3,850	3,850	1,748	2,102	
Municipal Services Act					
Other Expenses	20,000	20,000	-	20,000	
UNIFORM CONSTRUCTION CODE					
APPROPRIATIONS OFFSET BY DEDICATED					
REVENUES (N.J.A.C. 5:23-4-17)					
Construction Code Official					
Salaries and Wages	148,200	143,200	142,049	1,151	
Other Expenses	8,530	8,530	5,327	3,203	
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	85,000	85,000	84,828	172	
Telephone	34,000	34,000	31,525	2,475	
Water	15,000	15,000	13,428	1,572	
Gas and Oil	25,000	25,000	24,409	591	
Gasoline	100,000	86,249	85,836	413	

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, 2014

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Cont'd)					
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Dumping Fees	\$ 220,000	\$ 220,000	\$ 206,275	\$ 13,725	-
Total Operations Within "CAPS"	7,968,337	8,018,336	7,724,497	293,839	-
Contingent	5,000	5,000	3,563	1,437	-
Total Operations Including Contingent Within "CAPS"	7,973,337	8,023,336	7,728,060	295,276	-
Detail:					
Salaries and Wages	4,141,786	4,148,021	4,110,390	37,631	-
Other Expenses	3,831,551	3,875,315	3,617,670	257,645	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Deferred Charges					
Expenditures without Appropriations	61,261	61,261	61,261		
Statutory Expenditures					
Contribution to					
Social Security System	195,000	195,000	192,156	2,844	
Defined Contribution Plan	4,000	4,000	-	4,000	
Police & Firemen Retirement System	431,863	431,863	431,863		
Public Employees Retirement System	120,380	120,381	120,380	1	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	812,504	812,505	805,660	6,845	-
Total General Appropriations for Municipal Purposes Within "CAPS"	8,785,841	8,835,841	8,533,720	302,121	-
OPERATIONS - EXCLUDED FROM "CAPS"					
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Recycling Tax	11,000	11,000	9,291	1,709	
SEWERAGE PROCESSING AND DISPOSAL					
Bergen County Utilities Authority-Sewer Fees	656,000	656,000	655,681	319	
EDUCATION FUNCTIONS					
Maintenance of Free Public Library	575,506	575,506	575,506	-	

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - EXCLUDED FROM "CAPS" (Cont'd)					
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS					
Municipal Court					
Other Expenses - Contractual	\$ 108,767	\$ 108,767	\$ 107,914	\$ 853	
PUBLIC SAFETY FUNCTION					
LOSAP					
Fire Department	55,000	55,000	32,887	22,113	
Tri-Borough Ambulance	15,000	27,400	27,362	38	-
Total Other Operations Excluded from "CAPS"	1,421,273	1,433,673	1,408,641	25,032	-
PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES					
Clean Communities Program	16,566	16,566	14,978	1,588	
Body Armor Fund Grant	2,441	2,441	2,441	-	
Alcohol and Rehabilitation Fund	897	897	-	897	
Over the Limit	3,050	3,050	3,050	-	
Recycling Tonnage Grant	13,293	13,293	1,685	11,608	
CDBG - Senior Programs	6,638	6,638	3,000	3,638	
Matching Funds for Grants	10,000	10,000	-	10,000	-
Total Public and Private Programs					
Offset by Revenues	52,885	52,885	25,154	27,731	-
Total Operations Excluded from "CAPS"	1,474,158	1,486,558	1,433,795	52,763	-
Detail:					
Salaries and Wages					
Other Expenses	1,474,158	1,486,558	1,433,795	52,763	-
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	29,200	29,200	29,200		
Various Building Roof Improvements	9,900	9,900		9,900	
Road Improvement Program - Brae Boulevard	-	221,655	221,655	-	-
Total Capital Improvements Excluded from "CAPS"	39,100	260,755	250,855	9,900	-

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Appropriated</u>		<u>Expended</u>		Unexpended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	\$ 925,000	\$ 925,000	\$ 925,000		
Payment of Bond Anticipation Notes and Capital Notes	70,000	70,000	70,000		
Interest on Bonds	333,500	333,500	333,481		\$ 19
Interest on Notes	25,900	25,900	25,879		21
Green Trust Loan Program: Loan Repayments for Principal and Interest	114,450	114,450	34,004	-	80,446
Total Municipal Debt Service Excluded from "CAPS"	<u>1,468,850</u>	<u>1,468,850</u>	<u>1,388,364</u>	-	<u>80,486</u>
DEFERRED CHARGES MUNICIPAL- EXCLUDED FROM "CAPS"					
DEFERRED CHARGES Special Emergency Authorization - 5 Years	98,000	98,000	98,000	-	-
Total Deferred Charges Municipal Excluded from "CAPS"	<u>98,000</u>	<u>98,000</u>	<u>98,000</u>	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>3,080,108</u>	<u>3,314,163</u>	<u>3,171,014</u>	<u>\$ 62,663</u>	<u>\$ 80,486</u>
Subtotal General Appropriations	11,865,949	12,150,004	11,704,734	364,784	80,486
Reserve for Uncollected Taxes	<u>555,000</u>	<u>555,000</u>	<u>555,000</u>	-	-
Total General Appropriations	<u>\$ 12,420,949</u>	<u>\$ 12,705,004</u>	<u>\$ 12,259,734</u>	<u>\$ 364,784</u>	<u>\$ 80,486</u>
	<u>Reference</u>	A-2	A-1	A, A-1	
Budget	A-3	\$ 12,420,949			
Emergency Appropriation	A-12	221,655			
Special Emergency Appropriation	A-13	<u>62,400</u>			
		<u>\$ 12,705,004</u>			
Cash Disbursed	A-4		\$ 11,259,806		
Encumbrances Payable	A-15		281,710		
Deferred Charges					
Expenditures without Appropriations	A-12		61,261		
Special Emergency Authorization	A-13		98,000		
Due to Electric Utility Operating Fund	E-14		3,957		
Reserve for Uncollected Taxes	A-2		<u>555,000</u>		
			<u>\$ 12,259,734</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, 2014 AND 2013

ASSETS	<u>Reference</u>	<u>2014</u>	<u>2013</u>
ANIMAL CONTROL TRUST FUND			
Cash	B-3	\$ 18,408	\$ 12,229
OTHER TRUST FUND			
Cash	B-3	1,311,587	1,149,661
UNEMPLOYMENT INSURANCE TRUST FUND			
Cash	B-3	89,502	104,456
Due from Current Fund	B-7	12,000	12,000
Due from Other Trust Fund	B-15	6,294	-
		<u>107,796</u>	<u>116,456</u>
OPEN SPACE PRESERVATION TRUST FUND			
Cash	B-3	356,246	361,636
AFFORDABLE HOUSING TRUST FUND			
Cash	B-3	336,907	469,806
LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)			
Investments	B	1,296,085	1,175,780
Contributions Receivable	B	78,978	77,417
		<u>1,375,063</u>	<u>1,253,197</u>
Total Assets		<u>\$ 3,506,007</u>	<u>\$ 3,362,985</u>

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2014 AND 2013

LIABILITIES AND RESERVES	<u>Reference</u>	<u>2014</u>	<u>2013</u>
ANIMAL CONTROL TRUST FUND			
Due to State of New Jersey	B-4	\$ 816	\$ 140
Due to Current Fund	B-5	7,712	2,611
Reserve for Animal Control Expenditures	B-6	<u>9,880</u>	<u>9,478</u>
		<u>18,408</u>	<u>12,229</u>
OTHER TRUST FUND			
Due to Current Fund	B-14	429,137	37,290
Due to General Capital Fund	C-7	80,583	80,583
Due to Unemployment Insurance Trust Fund	B-15	6,294	
Due to Water Utility Operating Fund	D-16	11,758	11,758
Due to Electric Utility Operating Fund	E-16	13,731	16,106
Developers Escrow Deposits	B-12	404,693	558,117
Payroll Deductions Payable	B-13	39,551	206,089
Miscellaneous Reserves & Deposits	B-16	<u>325,840</u>	<u>239,718</u>
		<u>1,311,587</u>	<u>1,149,661</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Due to State of New Jersey	B-8	1,723	286
Reserve for Unemployment Insurance Benefits	B-9	<u>106,073</u>	<u>116,170</u>
		<u>107,796</u>	<u>116,456</u>
OPEN SPACE PRESERVATION TRUST FUND			
Due to General Capital Fund	C-8	182,900	
Reserve for Open Space Expenditures	B-10	<u>173,346</u>	<u>361,636</u>
		<u>356,246</u>	<u>361,636</u>
AFFORDABLE HOUSING TRUST FUND			
Reserve for Affordable Housing	B-11	<u>336,907</u>	<u>469,806</u>
LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)			
Reserve for LOSAP Benefits	B	<u>1,375,063</u>	<u>1,253,197</u>
 Total Liabilities and Reserves		 <u>\$ 3,506,007</u>	 <u>\$ 3,362,985</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, 2014**

	<u>Reference</u>	<u>Anticipated (Memo)</u>		<u>Realized</u>	<u>Excess or Deficit</u>
		<u>Budget</u>	<u>Budget After Modification</u>		
Trust Fund Reserve Balance Anticipated	B-10	-	\$ 241,416	\$ 241,416	-
	B-2	\$ -	\$ 241,416	\$ 241,416	\$ -

EXHIBIT B-2

**STATEMENT OF APPROPRIATIONS-REGULATORY BASIS
OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Appropriated (Memo)</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Development of Lands for Recreation and Conservation:				
Other Expenses		\$ 6,926	\$ 6,926	
Down Payments on Improvements	-	234,490	234,490	-
	\$ -	\$ 241,416	\$ 241,416	\$ -
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, 2014 AND 2013**

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
ASSETS			
Cash	C-2,C-3	\$ 845,371	\$ 1,869,827
Grants Receivable	C-4	130,045	67,834
Loan Receivable	C-5		23,120
Due from Current Fund	C-6	8,579	11,165
Due from Other Trust Fund	C-7	80,583	80,583
Due from Open Space Preservation Trust Fund	C-8	182,900	
Deferred Charges to Future Taxation			
Funded	C-9	12,128,057	13,102,560
Unfunded	C-10	<u>2,418,160</u>	<u>2,195,000</u>
 Total Assets		 <u>\$ 15,793,695</u>	 <u>\$ 17,350,089</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Serial Bonds	C-15	\$ 10,634,000	\$ 11,559,000
Green Trust Loan	C-16	1,494,057	1,543,560
Bond Anticipation Notes	C-14	2,125,000	2,195,000
Contracts Payable	C-11	566,949	633,084
Improvement Authorizations			
Funded	C-13	394,114	452,874
Unfunded	C-13	232,376	387,169
Capital Improvement Fund	C-12	39,513	27,313
Reserve for Payment of Debt	C-17	64,489	139,489
Reserve for Municipal Building Improvements	C-18	3,097	
Fund Balance	C-1	<u>240,100</u>	<u>412,600</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 15,793,695</u>	 <u>\$ 17,350,089</u>

There were bonds and notes authorized but not issued on December 31, 2014 of \$333,000.

There were no bonds and notes authorized but not issued on December 31, 2013. (See Exhibit C-19)

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Balance, January 1	C	\$ 412,600	\$ 62,304
Increased by:			
Premium on Sale of Bonds and Notes	C-6	1,697	27,068
Funded Improvement Authorizations Cancelled	C-13	<u>208,458</u>	<u>390,430</u>
		622,755	479,802
Decreased by:			
Appropriation to Finance Improvement Authorizations	C-13	372,755	31,000
Anticipated as Current Fund Revenue	C-6	9,900	
Cancelled Grants Receivable	C-1	<u>-</u>	<u>36,202</u>
Balance, December 31	C	<u>\$ 240,100</u>	<u>\$ 412,600</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2014 AND 2013**

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
ASSETS			
OPERATING FUND			
Cash	D-5	\$ 3,454,828	\$ 3,763,643
Cash - Change Fund	D-7	25	25
Due from Other Trust Fund	D-16	11,758	11,758
Due from Electric Utility Operating Fund	D-14	57,959	
Due from Utility Trust Fund	F-3	<u>69,841</u>	<u>41,179</u>
		<u>3,594,411</u>	<u>3,816,605</u>
Receivables With Full Reserves			
Water Usage Charges Receivable	D-8	116,292	152,868
Other Charges Receivable	D-9	43,925	48,100
Woodcliff Lake Surcharge Receivable	D-10	<u>25,509</u>	<u>23,476</u>
		<u>185,726</u>	<u>224,444</u>
Total Operating Fund		<u>3,780,137</u>	<u>4,041,049</u>
CAPITAL FUND			
Due from Water Utility Operating Fund	D-15	815,641	825,875
Fixed Capital	D-11	12,356,422	12,238,747
Fixed Capital Authorized and Uncompleted	D-12	<u>2,489,738</u>	<u>1,131,515</u>
Total Capital Fund		<u>15,661,801</u>	<u>14,196,137</u>
		<u>\$ 19,441,938</u>	<u>\$ 18,237,186</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2014 AND 2013
(Continued)

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	D-4,D-17	\$ 159,019	\$ 125,702
Encumbrances Payable	D-18	172,726	180,955
Accounts Payable	D-19	11,133	
Prepaid Rents	D-21	483	
Overpayments	D-22	15,972	14,178
Accrued Interest on Bonds	D-23	14,157	14,570
Due to Current Fund	D-13	5,321	
Due to Water Utility Capital Fund	D-15	815,641	825,875
Due to Electric Utility Operating Fund	D-14		926
Miscellaneous Reserves	D-28	<u>1,773,200</u>	<u>2,114,078</u>
		2,967,652	3,276,284
Reserve for Receivables	D	185,726	224,444
Fund Balance	D-1	<u>626,759</u>	<u>540,321</u>
Total Operating Fund		<u>3,780,137</u>	<u>4,041,049</u>
CAPITAL FUND			
Serial Bonds Payable	D-25	1,652,000	1,762,000
Contracts Payable	D-20	161,129	113,487
Improvement Authorization			
Funded	D-24	318,090	371,830
Unfunded	D-24	1,382,196	74,609
Capital Improvement Fund	D-26	411,669	556,669
Reserve for Amortization	D-27	11,665,660	11,258,262
Fund Balance	D-2	<u>71,057</u>	<u>59,280</u>
Total Capital Fund		<u>15,661,801</u>	<u>14,196,137</u>
		<u>\$ 19,441,938</u>	<u>\$ 18,237,186</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2014 and 2013 of \$1,528,500 and \$350,000, 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, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	D-3	\$ 267,512	\$ 541,644
Water Usage Charges	D-3	2,871,721	2,808,918
Miscellaneous Charges and Fees	D-3	279,820	270,493
Reserve for Woodcliff Lake Improvements - Reimbursements			
Well 20 Capital Expenditures	D-3	389,772	
Holly Court Water Tank - Debt Service	D-3	51,893	
Non-Budget Revenue	D-3	17,115	
Other Credits			
Appropriation Reserves Lapsed	D-17	119,881	267,838
Cancellation of Accounts Payable	D-1	<u>-</u>	<u>2,906</u>
 Total Income		 <u>3,997,714</u>	 <u>3,891,799</u>
 EXPENDITURES			
Operating	D-4	3,096,298	3,005,600
Capital Improvements	D-4	185,000	248,000
Debt Service	D-4	148,441	96,765
Deferred Charges and Statutory Expenditures	D-4	<u>214,025</u>	<u>211,250</u>
 Total Expenditures		 <u>3,643,764</u>	 <u>3,561,615</u>
 Excess in Revenue		 353,950	 330,184
 Fund Balance, January 1,	 D	 <u>540,321</u>	 <u>751,781</u>
		894,271	1,081,965
Decreased by:			
Utilized as Anticipated Revenue	D-1,D-3	<u>267,512</u>	<u>541,644</u>
 Balance, December 31,	 D	 <u>\$ 626,759</u>	 <u>\$ 540,321</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
WATER UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Balance, January 1	D	\$ 59,280	\$ 53,460
Increased by:			
Cancellation of Funded Improvement Authorizations	D-27	11,777	
Premium on Serial Bonds	D-2	<u> -</u>	<u>5,820</u>
Balance, December 31,	D	<u>\$ 71,057</u>	<u>\$ 59,280</u>

BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	D-1	\$ 267,512	\$ 267,512	
Water Usage Charges	D-1,D-8	2,805,000	2,871,721	\$ 66,721
Miscellaneous Charges and Fees	D-1,D-3	230,000	279,820	49,820
Reserve for Woodcliff Lake Improvements - Reimbursements				
Well 20 Capital Expenditures	D-1, D-28	389,772	389,772	
Holly Court Water Tank - Debt Service	D-1, D-28	<u>51,893</u>	<u>51,893</u>	<u>-</u>
	D-4	<u>\$ 3,744,177</u>	3,860,718	<u>\$ 116,541</u>
Non-Budget Revenue	D-1, D-3		<u>17,115</u>	
			<u>\$3,877,833</u>	
 <u>Analysis of Realized Revenue</u>				
Miscellaneous Charges and Fees:				
Fire Sprinkler	D-9		\$ 76,281	
Hydrants	D-9		35,944	
Mobile Antenna Rents	D-5,D-14		166,055	
Other Fees	D-5		<u>1,540</u>	
	D-3		<u>\$ 279,820</u>	
Non-Budget Revenue:				
Interest on Investments			\$ 16,783	
Miscellaneous			<u>332</u>	
	D-3		<u>\$ 17,115</u>	
 Cash Receipts				
Due from Utility Trust Fund	D-5		\$ 15,944	
	F-3		<u>1,171</u>	
			<u>\$ 17,115</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, 2014

	<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	\$ 1,178,000	\$ 1,177,998	\$ 1,154,865	\$ 23,133	
Other Expenses	1,588,500	1,588,500	1,518,874	44,626	\$ 25,000
Group Health Insurance	369,800	369,800	318,914	35,886	15,000
Total Operating	<u>3,136,300</u>	<u>3,136,298</u>	<u>2,992,653</u>	<u>103,645</u>	<u>40,000</u>
CAPITAL IMPROVEMENTS					
Capital Improvement Fund	25,000	25,000	25,000		
Capital Outlay	220,000	220,000	111,119	48,881	60,000
Total Capital Improvements	<u>245,000</u>	<u>245,000</u>	<u>136,119</u>	<u>48,881</u>	<u>60,000</u>
DEBT SERVICE					
Payment of Bond Principal	110,000	110,000	110,000		
Interest on Bonds	38,854	38,854	38,441	-	413
Total Debt Service	<u>148,854</u>	<u>148,854</u>	<u>148,441</u>	<u>-</u>	<u>413</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Deferred Charges					
Cost of Improvements -					
Ordinance No. 2004-07	21,500	21,500	21,500		
Statutory Expenditures					
Contribution to					
Public Employees Retirement System	102,523	102,525	102,524	1	
Social Security System (O.A.S.I.)	90,000	90,000	83,508	6,492	-
Total Deferred Charges and Statutory Expenditures	<u>214,023</u>	<u>214,025</u>	<u>207,532</u>	<u>6,493</u>	<u>-</u>
	<u>\$ 3,744,177</u>	<u>\$ 3,744,177</u>	<u>\$ 3,484,745</u>	<u>\$ 159,019</u>	<u>\$ 100,413</u>

	<u>Reference</u>	D-3	D-4	D-1	D, D-1
Cash Disbursed	D-5			\$ 3,221,757	
Encumbrances Payable	D-18			172,726	
Due to Current Fund	D-13			5,321	
Due to Water Utility Capital Fund	D-15			46,500	
Accrued Interest on Bonds	D-23			38,441	
				<u>\$ 3,484,745</u>	

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
ELECTRIC UTILITY FUND
AS OF DECEMBER 31, 2014 AND 2013**

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
ASSETS			
OPERATING FUND			
Cash	E-5	\$ 1,333,395	\$ 2,217,172
Cash - Change Fund	E-7	50	50
Cash - Petty Cash	E-8	500	500
Due from Current Fund	E-14	112,630	
Due from Other Trust Fund	E-16	13,731	16,106
Due from Water Utility Operating Fund	D-14		926
Due from Utility Trust Fund	F-4	<u>130,978</u>	<u>84,153</u>
		<u>1,591,284</u>	<u>2,318,907</u>
Receivables With Full Reserves			
Light and Power Charges Receivable	E-9	354,817	317,750
Other Charges Receivable	E-10	<u>19,047</u>	<u>19,164</u>
		<u>373,864</u>	<u>336,914</u>
Deferred Charges:			
Special Emergency Authorizations	E-13	<u>-</u>	<u>52,427</u>
Total Operating Fund		<u>1,965,148</u>	<u>2,708,248</u>
CAPITAL FUND			
Due from Electric Utility Operating Fund	E-15	185,047	269,548
Fixed Capital	E-11	12,035,465	11,874,002
Fixed Capital Authorized and Uncompleted	E-12	<u>389,083</u>	<u>196,354</u>
Total Capital Fund		<u>12,609,595</u>	<u>12,339,904</u>
		<u>\$ 14,574,743</u>	<u>\$ 15,048,152</u>

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
ELECTRIC UTILITY FUND
AS OF DECEMBER 31, 2014 AND 2013
(Continued)

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	E-4,E-17	\$ 193,894	\$ 126,110
Encumbrances Payable	E-18	510,102	620,268
Accounts Payable	E-20	11,900	
Accrued Interest on Bonds	E-21	11,578	13,000
Accrued Interest on Notes	E-22		844
Prepaid Charges	E-28	2,681	4,500
Overpayments	E-29	9,946	14,973
Special Emergency Note Payable	E-31		180,000
Due to Water Utility Operating Fund	D-14	57,959	
Due to Electric Utility Capital Fund	E-15	185,047	269,548
Reserve for Hurricane Sandy - FEMA Reimbursement	E-30	-	52,427
		<u>983,107</u>	<u>1,281,670</u>
Reserve for Receivables	E	373,864	336,914
Fund Balance	E-1	<u>608,177</u>	<u>1,089,664</u>
Total Operating Fund		<u>1,965,148</u>	<u>2,708,248</u>
CAPITAL FUND			
Serial Bonds	E-24	1,483,000	1,718,000
Contracts Payable	E-19	103,150	10,635
Improvement Authorizations			
Funded	E-23	93,685	98,950
Unfunded	E-23	145,478	
Capital Improvement Fund	E-25	151,500	276,500
Reserve for Amortization	E-26	10,470,941	10,075,226
Deferred Reserve for Amortization	E-27	125,000	151,023
Fund Balance	E-2	<u>36,841</u>	<u>9,570</u>
Total Capital Fund		<u>12,609,595</u>	<u>12,339,904</u>
		<u>\$ 14,574,743</u>	<u>\$ 15,048,152</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2014 and 2013 of \$345,607 and \$126,107 respectively. (See Exhibit E-32)

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, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	E-3	\$ 945,480	\$ 1,118,760
Light and Power Charges	E-3	9,849,282	9,859,919
FEMA Reimbursements	E-3	108,673	110,301
Reserve for Hurricane Sandy Emergency - Reimbursements	E-3	52,427	
Insurance Proceeds	E-3	25,983	
Miscellaneous Charges and Fees	E-3	22,074	41,358
Non-Budget Revenue	E-3	12,726	
Other Credits to Income			
Appropriation Reserves Lapsed	E-17	108,645	299,164
Cancellation of Accounts Payable	E-1	-	2,001
		<u>11,125,290</u>	<u>11,431,503</u>
Total Income			
EXPENDITURES			
Operating	E-4	10,085,700	9,923,900
Capital Improvements	E-4	33,500	93,500
Debt Service	E-4	287,176	276,392
Deferred Charges and Statutory Expenditures	E-4	254,921	230,845
		<u>10,661,297</u>	<u>10,524,637</u>
Total Expenditures			
Excess in Revenue		463,993	906,866
Fund Balance, January 1,	E	<u>1,089,664</u>	<u>1,301,558</u>
		1,553,657	2,208,424
Decreased by:			
Utilized as Anticipated Revenue	E-1, E-3	<u>945,480</u>	<u>1,118,760</u>
Balance, December 31,	E	<u>\$ 608,177</u>	<u>\$ 1,089,664</u>

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE- REGULATORY BASIS
ELECTRIC UTILITY FUND
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Balance, January 1	E	\$ 9,570	\$ 8,569
Increased by:			
Cancellation of Funded Improvement Authorizations	E-26,E-27	27,271	
Premium on Serial Bonds Issued	E-2	<u>-</u>	<u>1,001</u>
Balance, December 31,	E	<u>\$ 36,841</u>	<u>\$ 9,570</u>

BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
ELECTRIC UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	Excess or (Deficit)
Fund Balance Anticipated	E-1	\$ 945,480	\$ 945,480	
Light and Power Charges	E-1,E-9	10,020,000	9,849,282	\$ (170,718)
FEMA Reimbursements	E-1, E-14	108,673	108,673	
Reserve for Hurricane Sandy Emergency - Reimbursement	E-1, E-30	52,427	52,427	
Insurance Proceeds	E-1, E-5	25,983	25,983	
Miscellaneous Charges and Fees	E-1,E-3	<u>36,000</u>	<u>22,074</u>	<u>(13,926)</u>
	E-4	<u>\$ 11,188,563</u>	11,003,919	<u>\$ (184,644)</u>
Non-Budget Revenue	E-1, E-3		<u>12,726</u>	
			<u>\$ 11,016,645</u>	
<u>Analysis of Realized Revenue</u>				
Miscellaneous: Charges and Fees				
Dusk to Dawn Charges	E-10		\$ 18,952	
Miscellaneous Fees	E-5		<u>3,122</u>	
	E-3		<u>\$ 22,074</u>	
Non-Budget Revenue:				
Interest on Investments			\$ 10,030	
Miscellaneous			<u>2,696</u>	
	E-3		<u>\$ 12,726</u>	
Cash Receipts	E-5		\$ 11,946	
Due from Utility Trust Fund	F-4		<u>780</u>	
			<u>\$ 12,726</u>	

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
ELECTRIC UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<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	\$ 1,119,000	\$ 1,119,000	\$ 1,072,390	\$ 21,610	\$ 25,000
Other Expenses	636,500	636,500	502,540	58,960	75,000
Group Health Insurance	360,200	360,200	317,368	17,832	25,000
Purchase of Electric Current	7,840,000	7,840,000	7,377,195	62,805	400,000
Franchise & Gross Receipts Taxes-Current Fund	500,000	500,000	500,000		
Payment in Lieu of Taxes - Current Fund	155,000	155,000	155,000	-	-
Total Operating	10,610,700	10,610,700	9,924,493	161,207	525,000
CAPITAL IMPROVEMENTS					
Capital Outlay	33,500	33,500	11,463	22,037	-
Total Capital Improvements	33,500	33,500	11,463	22,037	-
MUNICIPAL DEBT SERVICE -					
Payment of Bond Principal	235,000	235,000	235,000		
Interest on Bonds	52,198	52,198	50,776		1,422
Interest on Notes	2,244	2,244	1,400	-	844
Total Municipal Debt Service	289,442	289,442	287,176	-	2,266
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Deferred Charges					
Special Emergency Authorizations	52,427	52,427	52,427		
Cost of Improvements					
Ordinance No. 1996-05	25,500	25,500	25,500		
Statutory Expenditures					
Contribution to					
Public Employees Retirement System	91,994	91,994	91,066	928	
Social Security System (O.A.S.I.)	85,000	85,000	75,278	9,722	-
Total Deferred Charges and Statutory Expenditures	254,921	254,921	244,271	10,650	-
	\$ 11,188,563	\$ 11,188,563	\$ 10,467,403	\$ 193,894	\$ 527,266
	<u>Reference</u>	E-3	E-4	E-1	E, E-1
Cash Disbursed	E-5			\$ 9,827,198	
Encumbrances Payable	E-18			510,102	
Special Emergency Authorizations	E-13			52,427	
Due to Electric Utility Capital Fund	E-15			25,500	
Accrued Interest on Bonds	E-21			50,776	
Accrued Interest on Notes	E-22			1,400	
				<u>\$ 10,467,403</u>	

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
UTILITY TRUST FUND
AS OF DECEMBER 31, 2014 AND 2013

ASSETS	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Cash	F-1	\$ 933,152	\$ 834,809
		<u>\$ 933,152</u>	<u>\$ 834,809</u>
LIABILITIES AND RESERVES			
Deposits Payable			
Water Customers	F-2	\$ 459,461	\$ 436,971
Electric Customers	F-2	272,872	272,506
Due to Water Utility Operating Fund	F-3	69,841	41,179
Due to Electric Utility Operating Fund	F-4	<u>130,978</u>	<u>84,153</u>
Total Liabilities and Reserves		<u>\$ 933,152</u>	<u>\$ 834,809</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SWIM POOL UTILITY FUND
AS OF DECEMBER 31, 2014 AND 2013**

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
ASSETS			
OPERATING FUND			
Cash	G-5	\$ 270,392	\$ 219,718
Petty Cash	G-7	<u>250</u>	<u>500</u>
Total Operating Fund		<u>270,642</u>	<u>220,218</u>
CAPITAL FUND			
Grants Receivable	G-8	23,801	23,801
Due from Swimming Pool Utility Operating Fund	G-9	18,804	6,804
Fixed Capital	G-11	1,060,861	1,060,861
Fixed Capital Authorized and Uncompleted	G-12	<u>43,055</u>	<u>43,055</u>
Total Capital Fund		<u>1,146,521</u>	<u>1,134,521</u>
		<u>\$ 1,417,163</u>	<u>\$ 1,354,739</u>

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SWIM POOL UTILITY FUND
AS OF DECEMBER 31, 2014 AND 2013
(Continued)

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	G-4,G-13	\$ 3,962	\$ 1,696
Encumbrances Payable	G-14	2	3,775
Accounts Payable	G-15	300	-
Due to Current Fund	G-10	13	13
Due to Swim Pool Utility Capital Fund	G-9	<u>18,804</u>	<u>6,804</u>
		23,081	12,288
Fund Balance	G-1	<u>247,561</u>	<u>207,930</u>
Total Operating Fund		<u>270,642</u>	<u>220,218</u>
CAPITAL FUND			
Improvement Authorizations			
Funded	G-16	27,055	18,615
Unfunded	G-16	16,000	24,440
Capital Improvement Fund	G-17	16,000	16,000
Reserve for Amortization	G-18	1,060,361	1,056,801
Deferred Reserve for Amortization	G-19	27,055	18,615
Fund Balance	G-2	<u>50</u>	<u>50</u>
Total Capital Fund		<u>1,146,521</u>	<u>1,134,521</u>
		<u>\$ 1,417,163</u>	<u>\$ 1,354,739</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2014 and 2013 of \$16,500 and \$28,500 respectively. (See Exhibit G-20)

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, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	G-3	\$ 14,750	
Membership Fees	G-3	201,970	\$ 222,225
Miscellaneous Fees	G-3	48,315	33,745
Other Credits			
Cancelled Accounts Payable	G-1		320
Appropriation Reserves Lapsed	G-13	<u>1,096</u>	<u>7,561</u>
 Total Income		 <u>266,131</u>	 <u>263,851</u>
 EXPENDITURES			
Operating	G-4	191,320	200,658
Deferred Charges and Statutory Expenditures	G-4	<u>20,430</u>	<u>20,067</u>
 Total Expenditures		 <u>211,750</u>	 <u>220,725</u>
 Excess in Revenue		 54,381	 43,126
 Fund Balance, January 1,	 G	 <u>207,930</u>	 <u>164,804</u>
		262,311	207,930
 Decreased by:			
Utilized as Anticipated Revenue	G-1, G-3	<u>14,750</u>	<u>-</u>
 Balance, December 31,	 G	 <u>\$ 247,561</u>	 <u>\$ 207,930</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, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Balance, January 1	G	\$ <u>50</u>	\$ <u>50</u>
Balance, December 31,	G	\$ <u>50</u>	\$ <u>50</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
SWIM POOL UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	Excess or (Deficit)
Fund Balance Utilized	G-1	\$ 14,750	\$ 14,750	
Membership Fees	G-1,G-5	222,000	201,970	\$ (20,030)
Miscellaneous	G-1,G-3	<u>25,000</u>	<u>48,315</u>	<u>23,315</u>
	G-4	<u>\$ 261,750</u>	<u>\$ 265,035</u>	<u>\$ 3,285</u>

Analysis of Realized Revenue

Miscellaneous			
Guest Fees			\$ 16,893
Swim Lessons			7,598
Fines			3,245
Snack Bar Concession Fee			3,600
Pictures			569
Other Receipts			<u>16,410</u>
	G-3,G-5		<u>\$ 48,315</u>

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SWIM POOL UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<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	\$ 110,200	\$ 110,200	\$ 106,043	\$ 1,157	\$ 3,000
Other Expenses	<u>131,120</u>	<u>131,120</u>	<u>81,633</u>	<u>2,487</u>	<u>47,000</u>
Total Operating	<u>241,320</u>	<u>241,320</u>	<u>187,676</u>	<u>3,644</u>	<u>50,000</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Deferred Charges					
Cost of Improvements-Ord. 6-10	12,000	12,000	12,000		
Statutory Expenditures					
Contribution to Social Security System (O.A.S.I.)	<u>8,430</u>	<u>8,430</u>	<u>8,112</u>	<u>318</u>	<u>-</u>
Total Deferred Charges and Statutory Expenditures	<u>20,430</u>	<u>20,430</u>	<u>20,112</u>	<u>318</u>	<u>-</u>
	<u>\$ 261,750</u>	<u>\$ 261,750</u>	<u>\$ 207,788</u>	<u>\$ 3,962</u>	<u>\$ 50,000</u>
<u>Reference</u>	G-3	G-4	G-1	G,G-1	
	<u>Reference</u>				
Cash Disbursed	G-5		\$ 195,786		
Encumbrances Payable	G-14		2		
Due to Swim Pool Utility Capital Fund	G-9		<u>12,000</u>		
	G-4		<u>\$ 207,788</u>		

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
PUBLIC ASSISTANCE FUND
AS OF DECEMBER 31, 2014 AND 2013**

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
ASSETS			
Cash	H-1	\$ 19,276	\$ 19,304
		<u>\$ 19,276</u>	<u>\$ 19,304</u>
LIABILITIES AND RESERVES			
Due to Current Fund	H-2	\$ 3,845	\$ 2,445
Reserve for Public Assistance	H-3	<u>15,431</u>	<u>16,859</u>
		<u>\$ 19,276</u>	<u>\$ 19,304</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Land	\$ 14,623,192	\$ 14,623,192
Buildings and Building Improvements	5,185,000	5,185,000
Machinery and Equipment	<u>5,908,752</u>	<u>5,838,757</u>
	<u>\$ 25,716,944</u>	<u>\$ 25,646,949</u>
 Investment in Fixed Assets	 <u>\$ 25,716,944</u>	 <u>\$ 25,646,949</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, 2014 AND 2013**

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 six council persons 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 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, 2014 AND 2013**

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 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 the 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, 2014 AND 2013**

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 electric 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, 2013 balances to conform to the December 31, 2014 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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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:

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 June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a 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).

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Utility Revenues/Receivables – Water utility charges are levied both 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, senior, 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 balance 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.

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.

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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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.

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 as cost. Donated fixed assets are recorded at estimated fair market 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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

General Fixed Assets (Continued)

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.

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 Fund (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 2014 and 2013 the Borough Council increased the original budget by \$284,055 and \$160,000. The increase for 2014 was attributable to an emergency resolution for the Road Improvement Program – Brae Boulevard in the amount of \$221,655 which was funded by a capital ordinance and a special emergency resolution for the preparation of an approved tax map in the amount of \$62,400. The increase in 2013 was funded by additional aid allocated to the Borough. In addition, the governing body approved several budget transfers during 2014 and 2013.

**BOROUGH OF PARK RIDGE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 3 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. Deposits

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The 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.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2014 and 2013, the book value of the Borough's deposits were \$12,114,887 and \$14,112,851 and bank and brokerage firm balances of the Borough's deposits amounted to \$12,336,823 and \$14,734,772, 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>2014</u>	<u>2013</u>
Insured	<u>\$ 12,336,823</u>	<u>\$ 14,734,772</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, 2014 and 2013, the Borough's bank balances were not 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, 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, Local Government investment pools, and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the 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, 2014 AND 2013**

NOTE 3 DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

As of December 31, 2014 and 2013, the Borough had the following investments:

	<u>2014</u>	<u>2013</u>
	Fair Value	Fair Value
	<u>(LOSAP Only)</u>	<u>(LOSAP Only)</u>
Investment:		
Lincoln Financial Group		
LOSAP Investment Plans (Unaudited)	\$ <u>1,296,085</u>	\$ <u>1,175,780</u>

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, 2014 and 2013, \$1,296,085 and \$1,175,780 of the Borough’s investments was exposed to custodial credit risk as follows:

	<u>2014</u>	<u>2013</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)	\$ <u>1,296,085</u>	\$ <u>1,175,780</u>

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). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2014 and 2013, the Borough’s investment in Lincoln Financial Group, a subsidiary of Lincoln National Corporation, was rated Baa1, respectively, by Moody’s Investor Services.

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 investments were based on quoted market prices, provided by the respective investment fund.

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 Funds and Utility Trust Fund 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, 2014 AND 2013**

NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE

Receivables at December 31, 2014 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Electric Utility</u>	<u>Total</u>
<u>2014</u>				
Property Taxes	\$ 242,089			\$ 242,089
Utility Charges and Fees	<u>-</u>	<u>\$ 185,726</u>	<u>\$ 373,864</u>	<u>559,590</u>
	<u>\$ 242,089</u>	<u>\$ 185,726</u>	<u>\$ 373,864</u>	<u>\$ 801,679</u>

In 2014, the Borough collected \$199,746, \$224,444 and \$336,914 from delinquent taxes, water utility rents and electric utility charges, respectively, represented 100%, 100%, and 100% of the delinquent tax, water and electric charges receivable at December 31, 2013.

Receivables at December 31, 2013 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Electric Utility</u>	<u>Total</u>
<u>2013</u>				
Property Taxes	\$ 199,746			\$ 199,746
Utility Charges and Fees	<u>-</u>	<u>\$ 224,444</u>	<u>\$ 336,914</u>	<u>561,358</u>
	<u>\$ 199,746</u>	<u>\$ 224,444</u>	<u>\$ 336,914</u>	<u>\$ 761,104</u>

In 2013, the Borough collected \$322,050, \$166,866, and \$372,763 from delinquent taxes, water utility rents, and electric utility charges, respectively, which represented 100%, 100% and 100% of the delinquent tax, water and electric charges receivable at December 31, 2012.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

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>2014</u>		<u>2013</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 446,028	\$ 133,209	\$ 42,359	\$ 23,165
Trust Fund:				
Animal Control		7,712		2,611
Other Trust		541,503		145,737
Unemployment Insurance	18,294		12,000	
Open Space Preservation		182,900		
General Capital Fund	272,062		91,748	
Water Utility:				
Operating	139,558	820,962	52,937	826,801
Capital	815,641		825,875	
Electric Utility:				
Operating	257,339	243,006	101,185	269,548
Capital	185,047		269,548	
Utility Trust Fund		200,819		125,332
Swim Pool Utility:				
Operating		18,817		6,817
Capital	18,804		6,804	
Public Assistance Fund	-	3,845	-	2,445
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	\$ 2,152,773	\$ 2,152,773	\$ 1,402,456	\$ 1,402,456

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

The Borough expects all interfund balances to be liquidated within one year except intra funds between water, electric and swim pool utility operating and capital funds.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

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:

	<u>Balance</u> <u>December 31,</u>	<u>Subsequent Year</u> <u>Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Budgets</u>
<u>2014</u>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	\$ 236,154	\$ 110,480	\$ 125,674
<u>2013</u>			
Current Fund			
Expenditures without an Appropriation	\$ 61,261	\$ 61,261	
Special Emergency Authorizations (40A:4-55)	271,754	98,000	\$ 173,754
Electric Utility Operating Fund			
Special Emergency Authorizations (40A:4-55)	52,427	52,427	

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

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:

	2014		2013	
	Fund Balance <u>December 31,</u>	Utilized in Subsequent Year's Budget	Fund Balance <u>December 31,</u>	Utilized in Subsequent Year's Budget
Current Fund				
Cash Surplus	\$ 1,706,376	\$ 750,700	\$ 1,539,578	\$ 680,700
Non-Cash Surplus	<u>257,227</u>	<u>-</u>	<u>266,933</u>	<u>-</u>
	<u>\$ 1,963,603</u>	<u>\$ 750,700</u>	<u>\$ 1,806,511</u>	<u>\$ 680,700</u>
Water Utility Operating Fund				
Cash Surplus	\$ 626,759	\$ 399,400	\$ 540,321	\$ 267,512
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 626,759</u>	<u>\$ 399,400</u>	<u>\$ 540,321</u>	<u>\$ 267,512</u>
Electric Utility Operating Fund				
Cash Surplus	\$ 608,177	\$ 514,598	\$ 1,089,664	\$ 945,480
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 608,177</u>	<u>\$ 514,598</u>	<u>\$ 1,089,664</u>	<u>\$ 945,480</u>
Swim Pool Utility Operating Fund				
Cash Surplus	\$ 247,561	\$ 46,100	\$ 207,930	\$ 14,750
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 247,561</u>	<u>\$ 46,100</u>	<u>\$ 207,930</u>	<u>\$ 14,750</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

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, 2014 and 2013.

	Balance, December 31, <u>2013</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2014</u>
<u>2014</u>				
Land	\$ 14,623,192			\$ 14,623,192
Buildings and Building Improvements	5,185,000			5,185,000
Machinery and Equipment	5,838,757	\$ 92,488	\$ 22,493	5,908,752
	<u>\$ 25,646,949</u>	<u>\$ 92,488</u>	<u>\$ 22,493</u>	<u>\$ 25,716,944</u>
	Balance, December 31, <u>2012</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2013</u>
<u>2013</u>				
Land	\$ 14,933,696	\$ 221,396	\$ 531,900	\$ 14,623,192
Buildings and Building Improvements	5,515,900		330,900	5,185,000
Machinery and Equipment	5,347,790	875,590	384,623	5,838,757
	<u>\$ 25,797,386</u>	<u>\$ 1,096,986</u>	<u>\$ 1,247,423</u>	<u>\$ 25,646,949</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

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, 2014 and 2013:

<u>Water Utility Fund</u>	Balance December 31, <u>2013</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2014</u>
<u>2014</u>				
Fixed Capital				
Land and Land Rights	\$ 12,887			\$ 12,887
Structures and System Improvements	8,983,955	\$ 73,777		9,057,732
Vehicles and Equipment	3,241,905	43,898	-	3,285,803
	<u>\$ 12,238,747</u>	<u>\$ 117,675</u>	<u>\$ -</u>	<u>\$ 12,356,422</u>
	Balance December 31, <u>2012</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2013</u>
<u>2013</u>				
Fixed Capital				
Land and Land Rights	\$ 12,887			\$ 12,887
Structures and System Improvements	8,887,097	\$ 96,858		8,983,955
Vehicles and Equipment	3,159,454	82,451	-	3,241,905
	<u>\$ 12,059,438</u>	<u>\$ 179,309</u>	<u>\$ -</u>	<u>\$ 12,238,747</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 8 FIXED ASSETS (Continued)

B. Utility Funds Fixed Assets (Continued)

<u>Electric Utility Fund</u>	Balance December 31, <u>2013</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2014</u>
<u>2014</u>				
Fixed Capital				
Structures and System Improvements	\$ 9,304,444	\$ 132,719		\$ 9,437,163
Vehicles and Equipment	<u>2,569,558</u>	<u>28,744</u>	-	<u>2,598,302</u>
	<u>\$ 11,874,002</u>	<u>\$ 161,463</u>	<u>\$ -</u>	<u>\$ 12,035,465</u>
	Balance December 31, <u>2012</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2013</u>
<u>2013</u>				
Fixed Capital				
Structures and System Improvements	\$ 8,900,592	\$ 403,852		\$ 9,304,444
Vehicles and Equipment	<u>2,341,433</u>	<u>228,125</u>	-	<u>2,569,558</u>
	<u>\$ 11,242,025</u>	<u>\$ 631,977</u>	<u>\$ -</u>	<u>\$ 11,874,002</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 8 FIXED ASSETS (Continued)

B. Utility Funds Fixed Assets (Continued)

<u>Swim Pool Utility Fund</u>	Balance December 31, <u>2013</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2014</u>
<u>2014</u>				
Fixed Capital				
Land and Land Improvements	\$ 43,376			\$ 43,376
Pool Facilities and Improvements	957,089			957,089
Furniture & Equipment	<u>60,396</u>	<u>-</u>	<u>-</u>	<u>60,396</u>
	<u>\$ 1,060,861</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,060,861</u>
	Balance December 31, <u>2012</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2013</u>
<u>2012</u>				
Fixed Capital				
Land and Land Improvements	\$ 43,376			\$ 43,376
Pool Facilities and Improvements	957,089			957,089
Furniture & Equipment	<u>60,396</u>	<u>-</u>	<u>-</u>	<u>60,396</u>
	<u>\$ 1,060,861</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,060,861</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 9 MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for both general capital and utility capital fund projects. 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, 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>2014</u>	<u>2013</u>
Issued		
General		
Bonds, Notes and Loans	\$ 14,253,057	\$ 15,297,560
Water Utility		
Bonds	1,652,000	1,762,000
Electric Utility		
Bonds	<u>1,483,000</u>	<u>1,718,000</u>
	17,388,057	18,777,560
Less Funds Temporarily Held to Pay Bonds, Notes and Loans	<u>104,329</u>	<u>139,489</u>
Net Debt Issued	17,283,728	18,638,071
Authorized But Not Issued		
General		
Bonds and Notes	333,000	-
Water Utility		
Bonds and Notes	1,528,500	350,000
Electric Utility		
Bonds and Notes	345,607	126,107
Swim Pool Utility		
Bonds and Notes	<u>16,500</u>	<u>28,500</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 19,507,335</u>	<u>\$ 19,142,678</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

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 .826% and .857% at December 31, 2014 and 2013, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2014</u>			
General Debt	\$ 14,586,057	\$ 104,329	\$ 14,481,728
School Debt	10,690,713	10,690,713	-
Utility Debt	<u>5,025,607</u>	<u>5,025,607</u>	<u>-</u>
Total	<u>\$ 30,302,377</u>	<u>\$ 15,820,649</u>	<u>\$ 14,481,728</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2013</u>			
General Debt	\$ 15,297,560	\$ 139,489	\$ 15,158,071
School Debt	12,770,713	12,770,713	-
Utility Debt	<u>3,984,607</u>	<u>3,984,607</u>	<u>-</u>
Total	<u>\$ 32,052,880</u>	<u>\$ 16,894,809</u>	<u>\$ 15,158,071</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>2014</u>	<u>2013</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 61,336,985	\$ 61,901,335
Less: Net Debt	<u>14,481,728</u>	<u>15,158,071</u>
Remaining Borrowing Power	<u>\$ 46,855,257</u>	<u>\$ 46,743,264</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

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>2014</u>	<u>2013</u>
\$4,827,000, 2007 Bonds, due in annual installments of \$300,000 to \$350,000 through October, 2023, interest at 3.875 to 4.00%	\$ 2,952,000	\$ 3,252,000
\$3,215,000, 2012 Bonds, due in annual installments of \$150,000 to \$300,000 through August 2026, interest at 1.00% to 2.00%	2,915,000	3,065,000
\$3,035,000, 2013 Refunding Bonds, due in annual installments of \$325,000 to \$350,000 through February 2022, interest at 2.00% to 4.00%	2,700,000	3,035,000
\$2,207,000, 2013 Bonds, due in annual installments of \$140,000 to \$280,000 through August 2023, interest at 1.00% to 3.00%	<u>2,067,000</u>	<u>2,207,000</u>
	<u>\$ 10,634,000</u>	<u>\$ 11,559,000</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>2014</u>	<u>2013</u>
\$500,000, 2008 Loans, due in semi - annual installments of \$13,390 to \$16,833 through July, 2026, interest at 2.00%	\$ 361,177	\$ 387,560
\$1,156,000, 2012 Loans, due in semi - annual installments of \$28,141 to \$39,079 through April, 2032, interest at 2.00%	<u>1,132,880</u>	<u>1,156,000</u>
	<u>\$ 1,494,057</u>	<u>\$ 1,543,560</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (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>2014</u>	<u>2013</u>
\$1,250,000, 2012 Bonds, due in annual installments of \$75,000 to \$95,000 through August, 2027, interest at 1.00% to 2.20%	\$ 1,105,000	\$ 1,180,000
\$582,000, 2013 Bonds, due in annual installments of \$35,000 to \$47,000 through August, 2027, interest at 1.00% to 4.00%	<u>547,000</u>	<u>582,000</u>
	<u>\$ 1,652,000</u>	<u>\$ 1,762,000</u>

Electric Utility

\$1,693,000, 2007 Bonds, due in annual installments of \$125,000 to \$175,000 through October, 2020, interest at 3.875 to 4.00%	\$ 893,000	\$ 1,018,000
\$695,000, 2012 Bonds, due in annual installments of \$95,000 to \$105,000 through August, 2019, interest at 1.00% to 2.00%	505,000	600,000
\$100,000, 2013 Bonds, due in annual installments of \$15,000 to \$20,000 through August, 2019, interest at 1.00% to 2.00%	<u>85,000</u>	<u>100,000</u>
	<u>\$ 1,483,000</u>	<u>\$ 1,718,000</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

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, 2014 is as follows:

Calendar Year	<u>General</u>		<u>Water Utility</u>		<u>Electric Utility</u>		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2015	\$ 1,000,055	\$ 329,077	\$ 110,000	\$ 37,753	\$ 240,000	\$ 46,254	\$ 1,763,138
2016	1,089,583	312,124	115,000	35,903	240,000	39,260	1,831,870
2017	1,166,284	281,005	120,000	33,603	265,000	32,116	1,898,008
2018	1,188,018	248,328	120,000	31,203	270,000	24,004	1,881,552
2019	1,214,788	214,840	120,000	28,803	300,000	15,791	1,894,222
2020-2024	5,255,742	508,200	650,000	102,465	168,000	6,510	6,690,917
2025-2029	1,022,024	59,278	417,000	22,875			1,521,177
2030-2032	191,563	5,785	-	-	-	-	197,348
	<u>\$ 12,128,057</u>	<u>\$ 1,958,637</u>	<u>\$ 1,652,000</u>	<u>\$ 292,603</u>	<u>\$ 1,483,000</u>	<u>\$ 163,935</u>	<u>\$ 17,678,232</u>

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years ended December 31, 2014 and 2013 were as follows:

	Balance, December 31, 2013	Additions	Reductions	Balance, December 31, 2014	Due Within One Year
<u>2014</u>					
<u>General Capital Fund</u>					
Bonds Payable	\$ 11,559,000	\$ -	\$ 925,000	\$ 10,634,000	\$ 945,000
Intergovernmental Loans Payable	1,543,560	-	49,503	1,494,057	55,055
General Capital Fund Long-Term Liabilities	<u>\$ 13,102,560</u>	<u>\$ -</u>	<u>\$ 974,503</u>	<u>\$ 12,128,057</u>	<u>\$ 1,000,055</u>
<u>Water Capital Fund</u>					
Bonds Payable	\$ 1,762,000	\$ -	\$ 110,000	\$ 1,652,000	\$ 110,000
Water Capital Fund Long-Term Liabilities	<u>\$ 1,762,000</u>	<u>\$ -</u>	<u>\$ 110,000</u>	<u>\$ 1,652,000</u>	<u>\$ 110,000</u>
<u>Electric Capital Fund</u>					
Bonds Payable	\$ 1,718,000	\$ -	\$ 235,000	\$ 1,483,000	\$ 240,000
Electric Capital Fund Long-Term Liabilities	<u>\$ 1,718,000</u>	<u>\$ -</u>	<u>\$ 235,000</u>	<u>\$ 1,483,000</u>	<u>\$ 240,000</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt (Continued)

	Balance, December 31, <u>2012</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2013</u>	Due Within <u>One Year</u>
<u>2013</u>					
<u>General Capital Fund</u>					
Bonds Payable	\$ 10,357,000	\$ 5,242,000	\$ 4,040,000	\$ 11,559,000	\$ 925,000
Intergovernmental Loans Payable	<u>1,569,424</u>	<u>-</u>	<u>25,864</u>	<u>1,543,560</u>	<u>50,765</u>
General Capital Fund Long-Term Liabilities	<u>\$ 11,926,424</u>	<u>\$ 5,242,000</u>	<u>\$ 4,065,864</u>	<u>\$ 13,102,560</u>	<u>\$ 975,765</u>
<u>Water Capital Fund</u>					
Bonds Payable	\$ 1,250,000	\$ 582,000	\$ 70,000	\$ 1,762,000	\$ 110,000
Water Capital Fund Long-Term Liabilities	<u>\$ 1,250,000</u>	<u>\$ 582,000</u>	<u>\$ 70,000</u>	<u>\$ 1,762,000</u>	<u>\$ 110,000</u>
<u>Electric Capital Fund</u>					
Bonds Payable	\$ 1,838,000	\$ 100,000	\$ 220,000	\$ 1,718,000	\$ 235,000
Electric Capital Fund Long-Term Liabilities	<u>\$ 1,838,000</u>	<u>\$ 100,000</u>	<u>\$ 220,000</u>	<u>\$ 1,718,000</u>	<u>\$ 235,000</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2014 and 2013 was as follows:

Bond Anticipation Notes

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	Balance January 1, <u>2014</u>	Renewed/ <u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31, <u>2014</u>
<u>2014</u>						
<u>General Capital Fund</u>						
Impvts. to Roads, Curbs and Sidewalks	0.70%	10/8/2015	\$ 733,000	\$ 733,000	\$ 733,000	\$ 733,000
Various Impvts. & Acq. of Equip.	0.70%	10/8/2015	1,242,000	1,242,000	1,242,000	1,242,000
Payments of Amounts Owing to Others for Taxes Levied	1.50%	8/14/2015	<u>220,000</u>	<u>150,000</u>	<u>220,000</u>	<u>150,000</u>
Total General Capital Fund			<u>\$ 2,195,000</u>	<u>\$ 2,125,000</u>	<u>\$ 2,195,000</u>	<u>\$ 2,125,000</u>

			Balance January 1, <u>2013</u>	Renewed/ <u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31, <u>2013</u>
<u>2013</u>						
<u>General Capital Fund</u>						
Impvts. to Roads, Curbs and Sidewalks	1.00%	10/8/2014	\$ 332,175	\$ 733,000	\$ 332,175	\$ 733,000
Road Resurfacing/Road Impvts.			332,175		332,175	
Various Impvts. & Acq. of Equip.	1.00%	10/8/2014	1,543,000	1,242,000	1,543,000	1,242,000
Payments of Amounts Owing to Others for Taxes Levied	1.25%	8/15/2014	<u>290,000</u>	<u>220,000</u>	<u>290,000</u>	<u>220,000</u>
Total General Capital Fund			<u>\$ 2,497,350</u>	<u>\$ 2,195,000</u>	<u>\$ 2,497,350</u>	<u>\$ 2,195,000</u>

The purpose of these short-term borrowings was to provide resources for capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq. The amounts issued for general governmental activities are accounted for in the General Capital Fund.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

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.

In addition to the debt shown in the above schedule, municipalities may issue debt to finance emergency or special emergency appropriations to temporarily finance operating expenditures. This debt which is not included in the Borough's statutory debt limit calculation is reported in the Current Fund and Water and Electric Utility Operating Funds for the years 2014 and 2013 as follows:

Emergency Notes

Any local unit may borrow money and issue its negotiable notes to meet an emergency appropriation. All emergency notes, and any renewals thereof, shall mature not later than the last day of the fiscal year following the fiscal year in which the notes were issued and the emergency appropriation authorized.

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance, December 31, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, December 31, 2013</u>
<u>2013</u>						
<u>Current Fund</u>						
Hurricane Sandy Response & Recovery	1.75%	8/16/2013	\$ 150,000	\$ -	\$ 150,000	\$ -
Total Current Fund			\$ 150,000	\$ -	\$ 150,000	\$ -
<u>Water Utility Operating Fund</u>						
Hurricane Sandy Response & Recovery	1.75%	8/16/2013	\$ 25,000	\$ -	\$ 25,000	\$ -
Total Water Utility Operating Fund			\$ 25,000	\$ -	\$ 25,000	\$ -

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Special Emergency Notes

Following the adoption of an ordinance or resolution for special emergency appropriations, the Borough may borrow money and issue special emergency notes which may be renewed from time to time, but at least 1/5 of all such notes and the renewal thereof, shall mature and be paid in each year so that all notes have been paid by the end of the fifth year following the date of the special emergency resolution.

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	Balance, December 31, <u>2013</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2014</u>
<u>2014</u>						
<u>Current Fund</u>						
Reassessment of Real Property	1.50%	8/14/2015	\$ 44,000	\$ 22,000	\$ 44,000	\$ 22,000
Hurricane Irene Storm Damage	1.50%	8/14/2015	<u>227,754</u>	<u>151,754</u>	<u>227,754</u>	<u>151,754</u>
Total			<u>\$ 271,754</u>	<u>\$ 173,754</u>	<u>\$ 271,754</u>	<u>\$ 173,754</u>

Electric Utility Operating Fund

Hurricane Sandy Storm Damage	1.25%	8/15/2014	\$ 180,000	\$ -	\$ 180,000	\$ -
Total Electric Utility Operating Fund			<u>\$ 180,000</u>	<u>\$ -</u>	<u>\$ 180,000</u>	<u>\$ -</u>

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	Balance, December 31, <u>2012</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2013</u>
<u>2013</u>						
<u>Current Fund</u>						
Reassessment of Real Property	1.25%	8/15/2014	\$ 66,000	\$ 44,000	\$ 66,000	\$ 44,000
Hurricane Irene Storm Damage	1.25%	8/15/2014	<u>360,000</u>	<u>227,754</u>	<u>360,000</u>	<u>227,754</u>
Total			<u>\$ 426,000</u>	<u>\$ 271,754</u>	<u>\$ 426,000</u>	<u>\$ 271,754</u>

Electric Utility Operating Fund

Hurricane Sandy Storm Damage	1.25%	8/15/2014	\$ 225,000	\$ 180,000	\$ 225,000	\$ 180,000
Total Electric Utility Operating Fund			<u>\$ 225,000</u>	<u>\$ 180,000</u>	<u>\$ 225,000</u>	<u>\$ 180,000</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

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

<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
2014		
2014 Road Improvement Project	\$45,388	2015
Mill Pond Phase II Project	236,508	2015
Borough Hall Improvement Project	119,250	2015
Purchase of Office Furnishings (Phase I and II)	124,368	2015
2013		
Holly Court Storage Tank Rehabilitation	86,884	2014
2013 Road Improvement Project	270,485	2014

As of December 31, the Borough has other significant commitments as follows:

<u>Purpose</u>	<u>Remaining Commitment</u>
2014	
Preparation of Updated Tax Maps	\$62,400
Ford Utility Truck	46,100
Compact Excavator and Trailer	54,536
2013	
Fire Pumper Truck	93,927

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 vacation benefits, sick leave and compensation time in lieu of overtime 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 \$657,141 and \$527,403 at December 31, 2014 and 2013, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2014 and 2013, the Borough has reserved in the Other Trust Fund \$60,351 and \$40,000, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)

B. Deferred Pension Obligation

During the year ended December 31, 2009 the Borough elected to contribute 50% of its normal and accrued liability components of the PFRS and PERS obligations and deferred the remaining 50% in accordance with P.L. 2009, c.19. The deferred amount totaled \$113,929 and will be paid back with interest over 15 years beginning in the 2012 year. The Borough is permitted to payoff the deferred PFRS and PERS pension obligations at any time. It is estimated that the total deferred liability including accrued interest (at 7.90% effective July 1, 2012 and 8.25% prior to July 1, 2012) at December 31, 2014 and 2013 is \$0 and \$134,731, respectively. The Borough elected to pay off its deferred pension obligation during 2014.

Changes in Other Long-Term Liabilities

The Borough's changes in other long-term liabilities for the years ended December 31, 2014 and 2013 were as follows:

	Balance, December 31, <u>2013</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2014</u>	Due Within <u>One Year</u>
<u>2014</u>					
Compensated Absences	\$ 527,403	\$ 149,387	\$ 19,649	\$ 657,141	\$ 48,700
Deferred Pension Obligation	<u>134,731</u>	<u>2,770</u>	<u>137,501</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 662,134</u>	<u>\$ 152,157</u>	<u>\$ 157,150</u>	<u>\$ 657,141</u>	<u>\$ 48,700</u>
	Balance, December 31, <u>2012</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2013</u>	Due Within <u>One Year</u>
<u>2013</u>					
Compensated Absences	\$ 643,007		\$ 115,604	\$ 527,403	\$ 21,152
Deferred Pension Obligation	<u>140,155</u>	<u>11,072</u>	<u>16,496</u>	<u>134,731</u>	<u>16,988</u>
Total	<u>\$ 783,162</u>	<u>\$ 11,072</u>	<u>\$ 132,100</u>	<u>\$ 662,134</u>	<u>\$ 38,140</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

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 June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership. PFRS is a cost-sharing multi-employer defined benefit pension plan.

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

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. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employers who would otherwise be eligible to participate in PERS and do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP.

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 PFRS 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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Basis of Accounting

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

Significant Legislation

P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which PERS and PFRS operate and to the benefit provisions of those systems.

This new legislation's provisions impacting employee pension and health benefits include:

- For new members of PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65. The eligibility age to qualify for a service retirement in the PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the active member contribution rates as follows: PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years for members hired or reappointed on or after June 28, 2011; PFRS active member rates increase from 8.5 percent to 10 percent. For Fiscal Year 2014, the PERS member contribution rate was 6.78%. The rate increased to 6.92% effective July 2014. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

Investment Valuation

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

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. 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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Funded Status and Funding Progress

As of July 1, 2012, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS, is 64.5 percent with an unfunded actuarial accrued liability of \$47.2 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 56.7 percent and \$34.4 billion, respectively and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 76.1 percent and \$12.8 billion, respectively.

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

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

Actuarial Methods and Assumptions

In the July 1, 2012 actuarial valuations, the date of the most recent actuarial valuations, the projected unit credit was used as actuarial cost method, and the five year average of market value was used as asset valuation method for pension trust funds. The actuarial assumptions included (a) 7.90% for investment rate of return for all the retirement systems except CPFPF (2.00%) and (b) changes to projected salary increases of 4.22 percent for PERS and 6.01 percent for PFRS.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 6.50% plus an additional 1% phased-in over 7 years beginning in July 2013 for PERS, 10.0% for PFRS and 5.50% for DCRP of employees' annual compensation. The member contribution for PERS was 6.78% in fiscal year 2014 and 6.92% for fiscal year 2015 effective July 2014.

Annual Pension Cost (APC)

Per the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employees*, for the year ended June 30, 2014 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, annual pension cost equals contributions made. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Annual Pension Cost (APC) (Continued)

During the years ended December 31, 2014, 2013 and 2012, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions, early retirement incentive program contributions, deferred pension obligation 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>
2014	\$ 431,863	\$ 340,595	None
2013	427,726	361,230	None
2012	408,420	387,624	None

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

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for participating municipalities including the Borough. The plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and the Teacher’s Pension and Annuity (TPAF) are combined and reported as Pension and Other Employee Benefit Trust Funds in the State’s Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost sharing multiple-employer plan. The post-retirement benefit programs had a total of 585 state and local participating employers and contributing entities for Fiscal Year 2013.

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

State Health Benefits Program Funds (HBPF) – Local Government (including Prescription Drug Program Fund) – Certain local employers who participate in the State Health Benefits Program provide health insurance coverage to their employees at retirement. Under provisions of P.L. 1997, c.330, the State of New Jersey provides partially funded benefits to local police officers and firefighters who retire with 25 years of service (or on disability) from an employer who does not provide coverage. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents. Also, local employees are eligible for the PDP coverage after 60 days of employment.

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.

Basis of Accounting

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

Significant Legislation

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary. For those employed on or after June 28, 2011 the 4-year phase in does not apply, and contributions based on the full percentage rate of contribution are required.

Investment Valuation

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

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the State had a \$51.5 billion unfunded actuarial liability for other postemployment benefits (OPEB) which is made up of \$19.3 billion for state active and retired members and \$32.2 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Funded Status and Funding Progress (Continued)

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

Actuarial Methods and Assumptions

In the July 1, 2012 OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

Post-Retirement Medical Benefits Contribution

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Public Employees' Retirement System to fund post-retirement medical benefits for those State and participating local government employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2013, there were 100,134 retirees receiving post-retirement medical benefits, and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State and participating local governments in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

P.L. 1977, c. 136 provides for the State and participating local governments to pay health benefits on a pay-as-you-go basis for all enrolled retired employees, regardless of retirement date, under two provisions. The first is for employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is for retired employees who are eligible for a disability retirement regardless of years of service. The State and participating local governments contributed \$139.8 million for 9,404 eligible retired members for Fiscal Year 2013. This benefit covers the Police and Firemen's Retirement System.

P.L. 1997, c. 330 provides paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and the Consolidated Police and Firemen's Pension Fund and to dependents of qualified retirees. The State and participating local governments are responsible for 80 percent of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization participating in the program, whichever provides the lower charge. The State and participating local governments contributed \$38.0 million in Fiscal Year 2013 to provide benefits under Chapter 330 to qualified retirees.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Post-Retirement Medical Benefits Contribution (Continued)

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The Borough's contribution to the State Health Benefits Program Fund-Local Government for post-retirement benefits for the year ended December 31, 2014 was \$762,730, which equaled the required contribution for the year. Prior to enrolling in the State Health Benefit Program for post-retirement medical benefits, the Borough provided these benefits through a private plan. The Borough's contributions to the plan for post-retirement medical benefits for the years ended December 31, 2013 and 2012 were \$959,719 and \$886,638, respectively.

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 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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 14 RISK MANAGEMENT (Continued)

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 December 31</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014	NONE	\$ 10,484	\$ 20,853	\$ 106,073
2013	\$ 12,000	7,714	9,264	116,170
2012	48,421	7,399	8,603	105,720

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, 2014 and 2013. 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, 2014 and 2013, the Borough reserved \$190,130 and \$200,340, 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, 2014 and 2013, 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, 2014 and 2013, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

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.

The Borough of Park Ridge has contributed \$1,519 and \$1,495 for 2014 and 2013, respectively, for each eligible volunteer fire department member into the Plan. The Borough also contributed a one-third (1/3) share of \$1,519 and \$1,495 for 2014 and 2013, respectively 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 \$1,519 and \$1,494 for 2014 and 2013, respectively, for each Tri-Boro Ambulance Corp. member into the plan. The total Borough contributions were \$57,715 and \$46,341 for 2014 and 2013, respectively. The total contributions from the Boroughs of Montvale and Woodcliff Lake were \$21,263 and \$26,908 for 2014 and 2013, 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 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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 18 SUBSEQUENT EVENTS

Debt Authorized

On February 10, 2015 the Borough adopted a Bond Ordinance authorizing the issuance \$1,252,000 in Bonds or Bond Anticipation Notes to fund certain general and swim pool utility capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

On March 10, 2015 the Borough adopted a Bond Ordinance authorizing the issuance \$47,500 in Bonds or Bond Anticipation Notes to fund certain capital projects. As of the date of this audit report the Borough has not issued nor awarded the sale of bonds or notes.

CURRENT FUND

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

Balance, December 31, 2013		\$ 3,088,390
Increased by:		
Non-Budget Revenue	\$ 193,181	
Taxes Receivable	38,637,996	
Revenue Accounts Receivable	2,608,987	
NJ Senior Citizen and Veteran's Deductions.	92,095	
Grants Receivable	10,000	
Prepaid Taxes	224,291	
Fees Payable	15,314	
Special Emergency Notes	173,754	
Prior Year Outstanding Check Voided to Accounts Payable	6,663	
Reserve for Grants - Unappropriated	68,104	
Receipts from Other Trust Fund	95,188	
Receipts from General Capital Fund	282,086	
Receipts for General Capital Fund	26,605	
Receipts for Electric Utility Operating Fund	108,673	
Receipts from Public Assistance Fund	100	
	<u>42,543,037</u>	
		45,631,427
Decreased by Disbursements:		
2014 Budget Appropriations	11,259,806	
2013 Appropriation Reserves	134,786	
Encumbrances Payable	165,871	
Tax Appeal Judgements Payable	85,205	
County Taxes Payable	4,033,641	
Local District School Tax Payable	25,952,544	
Fees Payable	9,446	
Reserve for Tax Appeals	10,210	
Reserve for Grants- Appropriated	5,360	
Special Emergency Notes	271,754	
Payments made to Other Trust Fund	551,601	
Payments made to Public Assistance Fund	1,500	
Payments made for Water Utility Operating Fund	5,321	
Refund of Prior Years Revenue	509	
	<u>42,487,554</u>	
Balance, December 31, 2014		\$ <u>3,143,873</u>

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

Balance, December 31, 2013 \$ 375

Balance, December 31, 2014 \$ 375

Analysis of Balance

Tax Office \$ 375

STATEMENT OF PETTY CASH FUNDS

Balance, December 31, 2013 \$ 750

Balance, December 31, 2014 \$ 750

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

Balance, December 31, 2013		\$ 1,118
Increased by:		
Senior Citizens' Deductions per Tax Duplicate 2014	\$ 8,500	
Veterans' Deductions per Tax Duplicate 2014	85,500	
Senior Citizens/Veterans Deductions Allowed By Tax Collector-2014	<u>1,250</u>	
		<u>95,250</u>
		96,368
Decreased by:		
Receipts from State of New Jersey	92,095	
Senior Citizens/Veterans' Deductions Disallowed by Tax Collector-2014	3,750	
Senior Citizens/Veterans' Deductions Disallowed by Tax Collector-2013	<u>250</u>	
		<u>96,095</u>
Balance, December 31, 2014		<u>\$ 273</u>

EXHIBIT A-8

STATEMENT OF GRANT RECEIVABLES

	Balance, December 31, <u>2013</u>	<u>Received</u>	Balance, December 31, <u>2014</u>
Hazard Mitigation Grant - Message Display Sign	\$ 14,396		\$ 14,396
BC Shared Services - Drainage Improvements	9,667		9,667
CDBG - Handicap Bathroom	750		750
Drive Sober or Get Pulled Over	4,400		4,400
BC Forfeiture - Message Display Sign	5,000		5,000
BC Forfeiture - NJSACOP	10,341		10,341
Bergen County - Sulak Lane Drainage	10,000	\$ 10,000	
NJ DOT - Ridge Avenue	<u>150,000</u>	<u>-</u>	<u>150,000</u>
	<u>\$ 204,554</u>	<u>\$ 10,000</u>	<u>\$ 194,554</u>

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

Year	Balance, December 31, 2013	2014 Levy	Senior Citizens' and Veterans' Deductions Disallowed	Cash Collections 2013	2014	Senior Citizens' and Veterans' Deductions Allowed	Remitted, Abated or Cancelled	Balance, December 31, 2014
2012	\$ 2,657			\$	2,657			
2013	197,089	-	\$ 250	-	197,339	-	-	-
2014	199,746	-	250	-	199,996	-	-	-
		\$ 39,036,899	3,750	\$ 237,543	38,438,000	\$ 95,250	\$ 27,767	\$ 242,089
	\$ 199,746	\$ 39,036,899	\$ 4,000	\$ 237,543	\$ 38,637,996	\$ 95,250	\$ 27,767	\$ 242,089
					\$ 38,767,043			

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Analysis of 2014 Property Tax Levy

TAX YIELD	
General Purpose Tax	\$ 38,975,776
Added and Omitted Taxes (54:4-63.10 et seq.)	61,123
	<u>\$ 39,036,899</u>
TAX LEVY	
Local District School Taxes	\$ 25,952,544
County Taxes - General	\$ 3,984,844
County Open Space Preservation Tax	43,304
Due County for Added and Omitted Taxes (54:4-63.10 et seq.)	6,347
	<u>4,034,495</u>
Local Tax for Municipal Purposes	8,409,157
Minimum Library Tax	575,506
Add Additional Tax Levies	65,197
	<u>9,049,860</u>
	<u>\$ 39,036,899</u>

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

Balance, December 31, 2013	<u>\$ 100,650</u>
Balance, December 31, 2014	<u>\$ 100,650</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE**

	Balance, December 31, <u>2013</u>	Accrued in <u>2014</u>	Collected in <u>2014</u>	Balance, December 31, <u>2014</u>
Borough Clerk				
Licenses				
Alcoholic Beverages		\$ 16,822	\$ 16,822	
Fire Code Department				
Fees and Permits		44,988	44,988	
Health Officer and Registrar				
Fees and Permits		13,816	13,816	
Municipal Court				
Fines and Costs	\$ 8,016	115,756	113,756	\$ 10,016
Interest and Cost on Taxes		59,576	59,576	
Joint Insurance Fund Dividend		16,188	16,188	
Hotel Tax		302,475	302,475	
Recycling Program		20,088	20,088	
Cable Television Franchise Fee		127,260	127,260	
Water Utility Rental Fees		105,000	105,000	
Electric Utility Rental Fees		30,000	30,000	
Pistol Range Fee		14,000	5,251	8,749
Tri-Boro Safety Corps		44,031	44,031	
Consolidated Municipal Property Tax Relief Aid		23,952	23,952	
Energy Receipts Tax		358,646	358,646	
Watershed Moratorium Offset Aid		1,598	1,598	
Uniform Construction Code Fees		199,032	199,032	
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		13,090	13,090	
Library Reimbursements		72,877	72,877	
Excess Sewer User Fees	29,605	97,215	122,758	4,062
Sprint Cell Tower Rent		83,174	83,174	
FEMA Reimbursement Hurricane Sandy Emergency	-	79,609	79,609	-
	<u>\$ 37,621</u>	<u>\$ 2,594,193</u>	<u>\$ 2,608,987</u>	<u>\$ 22,827</u>

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

	Balance, December 31, 2013	Amount Resulting from 2014	Raised in 2014 Budget	Funded by General Capital Ordinance
Emergency Authorization	\$ 61,261	\$ 221,655	\$ 61,261	\$ 221,655
Expenditures Without Appropriation	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>
	<u>\$ 61,261</u>	<u>\$ 221,655</u>	<u>\$ 61,261</u>	<u>\$ 221,655</u>

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

Date Authorized	Purpose	Net Amount Authorized	1/5 of Net Amount Authorized	Balance, December 31, 2013	Amount Resulting from 2014	Raised in 2014 Budget	Balance, December 31, 2014
2010	Reassessment of Real Property	\$ 110,000	\$ 22,000	\$ 44,000		\$ 22,000	\$ 22,000
2011	Hurricane Irene Storm Damage	450,000	90,000	227,754		76,000	151,754
2014	Preparation of an Approved Tax Map	62,400	12,480	<u> -</u>	\$ 62,400	<u> -</u>	<u>62,400</u>
				<u>\$ 271,754</u>	<u>\$ 62,400</u>	<u>\$ 98,000</u>	<u>\$ 236,154</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF 2013 APPROPRIATION RESERVES**

	Balance, December 31, 2013	Transfers	Encumbrance Payable Cancelled	Balance After Modification	Expended	Balance Lapsed
Salaries and Wages						
General Administration	\$ 1,581			\$ 1,581		\$ 1,581
Municipal Clerk	56			56		56
Financial Administration	22			22		22
Revenue Administration	460			460		460
Tax Assessment Administration	20			20		20
Planning Board	8,795			8,795		8,795
Zoning Board Adjustment	28			28		28
Zoning Officer	49			49		49
Police	12,735	\$ 11,600		24,335	\$ 17,033	7,302
Police Reserve	2,835			2,835		2,835
Welfare/Administration of Public Service	50			50		50
Fire	3,115			3,115		3,115
Fire Prevention/Uniform Fire Code	71			71		71
Road Repairs and Maintenance	36,869			36,869	30,123	6,746
Public Buildings & Grounds	84			84		84
Maintenance of Vehicles	1,088			1,088	1,000	88
Board of Health	5,703			5,703	5,022	681
Recreation	5,047			5,047	5,000	47
Senior Citizen	3,395			3,395	358	3,037
Park Ridge Television	160			160		160
Sewer System	2,623			2,623		2,623
Municipal Drug Alliance	5,681	-	-	5,681	5,681	-
Total Salaries & Wages	<u>90,467</u>	<u>11,600</u>	<u>-</u>	<u>102,067</u>	<u>64,217</u>	<u>37,850</u>
Other Expenses						
General Administration	6,561			6,561		6,561
Municipal Clerk	14,190			14,190	\$ 2,507	11,683
Mayor and Council	783		\$ 278	1,061		1,061
Financial Administration	6,483	7,000		13,483	13,483	
Revenue Administration	1,457			1,457		1,457
Tax Assessment Administration						
Other Expenses	158		60	218		218
Legal Services & Costs	41,335	(21,100)		20,235	5,362	14,873
Engineering Services & Costs	1,189			1,189		1,189
Planning Board	13,279			13,279	6,403	6,876
Zoning Board of Adjustment	1,617			1,617		1,617
Uniform Construction Code	1,204			1,204		1,204
Zoning Officer	683			683		683
Insurance						
General Liability	360		240	600		600
Group Insurance for Employees	15,256			15,256	1,618	13,638
Group Insurance Waiver for Employees	11,668			11,668		11,668
Tri-Boro Ambulance	5,000			5,000	4,862	138
Police	2,829	2,500		5,329	4,232	1,097
Police Reserve	6,971		231	7,202		7,202
Pistol Range	2,574			2,574	944	1,630
Emergency Management Services	6,307			6,307		6,307

**BOROUGH OF PARK RIDGE
STATEMENT OF 2013 APPROPRIATION RESERVES**

	Balance, December 31, 2013	Transfers	Encumbrance Payable Cancelled	Balance After Modification	Expended	Balance Lapsed
Fire						
Other Expenses	\$ 3,960			\$ 3,960	\$ 637	\$ 3,323
Fire Hydrant Services	40			40		40
TriBoro Safety Corps	26,306			26,306	321	25,985
Fire Prevention/Uniform Fire Codes	1,423			1,423		1,423
Municipal Court	1,996			1,996		1,996
Road Repairs and Maintenance	40,002			40,002	20,360	19,642
Solid Waste Collection - Sanitation	500			500		500
Solid Waste Collection - Recycling	227		\$ 2,302	2,529		2,529
Municipal Services Act	15,000			15,000	10,500	4,500
Public Buildings & Grounds	3,471			3,471	704	2,767
Maintenance of Vehicles	340			340	28	312
Board of Health	6,152		705	6,857		6,857
Welfare/Administration of Public Service	300			300		300
Park Ridge Television	373			373		373
Recreation	590		1,130	1,720		1,720
Terminal Leave	1,424			1,424		1,424
Electric	7,808			7,808	6,208	1,600
Telephone/Communication	5,074		9	5,083		5,083
Water	3,459			3,459		3,459
Gas and Oil	4,384			4,384		4,384
Gasoline	22			22		22
Sewer System						
Other Expenses	6,658			6,658		6,658
Shade Tree	3,421		6	3,427		3,427
Landfill Dumping Fees	34,852			34,852	18,832	16,020
Recycling Tax	2,836			2,836	906	1,930
Contingent	5,000			5,000		5,000
Social Security System	14,206			14,206		14,206
Deferred Compensation Retirement Plan	4,000			4,000		4,000
Bergen County Utilities Authority-Sewer Fees	17			17		17
Fire Department LOSAP	27,771			27,771		27,771
Tri-Borough Ambulance LOSAP	13,000			13,000	13,000	
Clean Communities Program	14,110			14,110	14,110	
Alcohol and Rehabilitation Fund	540			540	540	
Body Armor Fund Grant	318			318	318	
Over the Limit	2,175			2,175	2,175	
Recycling Tonnage Grant	11,252			11,252	11,252	
Bergen County Green Team Grant	600			600	600	
Bergen County - NJSACOP Accreditation	5,500			5,500	5,500	
Bergen County - Sulak Lane Drainage	10,000	-	-	10,000	10,000	-
Total Other Expenses	<u>419,011</u>	<u>\$ (11,600)</u>	<u>4,961</u>	<u>412,372</u>	<u>155,402</u>	<u>256,970</u>
Total	<u>\$ 509,478</u>	<u>\$ -</u>	<u>\$ 4,961</u>	<u>\$ 514,439</u>	<u>\$ 219,619</u>	<u>\$ 294,820</u>
					\$ 134,786	
					65,000	
					19,833	
					<u>\$ 219,619</u>	

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

Balance, December 31, 2013		\$	204,040
Increased by:			
Charges to 2014 Appropriations			281,710
			485,750
Decreased by			
Payments	\$	165,871	
Cancelled Encumbrances Restored to Appropriation Reserves		4,961	
Transferred to Accounts Payable		33,208	
			204,040
Balance, December 31, 2014		\$	281,710

EXHIBIT A-16

STATEMENT OF ACCOUNTS PAYABLE

Balance, December 31, 2013		\$	115,446
Increased by:			
Transferred from Encumbrances Payable	\$	33,208	
Voided Prior Year Outstanding Checks Restored to Accounts Payable		6,663	
			39,871
			155,317
Decreased by:			
Cancelled to Operations			74,348
Balance, December 31, 2014		\$	80,969

Analysis of Balance - December 31, 2014

Vendor Payables		\$	39,869
Due to Montvale Borough (LOSAP)			20,550
Due to Park Ridge Borough (LOSAP)			20,550
		\$	80,969

EXHIBIT A-17

STATEMENT OF TAX APPEAL JUDGMENTS PAYABLE

Balance, December 31, 2013		\$	85,205
Decreased by:			
Cash Disbursements		\$	85,205

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

Balance, December 31, 2013	\$	237,543
Increased by:		
Collection of 2015 Taxes		<u>224,291</u>
		461,834
Decreased by:		
Applied to 2014 Taxes Receivable		<u>237,543</u>
Balance, December 31, 2014	\$	<u>224,291</u>

STATEMENT OF COUNTY TAXES PAYABLE

Balance, December 31, 2013	\$	5,494
Increased by:		
2014 Levy		
General County	\$ 3,984,844	
County Open Space Preservation	43,304	
Added and Omitted Taxes (RS 54:4-63.1 et seq.)	<u>6,347</u>	
		<u>4,034,495</u>
		4,039,989
Decreased by:		
Payments		<u>4,033,641</u>
Balance, December 31, 2014	\$	<u>6,348</u>

STATEMENT OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Increased by:		
2014 Calendar Year Levy		\$ 25,952,544
Decreased by:		
Payments		<u>\$ 25,952,544</u>

STATEMENT OF FEES PAYABLE

	Balance, December 31, <u>2013</u>	Fees Collected	Payments	Balance, December 31, <u>2014</u>
Due State of New Jersey				
Marriage License Fees	\$ 245	\$ 1,075	\$ 1,150	\$ 170
State Construction Fees	<u>3,791</u>	<u>14,239</u>	<u>8,296</u>	<u>9,734</u>
	<u>\$ 4,036</u>	<u>\$ 15,314</u>	<u>\$ 9,446</u>	<u>\$ 9,904</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF SPECIAL EMERGENCY NOTES**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, December 31, 2014</u>
Reassessment of Real Prop.	8/16/2013	8/15/2014	1.25%	\$ 44,000		\$ 44,000	
Reassessment of Real Prop.	8/15/2014	8/14/2015	1.50		\$ 22,000		\$ 22,000
Hurricane Irene	8/16/2013	8/15/2014	1.25	227,754		227,754	
Hurricane Irene	8/15/2014	8/14/2015	1.50	-	151,754	-	151,754
				<u>\$ 271,754</u>	<u>\$ 173,754</u>	<u>\$ 271,754</u>	<u>\$ 173,754</u>

EXHIBIT A-23

STATEMENT OF RESERVE FOR TAX APPEALS

Balance, December 31, 2013	\$ 200,340
Decreased by: Judgments Refunded	<u>10,210</u>
Balance, December 31, 2014	<u>\$ 190,130</u>

EXHIBIT A-24

STATEMENT OF MISCELLANEOUS RESERVES

	<u>Balance, December 31, 2013</u>	<u>Balance, December 31, 2014</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>2013</u>	Transferred from 2013 Appropriation Reserves	Cash Disbursements	Balance, December 31, <u>2014</u>
Recycling Tonnage Grant		\$ 11,252		\$ 11,252
Alcohol Education and Rehab.-DWI Court	\$ 2,086	540		2,626
Domestic Violence Grant	2,178			2,178
Bergen County Recycling	8,851			8,851
Clean Communities	18,500			18,500
Body Armor Replacement Fund	4,441	318		4,759
Drive Sober or Get Pulled Over	2,775			2,775
Police Hazardous Replacement Fund	2,406			2,406
Municipal Alliance on Alcoholism & Drug Abuse	13,511	3,448	\$ 5,360	11,599
State of New Jersey - Over the Limit Under Arrest	2,806	2,175		4,981
Bergen County Forfeiture	146			146
Bergen County Handicapped Bathroom	750			750
Bergen County Green Team Grant		600		600
Bergen County - NJSACOP Accreditation	-	1,500	-	1,500
	<u>\$ 58,450</u>	<u>\$ 19,833</u>	<u>\$ 5,360</u>	<u>\$ 72,923</u>

EXHIBIT A-26

STATEMENT OF RESERVE FOR GRANTS - UNAPPROPRIATED

	Balance, December 31, <u>2013</u>	Received	Realized in 2014 Budget	Balance, December 31, <u>2014</u>
Alcohol Ed & Rehabilitation	\$ 897	\$ 1,123	\$ 897	\$ 1,123
Body Armor Grant	2,441	1,934	2,441	1,934
Clean Communities	16,566	15,537	16,566	15,537
Recycling Tonnage Grant	13,293	17,817	13,293	17,817
Municipal Alliance		8,529		8,529
Over the Limit Under Arrest	3,050		3,050	
Sustainable New Jersey		10,000		10,000
Drunk Driving Enforcement Fund		9,927		9,927
CDBG - Senior Programs	6,638	3,237	6,638	3,237
CDBG - Bathroom Renovations				
Memorial/Davies Field	34,300		34,300	
Bergen County Police Consolidation	23,305	-	23,305	-
	<u>\$ 100,490</u>	<u>\$ 68,104</u>	<u>\$ 100,490</u>	<u>\$ 68,104</u>

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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, 2013	\$ 12,229	\$ 1,149,661	\$ 104,456	\$ 361,636	\$ 469,806
Increased by Receipts:					
Developers Escrow	\$ 156,592				
Receipts from Current Fund	551,601				
Receipts for Unemployment Insurance Trust Fund	6,294				
Employee Contributions		\$ 4,190			
Payroll Deductions Payable	8,581,117				
Due to State of NJ - Registration Fees	\$ 1,246				
Dog License Fees	9,954				
Miscellaneous Reserves	54		\$ 272	\$ 1,536	\$ 1,560
Interest on Investments					18,562
Developers Fees	-	-	-	-	-
	<u>11,254</u>	<u>9,848,355</u>	<u>4,462</u>	<u>1,536</u>	<u>20,122</u>
Decreased by Disbursements:					
Developers Escrow	23,483	10,998,016	108,918	363,172	489,928
Payroll Deductions Payable					
Payments to Current Fund	289,035				
Dog License Fees Paid to State of NJ	8,747,655				
Reserve for Animal Expenditures	95,188				
Due to State - Unemployment Claims	570		19,416		
Miscellaneous Reserves	4,505			6,926	
Reserve for Open Space Expenditures					153,021
Reserve for Affordable Housing Expenditures					-
	<u>5,075</u>	<u>9,686,429</u>	<u>19,416</u>	<u>6,926</u>	<u>153,021</u>
Balance, December 31, 2014	<u>\$ 18,408</u>	<u>\$ 1,311,587</u>	<u>\$ 89,502</u>	<u>\$ 356,246</u>	<u>\$ 336,907</u>

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

Balance, December 31, 2013		\$	140
Increased by:			
State Fees Collected			1,246
			1,386
Decreased by:			
Payments to State			570
Balance, December 31, 2014		\$	816

EXHIBIT B-5

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

Balance, December 31, 2013		\$	2,611
Increased by:			
Interest on Investments	\$	54	
Statutory Excess in Reserve for Animal Control Fund		5,047	
			5,101
Balance, December 31, 2014		\$	7,712

EXHIBIT B-6

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

Balance, December 31, 2013		\$	9,478
Increased by:			
Dog License Fees			9,954
			19,432
Decreased by:			
Disbursements for Expenditures Under R.S. 4:19-15.11:	\$	4,505	
Statutory Excess - Due to Current Fund		5,047	
			9,552
Balance, December 31, 2014		\$	9,880

**BOROUGH OF PARK RIDGE
STATEMENT OF DUE FROM CURRENT FUND
UNEMPLOYMENT INSURANCE TRUST FUND**

Balance, December 31, 2013		\$ 12,000
Balance, December 31, 2014		<u>\$ 12,000</u>

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

Balance, December 31, 2013		\$ 286
Increased by:		
Unemployment Claims		<u>20,853</u>
		21,139
Decreased by:		
Payments to State		<u>19,416</u>
Balance, December 31, 2014		<u>\$ 1,723</u>

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

Balance, December 31, 2013		\$ 116,170
Increased by:		
Employee Contributions		
Cash Receipts	\$ 4,190	
Due from Other Trust Fund	<u>6,294</u>	
	\$ 10,484	
Interest on Investments		<u>272</u>
		<u>10,756</u>
		126,926
Decrease by:		
Unemployment Claims Due to State		<u>20,853</u>
Balance, December 31, 2014		<u>\$ 106,073</u>

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

Balance, December 31, 2013		\$	361,636
Increased by:			
General Capital Improvement Authorizations Cancelled		\$	51,590
Interest on Investments			<u>1,536</u>
			<u>53,126</u>
			414,762
Decreased by:			
Due to General Capital Fund - Down Payments on Improvement Authorizations			234,490
Disbursements for Open Space Expenditures			<u>6,926</u>
			<u>241,416</u>
Balance, December 31, 2014		\$	<u>173,346</u>

EXHIBIT B-11

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

Balance, December 31, 2013		\$	469,806
Increased by:			
Developers Fees Received		\$	18,562
Interest on Investments			<u>1,560</u>
			<u>20,122</u>
			489,928
Decreased by:			
Disbursements for Affordable Housing Expenditures			<u>153,021</u>
Balance, December 31, 2014		\$	<u>336,907</u>

EXHIBIT B-12

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

Balance, December 31, 2013		\$	558,117
Increased by:			
Developer Deposits Received			
Cash Receipts		\$	156,592
Due from Electric Utility Operating Fund			<u>2,375</u>
			<u>158,967</u>
			717,084
Decreased by:			
Cash Disbursements			289,035
Adjustments from Miscellaneous Reserves and Deposits			<u>23,356</u>
			<u>312,391</u>
Balance, December 31, 2014		\$	<u>404,693</u>

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

Balance, December 31, 2013		\$ 206,089
Increased by:		
Payroll Deposits		<u>8,581,117</u>
		8,787,206
Decreased by:		
Payroll Disbursements		<u>8,747,655</u>
Balance, December 31, 2014		<u>\$ 39,551</u>

EXHIBIT B-14

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

Balance, December 31, 2013		\$ 37,290
Increased by:		
Cash Received from Current Fund	\$ 551,601	
Adjustments from Miscellaneous Reserves and Deposits	<u>434</u>	
		<u>552,035</u>
		589,325
Decreased by:		
Payments Made to Current Fund	95,188	
2013 Appropriation Reserves Transferred to Miscellaneous Trust Reserves:		
Snow Removal Costs	\$ 25,000	
Accumulated Absences	<u>40,000</u>	
	<u>65,000</u>	
		<u>160,188</u>
Balance, December 31, 2014		<u>\$ 429,137</u>

EXHIBIT B-15

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

Increased by:		
Unemployment Employee Contributions Deposited in Other Trust		<u>\$ 6,294</u>
Balance, December 31, 2014		<u>\$ 6,294</u>

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

	Balance, December 31, <u>2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	Balance, December 31, <u>2014</u>
Fire Prevention Penalty Fees	\$ 7,797	\$ 8,220	\$ 2,328	\$ 391	\$ 14,080
DARE Donations	11,714	29,648	22,577	(290)	18,495
Recreation Fees	36,346	99,424	120,650	11,889	27,009
POAA Fees	453	160			613
Tax Sale Premiums	47,200	40,000	10,000		77,200
Legal Advertising Escrow Deposits	7,621	1,240	286	(1,263)	7,312
Fuel Depot Fees (Community Resale)	50,961	266,883	289,617	30,197	58,424
Open Bail Account	231	1,198		1	1,430
UCC Penalties	6,000	500			6,500
Outside Police Duty Fees	(61,821)	74,979	64,999	586	(51,255)
Snow Removal Costs	40,000	25,000			65,000
Accumulated Absences	40,000	40,000	19,649		60,351
Flexible Spending Deposits	1,528	8,454	7,610		2,372
Miscellaneous Fees and Deposits	<u>51,688</u>	<u>22,045</u>	<u>16,835</u>	<u>(18,589)</u>	<u>38,309</u>
	<u>\$ 239,718</u>	<u>\$ 617,751</u>	<u>\$ 554,551</u>	<u>\$ 22,922</u>	<u>\$ 325,840</u>
Cash Receipts		\$ 552,751			
Cash Disbursements			\$ 554,551		
Due from/to Current Fund		65,000		\$ (434)	
Developer Escrow Deposits		<u>-</u>	<u>-</u>	<u>23,356</u>	
		<u>\$ 617,751</u>	<u>\$ 554,551</u>	<u>\$ 22,922</u>	

Analysis of Miscellaneous Fees and Deposits - December 31, 2014

Recreation Fees - First Friends	\$ 11,872
Recreation Fees - Mayor's Golf Outing	12,707
Municipal Alliance - Teen Center Donations	3,503
Park Ridge TV Donations	110
Other Deposits	<u>10,117</u>
	<u>\$ 38,309</u>

GENERAL CAPITAL

BOROUGH OF PARK RIDGE
STATEMENT OF GENERAL CAPITAL CASH AND INVESTMENTS

Balance, December 31, 2013		\$ 1,869,827
Increased by Receipts:		
2013 Budget Appropriations:		
Capital Improvement Fund	\$ 29,200	
Interest on Investments and Deposits	4,722	
Deferred Charges Unfunded - Contributions	14,932	
Reserve for Municipal Building Improvement	<u>71,676</u>	
		<u>120,530</u>
		1,990,357
Decreased by Disbursements:		
Improvement Authorizations	308,936	
Contracts Payable	485,385	
Reserve for Municipal Building Improvements	68,579	
Payments Made to Current Fund	<u>282,086</u>	
		<u>1,144,986</u>
Balance, December 31, 2014		<u>\$ 845,371</u>

BOROUGH OF PARK RIDGE
ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

	Balance, December 31, <u>2014</u>
Fund Balance	\$ 240,100
Capital Improvement Fund	39,513
Reserve for Payment of Debt	64,489
Reserve for Municipal Building Improvements	3,097
Contracts Payable	566,949
Grants Receivable	(130,045)
Due from Current Fund	(8,579)
Due from Other Trust Fund	(80,583)
Due from Open Space Preservation Trust Fund	(182,900)
Excess Note Proceeds	39,840
Improvement Authorizations:	
<u>Ord. No.</u>	<u>Description</u>
06-7A	Rehabilitation of Tennis Courts
07-07A	Improvements to Mill Pond Dam & Engineering Dredging
07-7B	Engineering & Design for Dredging Mill Pond
07-9D	Improvement of Firehouse Building & Lighting
08-08B	Improvement to Municipal Complex
09-11	Pedestrian Improvement to Train Station
12-07	Various Public Improvements and Acquisition of New or Replacement Equip.
12-08	Various Improvements & Acquisitions of Equipment
13-01	2014/2015 Roads, Curb, Drainage & Sidewalk Improvements
13-03	Various Improvements & Acquisitions of Equipment
13-07	Monitoring of Former Underground Storage Tank Location
14-12/14-22	Various Improvements & Acquisitions of Equipment
14-19	Improvements to Sulak Recreation Facility
14-20	Improvements to Borough Hall
	(333,000)
	\$ 845,371

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

Ord. No.	Agency	Balance, December 31, 2013	2014 Authorizations	Authorizations Cancelled	Balance, December 31, 2014	Balance, Pledged to Improvement Authorization
10-26	County of Bergen Open Space - Improvements to Fairview	\$ 11,979		\$ 11,979		
12-13	County of Bergen Open Space - Mill Pond Park & Davies Field	55,855			\$ 55,855	\$ 55,855
14-19	County of Bergen Open Space - Sulak Recreation Facility	-	\$ 74,190	-	74,190	74,190
		<u>\$ 67,834</u>	<u>\$ 74,190</u>	<u>\$ 11,979</u>	<u>\$ 130,045</u>	<u>\$ 130,045</u>

EXHIBIT C-5

STATEMENT OF NEW JERSEY GREEN ACRES LOAN RECEIVABLE

Balance, December 31, 2013	\$ 23,120
Decreased by:	
Authorizations Cancelled	<u>\$ 23,120</u>

EXHIBIT C-6

STATEMENT OF DUE FROM CURRENT FUND

Balance, December 31, 2013	\$ 11,165
Increased by:	
Premium on Bonds and Notes	\$ 1,697
Cash Received by Current Fund - Contributions	24,908
Payments Made to Current Fund	<u>282,086</u>
	<u>308,691</u>
	319,856
Decreased by:	
Interest on Investments	4,722
Emergency Appropriations Funded by Improvement Authorization	221,655
2014 Anticipated Current Fund Revenue	
Fund Balance	\$ 9,900
Reserve for Payment of Debt Service	<u>75,000</u>
	<u>84,900</u>
	<u>311,277</u>
Balance, December 31, 2014	<u>\$ 8,579</u>

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

Balance, December 31, 2013	\$ <u>80,583</u>
Balance, December 31, 2014	\$ <u><u>80,583</u></u>

STATEMENT OF DUE FROM OPEN SPACE PRESERVATION TRUST FUND

Increased by:	
Improvement Authorizations Funded by Open Space Trust Fund	\$ 234,490
Decreased by:	
Funded Authorizations Cancelled	<u>51,590</u>
Balance, December 31, 2014	<u><u>\$ 182,900</u></u>

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2013	\$ 13,102,560
Decreased by:	
Loan Principal Cancelled	\$ 23,120
2014 Budget Appropriations	
General Serial Bonds	\$ 925,000
Green Trust Loan	<u>26,383</u>
	<u>951,383</u>
	<u>974,503</u>
Balance, December 31, 2014	<u><u>\$ 12,128,057</u></u>

**BOROUGH OF PARK RIDGE
STATEMENT OF CONTRACTS PAYABLE**

Balance, December 31, 2013		\$ 633,084
Increased by:		
2014 Improvement Authorization Charges		<u>566,949</u>
		1,200,033
Decreased by:		
Cash Disbursements	\$ 485,385	
Cancelled Contracts Restored to Improvement Authorizations	<u>147,699</u>	
		<u>633,084</u>
Balance, December 31, 2014		<u>\$ 566,949</u>

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2013		\$ 27,313
Increased by:		
2014 Budget Appropriation		<u>29,200</u>
		56,513
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>17,000</u>
Balance, December 31, 2014		<u>\$ 39,513</u>

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

Ord. No.	Improvement Description	Date of Issue	Date of Maturity	Interest Rate	%	Balance, December 31,	
						2013	2014
						Increased	Decreased
11-30	Payments of Amounts Owed to Others for Taxes Levied	8/16/2013 8/15/2014	8/15/2014 8/14/2015	1.25 1.50		\$ 150,000	\$ 220,000
13-01	2014/2015 Road, Curb, Drainage and Sidewalk Improvement Program	10/8/2013 10/8/2014	10/8/2014 10/8/2015	1.00 0.70		733,000	733,000
13-03	Various Public Improvements & Acquisition of New or Replacement Equipment and Machinery	10/8/2013 10/8/2014	10/8/2014 10/8/2015	1.00 0.70		1,242,000	1,242,000
						<u>\$ 2,125,000</u>	<u>\$ 2,195,000</u>
							<u>\$ 70,000</u>
							<u>\$ 2,125,000</u>
						<u>\$ 2,125,000</u>	<u>\$ 2,195,000</u>

Paid by Budget Appropriation
Renewals

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

Purpose	Date of Issue	Amount of Original Issue	Maturity of Bonds Outstanding at December 31, 2014	Interest Rate	Balance, December 31, 2013	Decreased	Balance, December 31, 2014
General Improvements	10/15/2007	\$ 4,827,000	2015-2021	3.875			
			2022	3.875			
			2023	4.000	\$ 3,252,000	\$ 300,000	\$ 2,952,000
General Improvements	8/15/2012	3,215,000	2015	2.000			
			2016-2019	2.000			
			2020	2.000			
			2021-2022	2.000			
			2023-2026	2.000	3,065,000	150,000	2,915,000
General Refunding	2/15/2013	3,035,000	2015-16	3.000			
			2017-18	3.000			
			2019	3.000			
			2020-21	4.000			
			2022	4.000	3,035,000	335,000	2,700,000
General Improvements	8/15/2013	2,207,000	2015	1.000			
			2016	2.000			
			2017	2.000			
			2018-19	2.000			
			2020	3.000			
			2021	3.000			
			2022	3.000			
			2023	3.000	2,207,000	140,000	2,067,000
					<u>\$ 11,559,000</u>	<u>\$ 925,000</u>	<u>\$ 10,634,000</u>
						<u>\$ 925,000</u>	

Paid by Budget Appropriation

**BOROUGH OF PARK RIDGE
STATEMENT OF GREEN TRUST LOAN PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturity of Loans		Interest Rate	Balance, December 31, 2013	Decreased	Balance, December 31, 2014
			Date	Outstanding at December 31 2014				
Memorial Field Improvements	10/20/2008	\$ 500,000	2015	\$ 26,914	2.00			
	2016		2016	27,455	2.00			
	2017		2017	28,007	2.00			
	2018		2018	28,570	2.00			
	2019		2019	29,145	2.00			
	2020		2020	29,730	2.00			
	2021		2021	30,327	2.00			
	2022		2022	30,937	2.00			
	2023		2023	31,559	2.00			
	2024		2024	32,193	2.00			
	2025		2025	32,840	2.00			
	2026		2026	33,500	2.00	\$ 387,560	\$ 26,383	\$ 361,177
Mill Pond Dam Improvements	7/9/2012	1,156,000	2015	28,141	2.00			
	2016		2016	57,128	2.00			
	2017		2017	58,277	2.00			
	2018		2018	59,448	2.00			
	2019		2019	60,643	2.00			
	2020		2020	61,862	2.00			
	2021		2021	63,105	2.00			
	2022		2022	64,374	2.00			
	2023		2023	65,668	2.00			
	2024		2024	66,988	2.00			
	2025		2025	68,334	2.00			
	2026		2026	69,707	2.00			
	2027		2027	71,109	2.00			
2028		2028	72,538	2.00				
2029		2029	73,995	2.00				
2030		2030	75,483	2.00				
2031		2031	77,001	2.00				
2032		2032	39,079	2.00				
						\$ 1,156,000	23,120	\$ 1,132,880
						\$ 1,543,560	\$ 49,503	\$ 1,494,057
							\$ 26,383	
							23,120	
							\$ 49,503	

Paid by Budget Appropriation
Cancelled

**BOROUGH OF PARK RIDGE
STATEMENT OF RESERVE FOR PAYMENT OF DEBT SERVICE**

Balance, December 31, 2013	\$	139,489
Decreased by:		
Anticipated as Current Fund Revenue - Due to Current Fund		75,000
Balance, December 31, 2014	\$	64,489

EXHIBIT C-18

STATEMENT OF RESERVE FOR MUNICIPAL BUILDING IMPROVEMENTS

Increased by:		
Insurance Proceeds	\$	71,676
Decreased by:		
Cash Disbursements		68,579
Balance, December 31, 2014	\$	3,097

EXHIBIT C-19

STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Description	2014 Authorizations	Balance December 31, 2014
14-20	Improvements to Borough Hall	\$ 333,000	\$ 333,000
		\$ 333,000	\$ 333,000

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WATER UTILITY FUND

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

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2013	\$ 3,763,643	\$ -
Increased by Receipts:		
Water Usage Charges Receivable	\$ 2,857,543	
Other Charges Receivable	112,225	
Mobile Antenna Rent	107,170	
Other Fees	1,540	
Non-Budget Revenue	15,944	
Prepaid Rents	483	
Overpayments	15,972	
Woodcliff Lake Surcharge Receivable	<u>100,787</u>	
	3,211,664	-
	6,975,307	-
Decreased by Disbursements:		
2014 Appropriations	3,221,757	
2013 Appropriation Reserves	6,556	
Encumbrances Payable	169,087	
Interest on Bonds	38,854	
Payments made for Utility Trust Fund	27,491	
Payments made for Water Utility Capital Fund	<u>56,734</u>	-
	3,520,479	-
Balance, December 31, 2014	<u>\$ 3,454,828</u>	<u>\$ -</u>

EXHIBIT D-6

**ANALYSIS OF CASH
WATER UTILITY CAPITAL FUND**

	Balance, December 31, <u>2014</u>
Fund Balance	\$ 71,057
Capital Improvement Fund	411,669
Contracts Payable	161,129
Due from Water Utility Operating Fund	(815,641)
Improvement Authorizations: <u>Description</u>	
<u>Ord.</u>	
<u>No.</u>	
98-11.1 Construction of Well #20	149
04-07 Replacement of Water Mains	(84,040)
2012-9 Various Public Improvements/Acquisitions	317,941
2014-15 Various Public Improvements/Acquisitions	(61,809)
2014-21 Installation of New Well and Pumping Station	<u>(455)</u>
	<u>\$ -</u>

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

Balance, December 31, 2013		\$ <u>25</u>
Balance, December 31, 2014		\$ <u>25</u>

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

Balance, December 31, 2013		\$ 152,868
Increased by:		
Water Usage Charges Levied		<u>2,835,145</u>
		2,988,013
Decreased by:		
Water Usage Charges Collected:		
Cash Receipts	\$ 2,857,543	
Overpayments Applied	<u>14,178</u>	
		<u>2,871,721</u>
Balance, December 31, 2014		\$ <u>116,292</u>

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

Balance, December 31, 2013		\$ 48,100
Increased by:		
Other Water Charges Levied		
Fire Sprinklers	\$ 72,312	
Hydrants	<u>35,738</u>	
		<u>108,050</u>
		156,150
Decreased by:		
Other Water Charges Collected:		
Fire Sprinklers	76,281	
Hydrants	<u>35,944</u>	
		<u>112,225</u>
Balance, December 31, 2014		\$ <u>43,925</u>

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

Balance, December 31, 2013	\$ 23,476
Increased by:	
Surcharges Levied	<u>102,820</u>
	126,296
Decreased by:	
Surcharges Collected	<u>100,787</u>
Balance, December 31, 2014	<u>\$ 25,509</u>

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

	Balance, December 31, <u>2013</u>	<u>Additions by</u> Operating Budget Capital <u>Outlay</u>	Balance, December 31, <u>2014</u>
Source of Supply Plant:			
Structures and Improvements	\$ 312,277	\$ 10,888	\$ 323,165
Wells and Springs	4,172,643	9,230	4,181,873
Pumping Plant:			
Land and Land Rights	12,887		12,887
Structures and Improvements	564,373		564,373
Electric Pumping Equipment	721,245	18,963	740,208
Water Treatment Plant - Water			
Treatment Equipment	1,004,512	6,030	1,010,542
Computer Hardware/Software-Equipment	92,771	7,785	100,556
Transmission and Distribution Plant:			
Structures and Improvements	17,682		17,682
Distribution Reservoirs and Standpipes	908,091	500	908,591
Transmission and Distribution Mains	1,392,208	20,419	1,412,627
Services	227,287	8,398	235,685
Meters	777,001	6,950	783,951
Hydrants	341,312	17,392	358,704
Well Communication System-Equipment	4,047		4,047
General Plant:			
Structures and Improvements	168,312		168,312
Improvements to Utility Garage	102,218		102,218
Office Furniture and Equipment	206,658	155	206,813
Transportation Equipment	356,788		356,788
Other General Equipment	311,672		311,672
Tools-Equipment	120,000	10,965	130,965
Other Utility Assets:			
Other Tangible Property-Equipment	242,936		242,936
Water Diversion Rights	551		551
Meter Reading System	6,763		6,763
Pickup Truck	43,318		43,318
New Hybrid Vehicle	24,723		24,723
Backhoe Loader	86,031		86,031
Valve Box Vacuum	20,441	-	20,441
	<u>\$ 12,238,747</u>	<u>\$ 117,675</u>	<u>\$ 12,356,422</u>
2014 Budget Appropriations		\$ 111,119	
2013 Appropriation Reserves		<u>6,556</u>	
		<u>\$ 117,675</u>	

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

<u>Ord. No.</u>	<u>Improvement Description</u>	Balance, December 31, 2013	<u>2014 Authorizations</u> Deferred Charges to Future Revenue	Authorizations Cancelled	Balance, December 31, 2014
96-8/98-11.1	Construction of Well #20	\$ 30,149			\$ 30,149
2004-07	Replacement of Water Mains	44,460			44,460
2010-16	Various Public Improvements & Acq.	10,218		\$ 10,218	
2011-22	Acquisition of Valve Box	1,559		1,559	
2012-9	Various Public Improvements & Acq.	1,045,129			1,045,129
2014-15	Various Public Improvements & Acq.		\$ 470,000		470,000
2014-21	Installation of New Well and Pumping Station	-	900,000	-	900,000
		<u>\$ 1,131,515</u>	<u>\$ 1,370,000</u>	<u>\$ 11,777</u>	<u>\$ 2,489,738</u>

EXHIBIT D-13

**STATEMENT OF DUE TO CURRENT FUND
WATER UTILITY OPERATING FUND**

Increased by:	
Payments Made by Current Fund	\$ 5,321
Balance, December 31, 2014	<u>\$ 5,321</u>

EXHIBIT D-14

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

Balance, December 31, 2013 (Due to)	\$ 926
Decreased by:	
Receipts Deposited in Electric Utility Operating Fund - Mobile Antenna Rents	<u>58,885</u>
Balance, December 31, 2014 (Due from)	<u>\$ 57,959</u>

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

Balance, December 31, 2013		\$ 825,875
Increased by:		
2014 Budget Appropriation - Capital Improvement Fund		
Capital Improvement Fund	\$ 25,000	
Deferred Charges		
Cost of Improvements - Ordinance No. 2004-07	<u>21,500</u>	
		<u>46,500</u>
		872,375
Decreased by:		
Payments Made by Water Utility Operating Fund:		
Contracts Payable		<u>56,734</u>
Balance, December 31, 2014		<u>\$ 815,641</u>

**STATEMENT OF DUE FROM OTHER TRUST FUND
WATER UTILITY OPERATING FUND**

Balance, December 31, 2013		\$ 11,758
Balance, December 31, 2014		<u>\$ 11,758</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF 2013 APPROPRIATION RESERVES
WATER UTILITY OPERATING FUND**

	Balance, December 31, 2013	Cancelled Encumbrances	Balance After Modification	Paid or Charged	Balance Lapsed
OPERATING					
Salaries and Wages		\$ 53	\$ 53		\$ 53
Other Expenses	\$ 38,821	141	38,962		38,962
Group Insurance	2,235	541	2,776	-	2,776
	<u>41,056</u>	<u>735</u>	<u>41,791</u>	<u>-</u>	<u>41,791</u>
CAPITAL IMPROVEMENTS					
Capital Outlay	83,562	-	83,562	\$ 6,556	77,006
	<u>83,562</u>	<u>-</u>	<u>83,562</u>	<u>6,556</u>	<u>77,006</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures					
Contribution to Social Security System (O.A.S.I.)	1,084	-	1,084	-	1,084
	<u>1,084</u>	<u>-</u>	<u>1,084</u>	<u>-</u>	<u>1,084</u>
Total Deferred Charges and Statutory Expenditures	<u>1,084</u>	<u>-</u>	<u>1,084</u>	<u>-</u>	<u>1,084</u>
	<u>\$ 125,702</u>	<u>\$ 735</u>	<u>\$ 126,437</u>	<u>\$ 6,556</u>	<u>\$ 119,881</u>
			Cash Disbursed	<u>\$ 6,556</u>	

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

Balance, December 31, 2013		\$ 180,955
Increased by:		
Charges to 2014 Budget Appropriations		<u>172,726</u>
		353,681
Decreased by:		
Cash Disbursements	\$ 169,087	
Cancelled Encumbrances Restored to Appropriation Reserves	735	
Transferred to Accounts Payable	<u>11,133</u>	
		<u>180,955</u>
Balance, December 31, 2014		<u>\$ 172,726</u>

**STATEMENT OF ACCOUNTS PAYABLE
WATER UTILITY OPERATING FUND**

Increased by:		
Transferred from Encumbrances Payable		<u>\$ 11,133</u>
Balance, December 31, 2014		<u>\$ 11,133</u>

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

Balance, December 31, 2013		\$ 113,487
Increased by:		
Charges to Improvement Authorizations		<u>104,376</u>
		217,863
Decreased by:		
Payments Made by Water Utility Operating Fund		<u>56,734</u>
Balance, December 31, 2014		<u>\$ 161,129</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF PREPAID RENTS
WATER UTILITY OPERATING FUND**

Increased by:	
Cash Receipts	\$ <u>483</u>
Balance, December 31, 2014	\$ <u>483</u>

**STATEMENT OF OVERPAYMENTS
WATER UTILITY OPERATING FUND**

Balance, December 31, 2013	\$ 14,178
Increased by:	
Overpayments Received	<u>15,972</u>
	30,150
Decreased by:	
Overpayments Applied to Water Usage Charges Receivable	<u>14,178</u>
Balance, December 31, 2014	\$ <u>15,972</u>

**STATEMENT OF ACCRUED INTEREST ON BONDS
ELECTRIC UTILITY OPERATING FUND**

Balance, December 31, 2013	\$ 14,570
Increased by:	
Budget Appropriation for Interest on Bonds	<u>38,441</u>
	53,011
Decreased by:	
Interest Paid	<u>38,854</u>
Balance, December 31, 2014	\$ <u>14,157</u>

**STATEMENT OF SERIAL BONDS
WATER 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, 2014</u>				<u>Balance, December 31, 2013</u>	<u>Decreased</u>	<u>Balance, December 31, 2014</u>
			<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Rate</u>			
Water Utility Bonds	8/15/2012	\$ 1,250,000	2015-16	\$ 75,000	2.00%	\$ 1,180,000	\$ 75,000	\$ 1,105,000	
			2017-19	80,000	2.00%				
			2020-22	85,000	2.00%				
			2023-25	90,000	2.00%				
			2026	95,000	2.10%				
			2027	95,000	2.20%				
Water Utility Bonds	8/15/2013	582,000	2015	35,000	1.00%	\$ 582,000	\$ 35,000	\$ 547,000	
			2016-19	40,000	2.00%				
			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%					
						<u>\$ 1,762,000</u>	<u>\$ 110,000</u>	<u>\$ 1,652,000</u>	
Paid by Budget Appropriation							<u>\$ 110,000</u>		

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

Balance, December 31, 2013	\$ 556,669
Increased by:	
2014 Budget Appropriation - Due from Water Operating Fund	<u>25,000</u>
	581,669
Decreased by:	
Appropriation to Finance Improvement Authorizations - Ord. 96-8/98-11.1 Amendment	<u>170,000</u>
Balance, December 31, 2014	<u>\$ 411,669</u>

EXHIBIT D-27

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

Balance, December 31, 2013	\$ 11,258,262
Increased by:	
Serial Bonds Paid by Operating Budget	\$ 110,000
Authorizations Funded by 2014 Budget Appropriations - Due from Water Utility Operating Fund	21,500
Authorizations Funded by Capital Improvement Fund	170,000
Capital Outlay Operating Budgets:	
2014 Budget Appropriations	111,119
2013 Appropriation Reserves	<u>6,556</u>
	<u>419,175</u>
	11,677,437
Decreased by:	
Authorizations Cancelled to Fund Balance	<u>11,777</u>
Balance, December 31, 2014	<u>\$ 11,665,660</u>

**STATEMENT OF MISCELLANEOUS RESERVES
WATER UTILITY OPERATING FUND**

	Balance, December 31, <u>2013</u>	<u>Increase</u>	Realized in 2014 <u>Budget</u>	Balance, December 31, <u>2014</u>
Payment of Water Tank	\$ 9,201			\$ 9,201
Construction of Water Line	1,500			1,500
Woodcliff Lake Improvements	597,309	\$ 100,787	\$ 441,665	256,431
Handy Harmon Settlement	<u>1,506,068</u>	<u>-</u>	<u>-</u>	<u>1,506,068</u>
	<u>\$ 2,114,078</u>	<u>\$ 100,787</u>	<u>\$ 441,665</u>	<u>\$ 1,773,200</u>
Woodcliff Lake Surcharge Collected		<u>\$ 100,787</u>		

EXHIBIT D-29

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

Ord. No.	<u>Purpose</u>	Balance, December 31, <u>2013</u>	2014 <u>Authorizations</u>	Raised in 2014 <u>Budget</u>	Funded by Capital Improvement <u>Fund</u>	Balance, December 31, <u>2014</u>
96-8/98-11.1	Construction of Well #20	\$ 100,000			\$ 100,000	
98-11.1	Construction of Well #20	100,000			70,000	\$ 30,000
2004-07	Replacement of Water Mains	150,000		\$ 21,500		128,500
2014-15	Various Public Improvements & Acq.		\$ 470,000			470,000
2014-21	Installation of New Well and Pumping Station	<u>-</u>	<u>900,000</u>	<u>-</u>	<u>\$ -</u>	<u>900,000</u>
		<u>\$ 350,000</u>	<u>\$ 1,370,000</u>	<u>\$ 21,500</u>	<u>\$ 170,000</u>	<u>\$ 1,528,500</u>

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ELECTRIC UTILITY FUND

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

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2013	\$ 2,217,172	\$ -
Increased by Receipts:		
Light and Power Charges Receivable	\$ 9,829,809	
Other Charges Receivable	18,952	
Insurance Proceeds	25,983	
Miscellaneous Fees	3,122	
Non-Budget Revenue	11,946	
Prepaid Charges	2,681	
Overpayments	9,946	
Receipts for Water Utility Operating Fund	58,885	
Receipts for Other Trust Fund	2,375	
	9,963,699	-
	12,180,871	-
Decreased by Disbursements:		
2014 Appropriations	9,827,198	
2013 Appropriation Reserves	5,658	
Encumbrances Payable	620,175	
Interest on Bonds	52,198	
Interest on Notes	2,244	
Special Emergency Notes	180,000	
Payments made for Current Fund	3,957	
Payments made for Electric Utility Capital Fund	110,001	
Payments made for Utility Trust Fund	46,045	
	10,847,476	-
Balance, December 31, 2014	\$ 1,333,395	\$ -

EXHIBIT E-6

**ANALYSIS OF CASH
ELECTRIC UTILITY CAPITAL FUND**

	Balance, December 31, 2014
Fund Balance	\$ 36,841
Capital Improvement Fund	151,500
Contracts Payable	103,150
Due from Electric Utility Operating Fund	(185,047)
Improvement Authorizations:	
Ord.	
<u>No.</u> <u>Description</u>	
1996-05 Installation of Underground Electric - Bear's Nest II	(100,607)
2011-21 Various Public Impvts./Acqu. of Vehicle	3,208
2012-04 Acquisition of Aerial Bucket Truck	18,880
2014-04 Purchase of Electric Distribution Infrastructure Materials	71,597
2014-14 Acquisition of Mini-Excavator and Install Circuit Breakers at Mill Road Station	(99,522)
	\$ -

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

EXHIBIT E-7

Balance, December 31, 2013	\$ <u>50</u>
Balance, December 31, 2014	\$ <u>50</u>

**STATEMENT OF PETTY CASH
ELECTRIC UTILITY OPERATING FUND**

EXHIBIT E-8

Balance, December 31, 2013	\$ <u>500</u>
Balance, December 31, 2014	\$ <u>500</u>

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

EXHIBIT E-9

Balance, December 31, 2013	\$ 317,750
Increased by:	
Light and Power Charges Levied	<u>9,886,349</u>
	10,204,099
Decreased by:	
Light and Power Charges Collected	\$ 9,829,809
Overpayments Applied	14,973
Prepaid Applied	<u>4,500</u>
	<u>9,849,282</u>
Balance, December 31, 2014	\$ <u>354,817</u>

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

EXHIBIT E-10

Balance, December 31, 2013	\$ 19,164
Increased by:	
Other Electric Charges Levied - Dusk to Dawn	<u>18,835</u>
	37,999
Decreased by:	
Other Electric Charges Collected - Dusk to Dawn	<u>18,952</u>
Balance, December 31, 2014	\$ <u>19,047</u>

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

	Balance, December 31, <u>2013</u>	Additions By:		Balance, December 31, <u>2014</u>
		Operating Budget Capital <u>Outlay</u>	<u>Ordinance</u>	
Structures and Improvements	\$ 788,127	\$ 3,173		\$ 791,300
Water Storage Shed	323,331			323,331
Computer Hardware/Software-Equipment	153,793	6,028		159,821
Regulating Station	6,102			6,102
Hydro Generator-Equipment	7,732			7,732
Mill Road Substation	633,679			633,679
Brae Boulevard Substation	1,686,887			1,686,887
Poles, Towers and Fixtures	443,821		\$ 30,765	474,586
Cable & Wires	1,017,376		35,000	1,052,376
Underground Conduit	107,584			107,584
Underground Conductors & Devices	195,411			195,411
Line Transformers	591,898		45,278	637,176
Services	329,420			329,420
Installation of Customers' Services	8,817			8,817
Office Furniture, Etc.-Equipment	230,188			230,188
Vehicles/Equipment	1,133,072			1,133,072
Meters & Current Transformers	304,273		10,627	314,900
Street Lighting & Signal System	317,750		5,331	323,081
Tools, Shop & Garage Equipment	232,351	198	14,891	247,440
Computer Hardware/Software-Equipment	78,779			78,779
Meter Reading System-Equipment	12,660			12,660
Smoke Detectors-Equipment	149,897			149,897
Municipal Improvement	75,000			75,000
Holiday Decorations-Equipment	55,039	2,064		57,103
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	349,860			349,860
Recreational Lighting-Equipment	7,550		5,563	13,113
Scada System	117,028			117,028
Construction Services	200,757			200,757
Improvement to Utility Garage	225,962			225,962
Improvement to Electric System	223,977		2,545	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 Truck	334,872	-	-	334,872
	<u>\$ 11,874,002</u>	<u>\$ 11,463</u>	<u>\$ 150,000</u>	<u>\$ 12,035,465</u>
2014 Budget Appropriations		<u>\$ 11,463</u>		

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

Ord. No.	Improvement Description	Balance, December 31, 2013	2014 Authorizations		Costs to Fixed Capital	Authorizations Cancelled	Balance, December 31, 2014
			Deferred Reserve for Amortization	Deferred Charges to Future Revenue			
2003-05	Improvement to Electric System	\$ 1,023				\$ 1,023	
2010-15	Acquisition of Aerial Bucket Truck	26,248				26,248	
2011-21/							
2012-10	Various Public Impvts./Acqu. of Vehicle	203					\$ 203
2012-04	Acquisition of Aerial Bucket Truck	18,880					18,880
2013-08	Purchase of Electric Distribution Infrastructure Materials	150,000			\$ 150,000		
2014-04	Purchase of Electric Distribution Infrastructure Materials		\$ 125,000				125,000
2014-14	Acquisition of Mini-Excavator and Install Circuit Breakers at Mill Pond Station	-	-	\$ 245,000	-	-	245,000
		<u>\$ 196,354</u>	<u>\$ 125,000</u>	<u>\$ 245,000</u>	<u>\$ 150,000</u>	<u>\$ 27,271</u>	<u>\$ 389,083</u>

**STATEMENT OF DEFERRED CHARGES - SPECIAL EMERGENCY AUTHORIZATIONS
ELECTRIC UTILITY OPERATING FUND**

Date Authorized	Purpose	Net Amount Authorized	1/5 of Net Amount Authorized	Balance December 31, 2013	Raised in 2014 Budget
12/11/2012	Hurricane Sandy	\$ 225,000	\$ 45,000	\$ 52,427	\$ 52,427
				<u>\$ 52,427</u>	<u>\$ 52,427</u>

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

Increased by:		
FEMA Reimbursements Received by Current Fund	\$ 108,673	
Cash Disbursements for Current Fund Expenditures	<u>3,957</u>	
		<u>\$ 112,630</u>
Balance, December 31, 2014		<u>\$ 112,630</u>

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

Balance, December 31, 2013		\$ 269,548
Increased by:		
2014 Budget Appropriations		
Deferred Charges		
Cost of Improvements - Ord No. 1996-05		<u>25,500</u>
		295,048
Decreased by:		
Payments made by Electric Utility Operating Fund:		
Improvement Authorizations	\$ 102,371	
Contracts Payable	<u>7,630</u>	
		<u>110,001</u>
Balance, December 31, 2014		<u>\$ 185,047</u>

**STATEMENT OF DUE FROM OTHER TRUST FUND
ELECTRIC UTILITY OPERATING FUND**

Balance, December 31, 2013		\$ 16,106
Decreased by:		
Cash Receipts for Other Trust Developer Escrow Deposits		<u>2,375</u>
Balance, December 31, 2014		<u>\$ 13,731</u>

BOROUGH OF PARK RIDGE
STATEMENT OF 2013 APPROPRIATION RESERVES
ELECTRIC UTILITY OPERATING FUND

	Balance, December 31, <u>2013</u>	<u>Transfers</u>	Encumbrances <u>Cancelled</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING						
Salaries and Wages	\$ 28,888			\$ 28,888	\$ 971	\$ 27,917
Other Expenses	14,186	\$ 2,000		16,186	3,734	12,452
Group Health Insurance	13,229		\$ 93	13,322		13,322
Purchase of Electric Current	<u>44,904</u>	<u>-</u>	<u>-</u>	<u>44,904</u>	<u>12,853</u>	<u>32,051</u>
 Total Operating	 <u>101,207</u>	 <u>2,000</u>	 <u>93</u>	 <u>103,300</u>	 <u>17,558</u>	 <u>85,742</u>
 CAPITAL IMPROVEMENTS						
Capital Outlay	<u>19,658</u>	<u>(2,000)</u>	<u>-</u>	<u>17,658</u>	<u>-</u>	<u>17,658</u>
 Total Capital Improvements	 <u>19,658</u>	 <u>(2,000)</u>	 <u>-</u>	 <u>17,658</u>	 <u>-</u>	 <u>17,658</u>
 DEFERRED CHARGES AND STATUTORY						
Statutory Expenditures						
Contribution to Social Security System (O.A.S.I.)	<u>5,245</u>	<u>-</u>	<u>-</u>	<u>5,245</u>	<u>-</u>	<u>5,245</u>
 Total Deferred Charges and Statutory Expenditures	 <u>5,245</u>	 <u>-</u>	 <u>-</u>	 <u>5,245</u>	 <u>-</u>	 <u>5,245</u>
	<u>\$ 126,110</u>	<u>\$ -</u>	<u>\$ 93</u>	<u>\$ 126,203</u>	<u>\$ 17,558</u>	<u>\$ 108,645</u>
				Cash Disbursements	\$ 5,658	
				Accounts Payable	<u>11,900</u>	
					<u>\$ 17,558</u>	

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

Balance, December 31, 2013	\$ 620,268
Increased by:	
Charges to 2014 Budget Appropriations	<u>510,102</u>
	1,130,370
Decreased by:	
Cash Disbursements	\$ 620,175
Cancelled Encumbrances Restored to Appropriation Reserves	<u>93</u>
	<u>620,268</u>
Balance, December 31, 2014	<u>\$ 510,102</u>

EXHIBIT E-19

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

Balance, December 31, 2013	\$ 10,635
Increased by:	
Charges to Improvement Authorizations	<u>103,150</u>
	113,785
Decreased by:	
Payments made by Electric Utility Operating Fund	\$ 7,630
Cancelled Contracts Restored to Improvement Authorizations	<u>3,005</u>
	<u>10,635</u>
Balance, December 31, 2014	<u>\$ 103,150</u>

EXHIBIT E-20

**STATEMENT OF ACCOUNTS PAYABLE
ELECTRIC UTILITY OPERATING FUND**

Increased by:	
Charges to 2013 Appropriation Reserves	<u>\$ 11,900</u>
Balance, December 31, 2014	<u>\$ 11,900</u>

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

Balance, December 31, 2013	\$ 13,000
Increased by:	
Budget Appropriation for Interest on Bonds	<u>50,776</u>
	63,776
Decreased by:	
Interest Paid	<u>52,198</u>
Balance, December 31, 2014	<u>\$ 11,578</u>

EXHIBIT E-22

**STATEMENT OF ACCRUED INTEREST ON NOTES
ELECTRIC UTILITY OPERATING FUND**

Balance, December 31, 2013	\$ 844
Increased by:	
Budget Appropriation for Interest on Bonds	<u>1,400</u>
	2,244
Decreased by:	
Interest Paid	<u>\$ 2,244</u>

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

Ord. No.	Improvement Description	Balance, December 31, 2013		2014 Authorizations		Paid or Charged	Authorizations Cancelled	Balance, December 31, 2014	
		Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Revenue			Contracts Payable Cancelled	Funded
2003-05	Improvements to Electric System	\$ 250,000	\$ 1,023			\$ 1,023			
2010-15	Acquisition of Aerial Bucket Truck	180,000	26,248			26,248			
2011-21/									
2012-10	Var Pub. Impvts./Acqu. of Vehicle	415,000	203		\$ 3,005			\$ 3,208	
2012-04	Acquisition of Aerial Bucket Truck	200,000	18,880					18,880	
2013-08	Purchase of Electric Distribution Infrastructure Materials	150,000	52,596			\$ 52,596			
2014-04	Purchase of Electric Distribution Infrastructure Materials	125,000		\$ 125,000		53,403		71,597	
2014-14	Acquisition of Mini-Excavator and Install Circuit Breakers at Mill Road Station	245,000	-	-		99,522			\$ 145,478
		\$ 98,950	\$ -	\$ 125,000	\$ 245,000	\$ 205,521	\$ 27,271	\$ 93,685	\$ 145,478

Payments made by Electric Utility Operating Fund

Contracts Payable
\$ 102,371
103,150
\$ 205,521

**STATEMENT OF SERIAL BONDS
ELECTRIC UTILITY CAPITAL FUND**

Purpose	Date of Issue	Amount of Original Issue	Maturity of Bonds Outstanding at December 31, 2014		Interest Rate	Balance, December 31, 2013	Decreased	Balance, December 31, 2014
			Date	Amount				
Electric Utility Bonds	10/15/2007	\$ 1,693,000	2015-16	\$ 125,000	3.875%			
			2017-18	150,000	3.875%			
			2019	175,000	3.875%			
			2020	168,000	4.000%	\$ 1,018,000	\$ 125,000	\$ 893,000
Electric Utility Bonds	8/15/2012	695,000	2015-18	100,000	2.000%	600,000	95,000	505,000
			2019	105,000	2.000%			
Electric Utility Bonds	8/15/2013	100,000	2015	15,000	1.000%			
			2016-17	15,000	2.000%			
			2018-19	20,000	2.000%	100,000	15,000	85,000
						<u>\$ 1,718,000</u>	<u>\$ 235,000</u>	<u>\$ 1,483,000</u>
Paid by Budget Appropriation							<u>\$ 235,000</u>	

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

Balance, December 31, 2013	\$ 276,500
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>125,000</u>
Balance, December 31, 2014	<u>\$ 151,500</u>

EXHIBIT E-26

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

Balance, December 31, 2013	\$ 10,075,226
Increased by:	
Serial Bonds Paid by Operating Budget	\$ 235,000
Authorizations Funded by Budget Appropriations - Due from Electric Utility Operating Fund	25,500
Capital Outlay Operating Budget:	
2014 Budget Appropriations	11,463
Transfer from Deferred Reserve for Amortization	<u>150,000</u>
	<u>421,963</u>
	10,497,189
Decreased by:	
Authorizations Cancelled to Fund Balance	<u>26,248</u>
Balance, December 31, 2014	<u>\$ 10,470,941</u>

EXHIBIT E-27

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

Ord. No.	<u>Improvement Description</u>	Balance, December 31, 2013	Fixed Capital <u>Authorized</u>	Transfer to Reserve for <u>Amortization</u>	Authorizations Cancelled to Fund <u>Balance</u>	Balance, December 31, 2014
03-05	Improvement of Electric System	\$ 1,023			\$ 1,023	
13-08	Improvement of Electric System	150,000		\$ 150,000		
14-04	Purchase of Electric Distribution Infrastructure Materials	<u>-</u>	<u>\$ 125,000</u>	<u>-</u>	<u>-</u>	<u>125,000</u>
		<u>\$ 151,023</u>	<u>\$ 125,000</u>	<u>\$ 150,000</u>	<u>\$ 1,023</u>	<u>\$ 125,000</u>
	Capital Improvement Fund		<u>\$ 125,000</u>			

**BOROUGH OF PARK RIDGE
STATEMENT OF PREPAID CHARGES
ELECTRIC UTILITY OPERATING FUND**

Balance, December 31, 2013	\$ 4,500
Increased by:	
Collections of 2015 Power and Light Charges	<u>2,681</u>
	7,181
Decreased by:	
Prepayments Applied to Power and Light Charges Receivable	<u>4,500</u>
Balance, December 31, 2014	<u>\$ 2,681</u>

EXHIBIT E-29

**STATEMENT OF OVERPAYMENTS
ELECTRIC UTILITY OPERATING FUND**

Balance, December 31, 2013	\$ 14,973
Increased by:	
Overpayments Received	<u>9,946</u>
	24,919
Decreased by:	
Overpayments Applied to Power and Light Charges Receivable	<u>14,973</u>
Balance, December 31, 2014	<u>\$ 9,946</u>

EXHIBIT E-30

**STATEMENT OF RESERVE FOR HURRICANE SANDY - FEMA REIMBURSEMENTS
ELECTRIC UTILITY OPERATING FUND**

Balance, December 31, 2013	\$ 52,427
Decreased by:	
Realized in the 2014 Budget	<u>\$ 52,427</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF SPECIAL EMERGENCY NOTES PAYABLE
ELECTRIC UTILITY OPERATING FUND**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Int. Rate</u>	Balance December 31, <u>2013</u>	<u>Decreased</u>
Hurricane Sandy	8/16/2013	8/15/2014	1.25%	\$ 180,000	<u>180,000</u>
				<u>\$ 180,000</u>	<u>\$ 180,000</u>
			Paid by Electric Utility Operating Cash		<u>\$ 180,000</u>

EXHIBIT E-32

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

<u>Ord. No.</u>	<u>Purpose</u>	Balance, December 31, <u>2013</u>	2014 <u>Authorizations</u>	Raised in in 2014 <u>Budget</u>	Balance, December 31, <u>2014</u>
1996-05	Installation of Underground Electric - Bear's Nest II	\$ 126,107		\$ 25,500	\$ 100,607
2014-14	Acquisition of Mini-Excavator and Install Circuit Breakers at Mill Road Station	<u>-</u>	<u>\$ 245,000</u>	<u>-</u>	<u>245,000</u>
		<u>\$ 126,107</u>	<u>\$ 245,000</u>	<u>\$ 25,500</u>	<u>\$ 345,607</u>

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UTILITY TRUST FUND

BOROUGH OF PARK RIDGE
STATEMENT OF CASH - UTILITY TRUST FUND

Balance, December 31, 2013		\$	834,809
Increased by Receipts:			
Water Utility Deposits	\$	49,981	
Electric Utility Deposits		46,411	
Interest Due to Water Utility Operating Fund		1,171	
Interest Due to Electric Utility Operating Fund		<u>780</u>	
			<u>98,343</u>
Balance, December 31, 2014		<u>\$</u>	<u>933,152</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF DEPOSIT PAYABLE**

	Balance, December 31, <u>2013</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2014</u>
Water Utility	\$ 436,971	\$ 49,981	\$ 27,491	\$ 459,461
Electric Utility	<u>272,506</u>	<u>46,411</u>	<u>46,045</u>	<u>272,872</u>
	<u>\$ 709,477</u>	<u>\$ 96,392</u>	<u>\$ 73,536</u>	<u>\$ 732,333</u>
Cash Receipts		\$ 96,392		
Due to Water Utility Operating Fund			\$ 27,491	
Due to Electric Utility Operating Fund		<u>-</u>	<u>46,045</u>	
		<u>\$ 96,392</u>	<u>\$ 73,536</u>	

EXHIBIT F-3

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

Balance, December 31, 2013	\$ 41,179
Increased by:	
Payments made by Water Utility Operating Fund	\$ 27,491
Interest on Deposits	<u>1,171</u>
	<u>28,662</u>
Balance, December 31, 2014	<u>\$ 69,841</u>

EXHIBIT F-4

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

Balance, December 31, 2013	\$ 84,153
Increased by:	
Payments made by Electric Utility Operating Fund	\$ 46,045
Interest on Deposits	<u>780</u>
	<u>46,825</u>
Balance, December 31, 2014	<u>\$ 130,978</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, 2013	\$ 219,718	\$ -
Increased by Receipts:		
Membership Fees	\$ 201,970	
Miscellaneous Revenue	48,315	
Petty Cash	<u>250</u>	<u>-</u>
	<u>250,535</u>	<u>-</u>
	470,253	-
Decreased by Disbursements:		
2014 Appropriations	195,786	
2013 Appropriation Reserves	300	
Encumbrances Payable	<u>3,775</u>	<u>-</u>
	<u>199,861</u>	<u>-</u>
Balance, December 31, 2014	<u>\$ 270,392</u>	<u>\$ -</u>

EXHIBIT G-6

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

	Balance, December 31, <u>2014</u>
Fund Balance	\$ 50
Capital Improvement Fund	16,000
Due from Swim Pool Utility Operating Fund	(18,804)
Grants Receivable	(23,801)
Improvement Authorizations:	
Ord.	
<u>No.</u> <u>Description</u>	
92 Improvement to Swim Pool	(500)
06-10 Pool Rehabilitation	8,440
10-06 ADA Improvements - Bathrooms	<u>18,615</u>
	<u>\$ -</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF PETTY CASH**

Balance, December 31, 2013	\$	500
Decreased by:		
Returned to Treasurer		250
Balance, December 31, 2014	\$	250

**STATEMENT OF GRANT RECEIVABLE
SWIM POOL UTILITY CAPITAL FUND**

		Balance December 31, <u>2013</u>	Balance December 31, <u>2014</u>	Balance Pledged to Improvement Authorizations
Ord. No.	<u>Grantor</u>			
10-06	Community Development Block Grant	\$ 23,801	\$ 23,801	\$ 23,801
		\$ 23,801	\$ 23,801	\$ 23,801

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

Balance, December 31, 2013	\$	6,804
Increased by:		
2014 Budget Appropriation - Cost of Improvement Ord. 6-10		12,000
Balance, December 31, 2014	\$	18,804

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

Balance, December 31, 2013		\$ <u>13</u>
Balance, December 31, 2014		\$ <u>13</u>

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

	Balance, December 31, <u>2013</u>	Balance, December 31, <u>2014</u>
Municipal Pool	\$ 841,996	\$ 841,996
Sanitary Sewer Reconstruction	5,075	5,075
Painting & Sandblasting	10,000	10,000
Handicapped Improvements	87,238	87,238
Bridge	8,260	8,260
Electrical Work	4,520	4,520
Furniture	20,493	20,493
Recreation Equipment	5,023	5,023
Other Equipment	32,984	32,984
Landscaping	5,223	5,223
Land Improvements	7,642	7,642
Water Sprinklers	8,785	8,785
Parking Lot Improvement	21,726	21,726
Security Lock	750	750
Small Tools	1,146	1,146
	<u>\$ 1,060,861</u>	<u>\$ 1,060,861</u>

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

<u>Ord #</u>	<u>Improvement Description</u>	<u>Ordinance</u>		Balance,	Balance,
		<u>Date</u>	<u>Amount</u>	December 31, <u>2013</u>	December 31, <u>2014</u>
06-10	Pool Rehabilitation	09/05/06	\$ 120,000	\$ 24,440	\$ 24,440
10-06	ADA Improvements to Bathrooms	3/15/2010	99,228	<u>18,615</u>	<u>18,615</u>
				<u>\$ 43,055</u>	<u>\$ 43,055</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF 2013 APPROPRIATION RESERVES
SWIM POOL UTILITY OPERATING FUND**

	Balance, December 31, <u>2013</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING				
Other Expenses	\$ 1,696	\$ 1,696	\$ 600	\$ 1,096
Total Operating	<u>1,696</u>	<u>1,696</u>	<u>600</u>	<u>1,096</u>
	<u>\$ 1,696</u>	<u>\$ 1,696</u>	<u>\$ 600</u>	<u>\$ 1,096</u>
			\$ 300	
			<u>300</u>	
			<u>\$ 600</u>	

EXHIBIT G-14

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

Balance, December 31, 2013	\$ 3,775
Increased by:	
Charges to 2014 Budget Appropriations	<u>2</u>
	3,777
Decreased by:	
Cash Disbursements	<u>3,775</u>
Balance, December 31, 2014	<u>\$ 2</u>

EXHIBIT G-15

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

Increased by:	
Charges to 2013 Appropriation Reserves	<u>\$ 300</u>
Balance, December 31, 2014	<u>\$ 300</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
SWIM POOL UTILITY CAPITAL FUND**

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance, December 31, 2013</u>		<u>Balance, December 31, 2014</u>	
				<u>Funded</u>	<u>Unfunded</u>	<u>Funded</u>	<u>Unfunded</u>
06-10	Pool Rehabilitation	9/5/2006	\$ 120,000	\$	24,440	\$ 8,440	\$ 16,000
10-06	ADA Improvements to Bathrooms	3/15/2010	99,228	\$ 18,615	-	18,615	-
				<u>\$ 18,615</u>	<u>\$ 24,440</u>	<u>\$ 27,055</u>	<u>\$ 16,000</u>

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

Balance, December 31, 2013	\$ <u>16,000</u>
Balance, December 31, 2014	\$ <u>16,000</u>

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

Balance, December 31, 2013	\$ 1,056,801
Increased by:	
2014 Budget Appropriation - Cost of Improvement Ord. 6-10 - Due from Swim Pool Utility Operating Fund	<u>3,560</u>
Balance, December 31, 2014	\$ <u>1,060,361</u>

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

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance December 31, 2013</u>	<u>2014 Budget Appropriations- Cost of Improvements</u>	<u>Balance, December 31, 2014</u>
06-10	Pool Rehabilitation		\$ 8,440	\$ 8,440
10-06	ADA Improvements to Bathrooms	\$ <u>18,615</u>	<u>-</u>	\$ <u>18,615</u>
		<u>\$ 18,615</u>	<u>\$ 8,440</u>	<u>\$ 27,055</u>
	Due from Swim Pool Utility Operating Fund		<u>\$ 8,440</u>	

**BOROUGH OF PARK RIDGE
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
SWIM POOL UTILITY CAPITAL FUND**

<u>Ord. No.</u>	<u>Purpose</u>	Balance, December 31, <u>2013</u>	Funded by Budget <u>Appropriation</u>	Balance, December 31, <u>2014</u>
92	Improvement to Swim Pool	\$ 500		\$ 500
06-10	Pool Rehabilitation	<u>28,000</u>	<u>\$ 12,000</u>	<u>16,000</u>
		<u>\$ 28,500</u>	<u>\$ 12,000</u>	<u>\$ 16,500</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, 2013	\$ 19,304	\$ 2,002	\$ 17,302
Increased by:			
State Aid	12,300		12,300
Prior Year Outstanding Checks Voided - State Matched Assistance	926		926
Interest on Investments	82	10	72
Received from Current Fund	<u>1,500</u>	<u>-</u>	<u>1,500</u>
	34,112	2,012	32,100
Decreased by:			
Public Assistance Expenditures Eligible for State Aid	14,736	-	14,736
Payments to Current Fund	<u>100</u>	<u>100</u>	<u>-</u>
Balance, December 31, 2014	<u>\$ 19,276</u>	<u>\$ 1,912</u>	<u>\$ 17,364</u>

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

Balance, December 31, 2013	\$ 2,445
Increased by:	
Cash Received from Current Fund	<u>1,500</u>
	3,945
Decreased by:	
Cash Payments to Current Fund	<u>100</u>
Balance, December 31, 2014	<u>\$ 3,845</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, 2013	\$ 16,859	\$ 1,902	\$ 14,957
Increased by:			
Revenues	<u>13,308</u>	<u>10</u>	<u>13,298</u>
	30,167	1,912	28,255
Decreased by:			
Expenditures	<u>14,736</u>	<u>-</u>	<u>14,736</u>
Balance, December 31, 2014	<u>\$ 15,431</u>	<u>\$ 1,912</u>	<u>\$ 13,519</u>

EXHIBIT H-4

STATEMENT OF PUBLIC ASSISTANCE REVENUES

	<u>Total</u>	<u>Account #1</u>	<u>Account #2</u>
State Aid Payments	\$ 12,300		\$ 12,300
Prior Year Outstanding Checks Voided - State Matched Assistance	926		926
Interest on Investments	<u>82</u>	<u>\$ 10</u>	<u>72</u>
Total Revenues	13,308	10	13,298
Due to Current Fund	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total Receipts	<u>\$ 14,808</u>	<u>\$ 10</u>	<u>\$ 14,798</u>

EXHIBIT H-5

STATEMENT OF PUBLIC ASSISTANCE EXPENDITURES

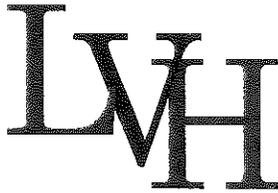
	<u>Total</u>	<u>Account #1</u>	<u>Account #2</u>
Current Year Assistance Reported			
Maintenance	\$ 6,930		\$ 6,930
Temporary Rental Assistance	7,158		7,158
Transportation	<u>648</u>	<u>-</u>	<u>648</u>
Total Payments Reported/Expenditures	14,736	-	14,736
Due to Current Fund	<u>100</u>	<u>\$ 100</u>	<u>-</u>
Total Disbursements	<u>\$ 14,836</u>	<u>\$ 100</u>	<u>\$ 14,736</u>

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

PART II

GOVERNMENT AUDITING STANDARDS

YEAR ENDED DECEMBER 31, 2014



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

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ELIZABETH A. SHICK, CPA, RMA, PSA

ANDREW PARENTE, CPA, RMA, PSA

ROBERT W. HAAG, CPA, PSA

DEBORAH K. LERCH, CPA, PSA

RALPH M. PICONE, CPA, RMA, PSA

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, 2014, and the related notes to the financial statements, and have issued our report thereon dated June 4, 2015. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2014-001 through 2014-003 that we consider to be significant deficiencies in internal control over financial reporting.

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 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 and which are described in the accompanying schedule of findings and responses as items 2014-001 and 2014-003.

We also 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".

Borough of Park Ridge's Responses to Findings

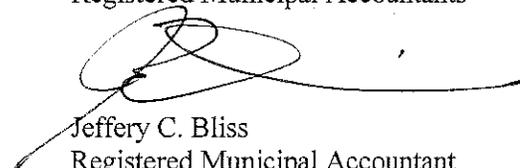
The Borough of Park Ridge's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Borough of Park Ridge's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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
June 4, 2015

**BOROUGH OF PARK RIDGE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2014**

State Grant Program	Account Number	Grant Year	Grant Award	2014 Grant/Loan Receipts	Balance, January 1, 2014	Revenue Realized	Expended	Program Income/Adjustment	Balance, December 31, 2014	Cumulative Expended
Drug and Alcohol Municipal Alliance	N/A	2014	\$ 8,529	\$ 8,529			\$ 2,233		\$ 3,448	\$ 2,233
		2012	5,681		5,681		2,801		8,151	2,801
		2008	23,500		2,559		2,559		-	23,500
Clean Communities Grant Program	042-4900-765-004	2014	15,537	15,537		\$ 16,566	14,978		1,588	14,978
		2013	16,566		14,110		14,110		9,655	14,110
		2011	14,305		9,655		7,799		7,799	6,909
		2010	14,708		1,046				1,046	13,066
		2009	14,112							
Drunk Driving Enforcement Fund	1110-448-031020-22	2014	9,927	9,927						
Alcohol Education and Rehabilitation	098-9735-760-001	2014	1,123	1,123		897			897	-
		2013	897						540	-
		2012	540		540		323		323	-
		2011	323		704				704	-
		2010	704		1,059				1,059	130
Department of Community Affairs Domestic Violence Grant	N/A	Prior	2,178		2,178				2,178	-
		2014	1,934	1,934			2,441			2,441
Body Armour Replacement Fund	066-1020-718-001	2013	2,441				2,441		318	1,671
		2012	1,989		318				1,948	-
		2011	1,948		2,009				2,009	850
		2010	2,859		484				484	1,430
		2007	1,914							
Recycling Tonnage Grant	042-4900-752-001	2014	17,817	17,817		13,293	1,685		11,608	1,685
		2013	13,293		11,252				11,252	-
		2012	11,252							
NJEDA Hazardous - Discharge Site	N/A	Prior	2,406		2,406			2,406	-	
Department of Human Services General Assistance	054-7500-100-250	2014	12,300	12,300	14,957	12,300	14,736	998	13,519	14,736
		Prior								
			<u>\$ 89,980</u>	<u>\$ 45,497</u>	<u>\$ 55,543</u>	<u>\$ 998</u>	<u>\$ 80,932</u>			

Note: This schedule was not subject to a single audit in accordance with OMB 04-04.

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, 2014**

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	\$ 89,297	\$ 33,197	\$ 122,494
Electric Utility Operating Fund	108,673		108,673
Public Assistance Fund	<u>-</u>	<u>12,300</u>	<u>12,300</u>
	<u>\$ 197,970</u>	<u>\$ 45,497</u>	<u>\$ 243,467</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, 2014**

NOTE 5 FEDERAL AND STATE LOANS OUTSTANDING

The Borough's federal and state loans outstanding at December 31, 2014, which are not required to be reported on the schedules of expenditures of federal awards and 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	\$ 361,177
Memorial Field Improvements		<u>1,132,880</u>
Mill Pond Dam Improvements		\$ <u>1,494,057</u>

**BOROUGH OF PARK RIDGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Part I – Summary of Auditor's Results

Financial Statements

Type of auditors' report issued on financial statements	<u>Modified for Unaudited LOSAP Fund</u>	
Internal control over financial reporting:		
1) Material weakness(es) identified	_____ yes	<u> X </u> no
2) Significant deficiency(ies) that are not considered to be material weakness(es)?	<u> X </u> yes	_____ none reported
Noncompliance material to the financial statements noted?	<u> X </u> yes	_____ no

Federal Awards Section

Not Applicable

State Awards Section

Not Applicable

**BOROUGH OF PARK RIDGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2014**

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*.

Finding 2014-001 – Our audit of the general ledger accounting system maintained for the various funds revealed the following:

- General ledger control account balances were not reconciled to the revenue appropriation and reserve accounts subsidiary reports and other supporting records on a monthly basis.
- Certain budgetary refunds posted to the Current, Water and Electric Operating Funds budget accounts were not posted accurately to the respective Fund's general ledgers.
- Subsidiary budget revenue and appropriation accounts of the Current, Water and Electric Operating Funds were not closed out in a timely manner resulting in certain transactions not being posted timely in the subsequent year records.

Criteria or Specific Requirement – Maintaining General Ledger Accounting System – N.J.A.C. 5:30-5.7.

Condition – The general ledger account balances were not reviewed and reconciled with the subsidiary revenue, appropriation and reserve account reports, bank reconciliation balances and other records on a timely basis. Budgetary refunds were not posted consistently to the general ledger and respective operating fund budget account. In addition revenue and appropriation accounts were not closed out in a timely manner at year end to allow for the posting of subsequent year transactions in a reasonable time period.

Context – General ledger account balances for the Current, Water and Electric Operating Funds were not reconciled to the subsidiary revenue and appropriation status reports and monthly bank reconciliation balances. In addition Other Trust and Utility Trust Fund reserve balances were not reconciled to the detail trial balances or monthly bank reconciliation balances for each reserve account. Also, General Capital and Utility Capital Funds were not reviewed and reconciled to improvement authorization account status subsidiary reports and monthly bank reconciliation balances.

Effect – General ledger balances may not be in agreement with balances per the subsidiary supporting reports and records.

Cause – General ledger account balances were not reviewed and reconciled in a timely manner with account balances reported in the subsidiary revenue, appropriation and reserve account reports and other supporting records.

Recommendation – Internal control procedures over the general ledger accounting system be reviewed and revised to ensure general ledger account balances are reconciled on a monthly basis to the respective fund's subsidiary reports and supporting records; transactions are accurately recorded; and subsidiary budget accounts are closed out in a timely manner at year end.

View of Responsible Official and Planned Corrective Action – Management has reviewed this finding and has indicated corrective action will be developed and implemented in 2015 to address this finding.

BOROUGH OF PARK RIDGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2014

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*.

Finding 2014-002 – Our audit of bank reconciliations in the Current Fund and Other Trust Fund revealed the following:

- Escrow, Net Payroll and Payroll Agency accounts were not reconciled in a timely manner.
- Numerous reconciling items and old outstanding checks exist at year end in the Current Fund, Net Payroll and Payroll Agency Accounts.

Criteria or Specific Requirement – Internal controls over financial reporting.

Condition – Bank reconciliation for the Escrow, Net Payroll and Payroll Agency accounts were not completed on a timely basis (i.e monthly) throughout the year. In addition various reconciling items existed at year end as a result numerous interfund adjustments and old prior year checks remained outstanding.

Context – Other Trust Fund bank reconciliations for the Escrow, Net Payroll and Payroll Agency Accounts were not completed on a timely basis. In addition reconciling items in the amount of \$655,710 and \$570,444 existed on the Current Fund and Net Payroll bank reconciliations, respectively as a result of year end interfund adjustments.

Effect – Timely reconciled cash balances were not available to support general ledger cash account balances and transactions.

Cause – Bank reconciliations for Escrow, Net Payroll and Payroll Agency were not completed monthly, throughout the year.

Recommendation – Monthly bank reconciliations for the Other Trust Fund accounts be completed on a timely basis and reconciling items and old outstanding checks on the Current Fund and Other Trust Fund accounts reconciliations be review and cleared record.

View of Responsible Official and Planned Corrective Action – Management has reviewed this finding and has indicated corrective action will be developed and implemented in 2015 to address this finding.

BOROUGH OF PARK RIDGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2014

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*.

Finding 2014-003 – We noted two (2) contract awards in the General Capital Fund which exceeded the available improvement authorization balances. We noted subsequent funds were made available through reclassifications and reappropriations.

Criteria or Specific Requirement – Encumbrance Accounting System N.J.A.C. 5:30-5.3.

Condition – Two (2) contracts were awarded in the General Capital Fund for projects that exceeded the available improvement authorization balances.

Context – One contract was awarded for the 2014 Road Improvement Project that exceeded the available ordinance balance by \$20,960. In addition one contract was awarded for improvement to Mill Pond Park and Davies Field that exceeded the available ordinance balance by \$48,265.

Effect – Funds to complete contracts awarded for goods or services may not be available.

Cause – Available ordinance balances were not reviewed prior to the awarding of various projects in the General Capital Fund.

Recommendation – Internal control procedures be revised to ensure sufficient funds are available in the General Capital Fund prior to the awarding of contracts.

View of Responsible Official and Planned Corrective Action – Management has reviewed this finding and has indicated corrective action will be developed and implemented in 2015 to address this finding.

**BOROUGH OF PARK RIDGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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 OMB Circular A-133 and New Jersey OMB's Circular 04-04, 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, 2014

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*, US OMB Circular A-133 and NJ OMB Circular 04-04.

STATUS OF PRIOR YEAR FINDINGS

Finding 2013-1

Condition – The unfunded OPEB liability and the annual required contribution (ARC) an amount actuarially determined to project the level of funding required to cover the costs of other employment retirement benefits was not updated at the end of the third year of the last actuarial calculation.

Current Status

Corrective action has been taken.

Finding 2013-2

Condition – A Chapter 159 resolution was not approved by the governing body and submitted to the State for approval prior to the expenditures of grant funds received by the Borough.

Current Status

Corrective action has been taken

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

PART III

**SUPPLEMENTARY DATA
LETTER OF COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2014**

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	Year 2014		Year 2013	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 680,700	1.58 %	\$ 650,000	1.54 %
Miscellaneous - From Other Than Local				
Property Tax Levies	2,992,768	6.96	3,069,215	7.25
Collection of Delinquent Taxes and Tax Title Liens	199,996	0.46	322,050	0.76
Collection of Current Tax Levy	38,767,043	90.13	37,751,689	89.24
Other Credits to Income	374,215	0.87	510,473	1.21
	<u>43,014,722</u>	<u>100.00</u> %	<u>42,303,427</u>	<u>100.00</u> %
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	12,069,518	28.42 %	11,989,287	29.14 %
County Taxes	4,034,495	9.50	4,002,977	9.73
Local District School Tax	25,952,544	61.13	25,056,829	60.90
Other Expenditures	404,428	0.95	96,387	0.23
	<u>42,460,985</u>	<u>100.00</u> %	<u>41,145,480</u>	<u>100.00</u> %
Excess in Revenue	553,737		1,157,947	
Adjustments to Income before Fund Balance:				
Expenditures Included Above Which are by Statute				
Deferred Charges to Budget of Succeeding Year	62,400		61,261	
Expenditures Included Above Which were Funded by Capital Ordinances	221,655		-	
	<u>283,855</u>		<u>61,261</u>	
Statutory Excess to Fund Balance	837,792		1,219,208	
Fund Balance, January 1	<u>1,806,511</u>		<u>1,237,303</u>	
	2,644,303		2,456,511	
Less Utilization as Anticipated Revenue	<u>680,700</u>		<u>650,000</u>	
Fund Balance, December 31	<u>\$ 1,963,603</u>		<u>\$ 1,806,511</u>	

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	<u>Year 2014</u>		<u>Year 2013</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 267,512	6.69 %	\$ 541,644	13.92 %
Water Usage Charges	2,871,721	71.83	2,808,918	72.18
Miscellaneous Charges and Fees	279,820	7.00	270,493	6.95
Reserve for Woodcliff Lake Improvements	441,665	11.05		
Non-Budget Revenue	17,115	0.43		
Other Credits to Income	<u>119,881</u>	<u>3.00</u>	<u>270,744</u>	<u>6.95</u>
Total Income	<u>3,997,714</u>	<u>100.00 %</u>	<u>3,891,799</u>	<u>100.00 %</u>
EXPENDITURES				
Operating	3,096,298	84.98 %	3,005,600	84.39 %
Capital Improvements	185,000	5.08	248,000	6.96
Debt Service	148,441	4.07	96,765	2.72
Deferred Charges and Statutory Expenditures	<u>214,025</u>	<u>5.87</u>	<u>211,250</u>	<u>5.93</u>
Total Expenditures	<u>3,643,764</u>	<u>100.00 %</u>	<u>3,561,615</u>	<u>100.00 %</u>
Excess in Revenue	353,950		330,184	
Fund Balance, January 1	<u>540,321</u>		<u>751,781</u>	
	894,271		1,081,965	
Less Utilization as Anticipated Revenue	<u>267,512</u>		<u>541,644</u>	
Fund Balance, December 31	<u>\$ 626,759</u>		<u>\$ 540,321</u>	

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	Year 2014		Year 2013	
	Amount	Percent	Amount	Percent
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 945,480	8.50 %	\$ 1,118,760	9.79 %
Light and Power Charges	9,849,282	88.53	9,859,919	86.25
FEMA Reimbursements	108,673	0.98	110,301	0.96
Reserve for Hurricane Sandy Emergency - Reimbursements	52,427	0.47		
Insurance Proceeds	25,983	0.23		
Miscellaneous Charges and Fees	22,074	0.20	41,358	0.36
Non-Budget Revenue	12,726	0.11		
Other Credits to Income	108,645	0.98	301,165	2.64
Total Income	11,125,290	100.00 %	11,431,503	100.00 %
EXPENDITURES				
Operating	10,085,700	94.60 %	9,923,900	94.29 %
Capital Improvements	33,500	0.32	93,500	0.89
Debt Service	287,176	2.69	276,392	2.63
Deferred Charges and Statutory Expenditures	254,921	2.39	230,845	2.19
Total Expenditures	10,661,297	100.00 %	10,524,637	100.00 %
Excess in Revenue	463,993		906,866	
Fund Balance, January 1	1,089,664		1,301,558	
	1,553,657		2,208,424	
Less Utilization as Anticipated Revenue	945,480		1,118,760	
Fund Balance, December 31	\$ 608,177		\$ 1,089,664	

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	<u>Year 2014</u>		<u>Year 2013</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 14,750	5.54 %		
Membership Fees	201,970	75.90	\$ 222,225	84.22 %
Miscellaneous Fees	48,315	18.15	33,745	12.79
Other Credits to Income	<u>1,096</u>	<u>0.41</u>	<u>7,881</u>	<u>2.99</u>
 Total Income	 <u>266,131</u>	 <u>100.00</u> %	 <u>263,851</u>	 <u>100.00</u> %
 EXPENDITURES				
Operating	191,320	90.35 %	200,658	90.91 %
Deferred Charges and Statutory Expenditures	<u>20,430</u>	<u>9.65</u>	<u>20,067</u>	<u>9.09</u>
 Total Expenditures	 <u>211,750</u>	 <u>100.00</u> %	 <u>220,725</u>	 <u>100.00</u> %
 Excess in Revenue	 54,381		 43,126	
 Fund Balance, January 1	 <u>207,930</u>		 <u>164,804</u>	
	262,311		207,930	
 Less Utilization as Anticipated Revenue	 <u>14,750</u>		 <u>-</u>	
 Fund Balance, December 31	 <u>\$ 247,561</u>		 <u>\$ 207,930</u>	

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Tax Rate</u>	<u>\$2.431</u>	<u>\$2.375</u>	<u>\$2.189</u>
 <u>Apportionment of Tax Rate</u>			
Municipal	.525	.524	.502
Library	.035	.036	.037
County	.249	.247	.244
County – Open Space	.003	.003	.003
Local District School	1.619	1.565	1.493

Assessed Valuation

2014	<u>\$1,603,281,538</u>	
2013		<u>\$1,601,644,938</u>
2012		<u>\$1,628,911,681</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>
2014	\$ 39,036,899	\$ 38,767,043	99.31%
2013	38,091,150	37,851,689	99.37%
2012	37,181,486	36,777,605	98.91%

**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>
2014	-	\$ 242,089	\$ 242,089	0.62%
2013	-	199,746	199,746	0.52%
2012	-	322,340	322,340	0.87%

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>
2014	\$100,650
2013	100,650
2012	100,650

Comparison of Water Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(*)</u>	<u>Percentage of Collection</u>
2014	\$2,835,145	\$2,871,721	101.29%
2013	2,858,537	2,808,918	98.26%
2012	2,437,189	2,528,722	103.76%

Comparison of Electric Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(*)</u>	<u>Percentage of Collection</u>
2014	\$9,886,349	\$9,849,282	99.63%
2013	9,824,277	9,859,919	100.36%
2012	9,571,972	9,580,812	100.09%

*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	2014	\$1,963,603	\$750,700
	2013	1,806,511	680,700
	2012	1,237,303	650,000
	2011	1,079,370	650,000
	2010	691,325	505,000
Water Utility Fund	2014	\$626,759	\$399,400
	2013	540,321	267,512
	2012	751,781	541,644
	2011	422,300	335,648
	2010	951,841	762,800
Electric Utility Operating Fund	2014	\$608,177	\$514,598
	2013	1,089,664	945,480
	2012	1,301,558	1,118,760
	2011	1,114,969	796,335
	2010	741,886	634,479
Swim Pool Utility Operating Fund	2014	\$247,561	\$46,100
	2013	207,930	14,750
	2012	164,804	-0-
	2011	143,477	12,290
	2010	100,501	18,800

**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>
Terence P. Maguire	Mayor		
June Bertini	Councilwoman		
Rich Bosi	Councilman		
Ryan Cangialosi	Councilman		
Scott Galdi	Councilman		
Steven Hopper	Councilman		
Robert Oppelt	Councilman		
Kelley R. O'Donnell	Borough Administrator/Borough Clerk	(a)	
Colleen Ennis	Chief Financial Officer, Tax Collector – Treasurer	\$1,000,000	MELJIF
William Beattie	Director of Operations	(a)	
John E. TenHoeve, Jr., Esq.	Borough Attorney		
Brooker Engineering	Borough Engineer		
Julie Falkestern	Subdivision Search Officer	(a)	
Nick Saluzzi	Construction Code Official	(a)	
Robert Campora	Tax Assessor	(a)	
Peter Wayne	Superintendent of Public Works	(a)	
Robert Murken	Electric Sub-Code Official	(a)	
John Wittekind	Plumbing Sub-Code Official	(a)	
Robert Ludwig	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.

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

GENERAL COMMENTS

Prior Year Findings Unresolved

Finance

- **Finding** – Our audit of police outside duty services revealed numerous receivable balances due from vendors for police outside duty services rendered in the current and prior years which remained outstanding at year end. This resulted in a deficit balance in the reserve account of \$51,255 at December 31, 2014.

Recommendation – Receivable balances due from vendors for police outside duty services be reviewed and cleared of record in a timely manner. In addition, appropriate action be taken to eliminate the remaining reserve account deficit.

- **Finding** – Our audit of the Other Trust Fund revealed that numerous transactions of the various escrow, CDBG and Flex Spending accounts, were not posted in the general ledger.

Recommendation – All transactions of the various accounts in the Other Trust Fund be recorded and posted in the general ledger on a monthly basis.

Payroll

- **Finding** – Our audit of payroll taxes and withholdings revealed that payments made by the third party payroll provider were not verified on line to the respective federal and state agencies' websites.

Recommendation – Payroll taxes and withholdings made by the third party payroll service provider be verified for remittance to the respective federal and state agencies.

- **Finding** – Our audit of accrued time for compensated absences revealed that detailed attendance records were not maintained in a central file or location for all municipal employees. We noted the Police Department was the only department that maintained their own detail records of compensated absences.

Recommendation – Detailed attendance records to account for employee compensated absences be maintained in a central file and location for all employees of the Borough.

Current Year Findings

Finance

- **Finding** – Several prior year grants receivable balances in the Current, General Capital and Swim Pool Capital Funds remain uncollected at year end.

Recommendation – Prior year grant receivable balances in the Current, General Capital and Swim Pool Capital Funds be reviewed and efforts be made to collect outstanding balances and uncollectable amounts be cancelled.

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

GENERAL COMMENTS (Continued)

Current Year Findings (Continued)

Finance (Continued)

- **Finding** – Our audit revealed numerous interfund balances existed between the various funds at December 31, 2014.
Recommendation – Efforts be made to clear interfund balances prior to year end.

- **Finding** – We noted the Other Trust Fund escrow account bank statements and check images for the months of March 2014 through November 2014 were not available for audit.
Recommendation – The Other Trust Fund escrow account bank statements and check images be maintained on file and available for audit.

- **Finding** – Certain Water and Electric Utility Fund payment stubs were not available for utility charges collected.
Recommendation – Payment stubs be retained and made available for audit for utility charge amounts collected in the Water and Electric Utility Funds.

- **Finding** – Improvement authorizations were not updated to reflect all adopted capital ordinances and cancelled ordinance balances in the General Capital Fund.
Recommendation – Improvement authorizations be updated to reflect all adopted capital ordinances and cancelled ordinance balances in the General Capital Fund.

- **Finding** – We noted certain contracts awarded in the Current and General Capital Funds that were not recorded as encumbrances at year end.
Recommendation – Internal control procedures be enhanced to ensure contract awards are encumbered and properly recorded in the Current and General Capital Funds.

- **Finding** – Our audit of parking meter fees revealed the following:
 - a) Parking meter receipts and deposit slips were not available for audit.
 - b) Composition of parking meter machine receipts did not agree to deposit slip amounts.
 - c) Collections are not deposited in a timely manner.**Recommendation** – Internal control procedures and record keeping over parking meter fee revenue be enhanced to ensure records are available for audit, transactions are properly recorded and amounts are deposited timely.

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

GENERAL COMMENTS (Continued)

Current Year Findings (Continued)

Swim Pool Utility

- **Finding** – Our audit of the Swim Pool Utility revenue collections revealed the following:
 - a) Deposit slips and applications were not available for the second half of the pool season.
 - b) Membership fee waivers and discounts are not included in the approved fee ordinance.
 - c) Membership list included certain members that were not included in finance office records.

Recommendation – Continued efforts be made to enhance procedures over the Swim Pool revenue collections to ensure records are available for audit, membership fee waivers and discounts are approved and all transactions are properly recorded.

Payroll

- **Finding** – Payrolls were not transferred to the payroll accounts from the Borough's operating accounts in exact amounts nor timely for each pay period during the year.

Recommendation – Payrolls be transferred from the Borough's operating accounts in exact amounts and in a timely manner for each pay period.

- **Finding** – Our audit revealed several differences between the 4th quarter state pension reports and payroll records for both employee base pay and pension deductions.

Recommendation – Pension amounts reported on the quarterly state pension reports be reviewed and reconciled with the actual amounts reported in the Borough's payroll records.

Purchasing

- **Finding** – Our audit revealed missing purchase orders and related supporting documentation for numerous paid vendor claims.

Recommendation – Purchase orders and related supporting documentation for paid vendor claims be retained and made available for audit.

- **Finding** – We noted certain vendors awarded contracts in excess of the bid threshold through county cooperative purchasing agreements that were not approved by resolution.

Recommendation – County cooperative purchasing contract awards in excess of the bid threshold be approved by resolution.

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

GENERAL COMMENTS (Continued)

Current Year Findings (Continued)

General Compliance

- **Finding** – A corrective action plan was not completed for recommendations reported in the 2013 annual audit report.

Recommendation – The corrective action plan be completed for each recommendation reported in the annual audit report and it be submitted to the Governing Body for their approval in a timely manner.

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 \$36,000 and has appointed the Director of Operations as qualified purchasing agent in accordance with regulations established by the Division of Local Government Services.

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:

Water Distribution Materials	2014 Ford Utility Truck
2014 Road Improvement Project	Well Drilling Services
Resin Replacement (Well #15)	Mill Pond Phase II Project
Pistol Range Target Retrieval System	Compact Excavation & Trailer
Electric Distribution Materials	Borough Hall Improvement Project
Purchase of Portable Water Meters	

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 not reveal any payments, contracts or agreements in excess of \$36,000 "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.

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

GENERAL COMMENTS (Continued)

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, 2014 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.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 4, 2014.

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>
2014	0
2013	0
2012	0
2011	0
2010	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.

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

GENERAL COMMENTS (Continued)

Suggestions to Management

- A review be made of all Other Trust Fund escrow and reserve account balances and old and inactive accounts be cleared of record.
- A formal policy be approved by the Borough for purchases made through the utilization of store cards.
- A review be made of all part-time employees paid in excess of \$5,000 to determine their eligibility for enrollment in the Defined Contribution Retirement Program (“DCRP”).

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. Monthly bank reconciliations for the Other Trust Fund accounts be completed on a timely basis and reconciling items and old outstanding checks on the Current Fund and Other Trust Fund account reconciliations be reviewed and cleared of record.
- * 2. Receivable balances due from vendors for police outside duty services be reviewed and cleared of record in a timely manner. In addition, appropriate action be taken to eliminate any remaining reserve account deficit.
- * 3. All transactions of the various accounts in the Other Trust Fund be recorded and posted in the general ledger on a monthly basis.
- 4. Internal control procedures over the general ledger accounting system be reviewed and revised to ensure general ledger account balances are reconciled on a monthly basis to the respective fund's subsidiary reports and supporting records; transaction are accurately recorded; and subsidiary budget accounts are closed-out in a timely manner at year end.
- 5. Prior year grant receivable balances in the Current, General Capital and Swim Pool Capital Funds be reviewed and efforts be made to collect outstanding balances and uncollectable amounts be cancelled.
- 6. Efforts be made to clear interfund balances prior to year end.
- 7. The Other Trust Fund escrow account bank statements and check images be maintained on file and available for audit.
- 8. Payment stubs be retained and made available for audit for utility charge amounts collected in the Water and Electric Utility Funds.
- 9. Improvement authorizations be updated to reflect all adopted capital ordinances and cancelled ordinance balances in the General Capital Fund.
- 10. Internal control procedures be revised to ensure sufficient funds are available in the General Capital Fund prior to the awarding of contracts.
- 11. Internal control procedures be enhanced to ensure contract awards are encumbered and properly recorded in the Current and General Capital Funds.
- 12. Internal control procedures and record keeping over parking meter fee revenue be enhanced to ensure records are available for audit, transactions are properly recorded and amounts are deposited timely.

Swim Pool Utility

It is recommended that continued efforts be made to enhance procedures over the Swim Pool revenue collections, to ensure records are available for audit, membership fee waivers and discounts are approved and all transactions are properly recorded.

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

RECOMMENDATIONS

Payroll

It is recommended that:

- * 1. Payroll taxes and withholdings made by the third party payroll service provider be verified for remittance to the respective federal and state agencies.
- * 2. Detailed attendance records to account for employee compensated absences be maintained in a central file and location for all employees of the Borough.
- 3. Payrolls be transferred from the Borough's operating accounts in exact amounts and in a timely manner for each pay period.
- 4. Pension amounts reported on the quarterly state pension reports be reviewed and reconciled with the actual amounts reported in the Borough's payroll records.

Purchasing

It is recommended that:

- 1. Purchase orders and related supporting documentation for paid vendor claims be retained and made available for audit.
- 2. County cooperative purchasing contract awards in excess of the bid threshold be approved by resolution.

General Compliance

It is recommended that the corrective action plan be completed for each recommendation reported in the annual audit report and it be submitted to the Governing Body for their approval in a timely manner.

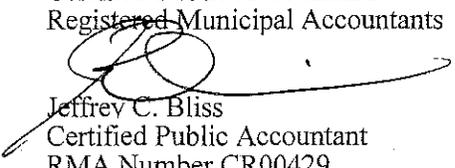
A review was performed on all prior year recommendations and corrective action was taken on all, except the recommendations denoted with an asterisk (*).

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