

**BOROUGH OF PARK RIDGE**  
**BERGEN COUNTY, NEW JERSEY**  
**REPORT OF AUDIT**  
**YEAR ENDED DECEMBER 31, 2015**

**BOROUGH OF PARK RIDGE  
TABLE OF CONTENTS**

<u>Exhibits</u>	<u>Page</u>
<b><u>PART I – Report on Audit of Financial Statements and Supplementary Schedules</u></b>	
<b>Independent Auditor’s Report</b>	1-3
<b>Financial Statements</b>	
A	Comparative Balance Sheets – Regulatory Basis -Current Fund 4-5
A-1	Comparative Statements of Operations and Changes in Fund Balance - Regulatory Basis - Current Fund 6
A-2	Statement of Revenues – Regulatory Basis – Current Fund 7-8
A-3	Statement of Expenditures – Regulatory Basis – Current Fund 9-14
B	Comparative Balance Sheets – Regulatory Basis -Trust Funds 15-16
B-1	Statement of Revenues – Regulatory Basis – Open Space Preservation Trust Fund 17
B-2	Statement of Appropriations-Regulatory Basis – Open Space Preservation Trust Fund 17
C	Comparative Balance Sheets – Regulatory Basis - General Capital Fund 18
C-1	Comparative Statements of Changes in Fund Balance – Regulatory Basis General Capital Fund 19
D	Comparative Balance Sheets – Regulatory Basis - Water Utility Fund 20-21
D-1	Comparative Statements of Operations and Changes in Operating Fund Balance - Regulatory Basis - Water Utility Operating Fund 22
D-2	Comparative Statements of Changes in Fund Balance – Regulatory Basis – Water Utility Capital Fund 23
D-3	Statement of Revenues – Regulatory Basis - Water Utility Operating Fund 24
D-4	Statement of Expenditures – Regulatory Basis - Water Utility Operating Fund 25
E	Comparative Balance Sheets – Regulatory Basis – Electric Utility Fund 26-27
E-1	Comparative Statements of Operations and Changes in Operating Fund Balance - Regulatory Basis – Electric Utility Operating Fund 28
E-2	Comparative Statements of Changes in Fund Balance – Regulatory Basis – Electric Utility Fund 29
E-3	Statement of Revenues – Regulatory Basis - Electric Utility Operating Fund 30
E-4	Statement of Expenditures – Regulatory Basis - Electric Utility Operating Fund 31
F	Comparative Balance Sheets – Regulatory Basis – Utility Trust Fund 32
G	Comparative Balance Sheets – Regulatory Basis – Swim Pool Utility Fund 33-34
G-1	Comparative Statements of Operations and Changes in Operating Fund Balance - Regulatory Basis – Swim Pool Utility Operating Fund 35
G-2	Comparative Statements of Changes in Fund Balance – Regulatory Basis – Swim Pool Utility Capital Fund 36
G-3	Statement of Revenues – Regulatory Basis – Swim Pool Utility Operating Fund 37
G-4	Statement of Expenditures – Regulatory Basis – Swim Pool Utility Operating Fund 38
H	Comparative Balance Sheets – Regulatory Basis - Public Assistance Fund 39
I	Comparative Balance Sheets – Regulatory Basis – General Fixed Assets Account Group 40
	Notes to Financial Statements 41-85

**BOROUGH OF PARK RIDGE  
TABLE OF CONTENTS**

<u>Exhibits</u>		<u>Page</u>
<b>Supplementary Schedules</b>		
<b><u>Current Fund</u></b>		
A-4	Statement of Current Cash and Investments – Collector/Treasurer	86
A-5	Statement of Change Funds	87
A-6	Statement of Petty Cash Funds	87
A-7	Statement of Due to/from State of New Jersey Senior Citizens’ and Veterans’ Deductions	88
A-8	Statement of Grant Receivables	88
A-9	Statement of Taxes Receivable and Analysis of Property Tax Levy	89
A-10	Statement of Property Acquired for Taxes – Assessed Valuation	90
A-11	Statement of Revenue Accounts Receivable	91
A-12	Statement of Due From Municipal Library	92
A-13	Statement of Deferred Charges	92
A-14	Statement of Deferred Charges – Special Emergency Authorization (40A:4-53)	92
A-15	Statement of 2014 Appropriation Reserves	93-94
A-16	Statement of Encumbrances Payable	95
A-17	Statement of Accounts Payable	95
A-18	Statement of Tax Overpayments	95
A-19	Statement of Prepaid Taxes	96
A-20	Statement of County Taxes Payable	96
A-21	Statement of Local District School Tax Payable	96
A-22	Statement of Fees Payable	96
A-23	Statement of Special Emergency Notes	97
A-24	Statement of Reserve for Tax Appeals	97
A-25	Statement of Miscellaneous Reserves	97
A-26	Statement of Reserve for Appropriated Grants	98
A-27	Statement of Reserve for Grants – Unappropriated	98
<b><u>Trust Funds</u></b>		
B-3	Statement of Trust Funds Cash	99
B-4	Statement of Due to State of New Jersey – Dog License Fees – Animal Control Fund	100
B-5	Statement of Due To Current Fund - Animal Control Fund	100
B-6	Statement of Reserve for Animal Control Fund Expenditures – Animal Control Fund	100
B-7	Statement of Due From Current Fund – Unemployment Insurance Trust Fund	101
B-8	Statement of Due to State – Unemployment Claims – Unemployment Insurance Trust Fund	101
B-9	Statement of Reserve for Unemployment Insurance Benefits – Unemployment Insurance Trust Fund	101
B-10	Statement of Reserve for Open Space Expenditures - Municipal Open Space Preservation Trust Fund	102
B-11	Statement of Reserve for Affordable Housing – Affordable Housing Trust Fund	102
B-12	Statement of Developers Escrow Deposits – Other Trust Fund	102
B-13	Statement of Payroll Deductions Payable – Other Trust Fund	103
B-14	Statement of Due to Current Fund – Other Trust Fund	103
B-15	Statement of Due to Unemployment Insurance Trust Fund – Other Trust Fund	103
B-16	Statement of Miscellaneous Reserves and Deposits – Other Trust Fund	104

**BOROUGH OF PARK RIDGE  
TABLE OF CONTENTS**

<u>Exhibits</u>		<u>Page</u>
<b>Supplementary Schedules (Continued)</b>		
<b><u>General Capital Fund</u></b>		
C-2	Statement of General Capital Cash and Investments	105
C-3	Analysis of General Capital Cash and Investments	106
C-4	Statement of Grants Receivable	107
C-5	Statement of Other Accounts Receivable	107
C-6	Statement of Due To/From Current Fund	107
C-7	Statement of Due from Other Trust Fund	108
C-8	Statement of Due from Open Space Preservation Trust Fund	108
C-9	Statement of Deferred Charges to Future Taxation - Funded	108
C-10	Statement of Deferred Charges to Future Taxation - Unfunded	109
C-11	Statement of Deferred Charges to Future Taxation – Overexpenditure Of Ordinance Appropriations	110
C-12	Statement of Contracts Payable	110
C-13	Statement of Capital Improvement Fund	110
C-14	Statement of Improvement Authorizations	111
C-15	Statement of Bond Anticipation Notes	112
C-16	Statement of General Serial Bonds	113
C-17	Statement of Green Trust Loan Payable	114
C-18	Statement of Reserve for Payment of Debt Service	115
C-19	Statement of Reserve for Municipal Building Improvements	115
C-20	Statement of Bonds and Notes Authorized But Not Issued	115
<b><u>Water Utility Fund</u></b>		
D-5	Statement of Cash – Collector/Treasurer	116
D-6	Analysis of Cash – Water Utility Capital Fund	116
D-7	Statement of Change Funds – Water Utility Operating Fund	117
D-8	Statement of Water Usage Charges Receivable – Water Utility Operating Fund	117
D-9	Statement of Other Charges Receivable – Water Utility Operating Fund	117
D-10	Statement of Woodcliff Lake Surcharge Receivable – Water Utility Operating Fund	118
D-11	Statement of Fixed Capital – Water Utility Capital Fund	119
D-12	Statement of Fixed Capital Authorized and Uncompleted – Water Utility Capital Fund	120
D-13	Statement of Due from Current Fund – Water Utility Operating Fund	120
D-14	Statement of Due to/from Electric Utility Operating Fund – Water Utility Operating Fund	120
D-15	Statement of Due from Water Utility Operating Fund – Water Utility Capital Fund	121
D-16	Statement of Due from Other Trust Fund – Water Utility Operating Fund	121
D-17	Statement of Due From General Capital Fund – Water Utility Capital Fund	121
D-18	Statement of 2014 Appropriation Reserves – Water Utility Operating Fund	122
D-19	Statement of Encumbrances Payable – Water Utility Operating Fund	123
D-20	Statement of Accounts Payable – Water Utility Operating Fund	123
D-21	Statement of Contracts Payable – Water Utility Capital Fund	123
D-22	Statement of Prepaid Rents – Water Utility Operating Fund	124
D-23	Statement of Overpayments – Water Utility Operating Fund	124
D-24	Statement of Accrued Interest on Bonds – Electric Utility Operating Fund	124
D-25	Statement of Improvement Authorizations – Water Utility Capital Fund	125
D-26	Statement of Serial Bonds – Water Utility Capital fund	126
D-27	Statement of Bond Anticipation Notes – Water Utility Capital Fund	127
D-28	Statement of Capital Improvement Fund – Water Utility Capital Fund	128
D-29	Statement of Reserve for Amortization – Water Utility Capital Fund	128
D-30	Statement of Miscellaneous Reserves – Water Utility Operating Fund	129
D-31	Statement of Bonds and Notes Authorized But Not Issued – Water Utility Capital Fund	129

**BOROUGH OF PARK RIDGE**  
**TABLE OF CONTENTS**

<u>Exhibits</u>		<u>Page</u>
<b>Supplementary Schedules (Continued)</b>		
<b><u>Electric Utility Fund</u></b>		
E-5	Statement of Cash – Collector/Treasurer	130
E-6	Analysis of Cash – Electric Utility Capital Fund	130
E-7	Statement of Change Funds – Electric Utility Operating Fund	131
E-8	Statement of Petty Cash – Electric Utility Operating Fund	131
E-9	Statement of Light and Power Charges Receivable – Electric Utility Operating Fund	131
E-10	Statement of Other Charges Receivable – Electric Utility Operating Fund	131
E-11	Statement of Fixed Capital – Electric Utility Capital Fund	132
E-12	Statement of Fixed Capital Authorized and Uncompleted – Electric Utility Capital Fund	133
E-13	Statement of Due to Current Fund – Electric Utility Operating Fund	134
E-14	Statement of Due to/from Electric Utility Operating Fund – Electric Utility Capital Fund	134
E-15	Statement of Due to/from Other Trust Fund – Electric Utility Operating Fund	135
E-16	Statement of Due From General Capital Fund – Electric Utility Capital Fund	135
E-17	Statement of 2014 Appropriation Reserves – Electric Utility Operating Fund	136
E-18	Statement of Encumbrances Payable – Electric Utility Operating Fund	137
E-19	Statement of Contracts Payable – Electric Utility Capital Fund	137
E-20	Statement of Accounts Payable – Electric Utility Operating Fund	138
E-21	Statement of Accrued Interest on Bonds – Electric Utility Operating Fund	138
E-22	Statement of Improvement Authorizations – Electric Utility Capital Fund	139
E-23	Statement of Serial Bonds – Electric Utility Capital Fund	140
E-24	Statement of Bond Anticipation Notes – Electric Utility Capital Fund	141
E-25	Statement of Capital Improvement Fund – Electric Utility Capital Fund	142
E-26	Statement of Reserve for Amortization – Electric Utility Capital Fund	142
E-27	Statement of Deferred Reserve for Amortization – Electric Utility Capital Fund	142
E-28	Statement of Prepaid Charges – Electric Utility Capital Fund	143
E-29	Statement of Overpayments – Electric Utility Operating Fund	143
E-30	Statement of Bonds and Notes Authorized But Not Issued – Electric Utility Capital Fund	144
<b><u>Utility Trust Fund</u></b>		
F-1	Statement of Cash – Utility Trust Fund	145
F-2	Statement of Deposit Payable	145
F-3	Statement of Due to Water Utility Operating Fund – Utility Trust Fund	146
F-4	Statement of Due to Electric Utility Operating Fund – Utility Trust Fund	146
<b><u>Swim Pool Utility Fund</u></b>		
G-5	Statement of Cash – Collector/Treasurer – Swim Pool Utility Fund	147
G-6	Analysis of Cash – Swim Pool Utility Capital Fund	147
G-7	Statement of Petty Cash	148
G-8	Statement of Grant Receivable – Swim Pool Utility Capital Fund	148
G-9	Statement of Due to/from Water Operating Fund – Swim Pool Utility Operating Fund	148
G-10	Statement of Due From General Capital Fund – Swim Pool Utility Capital Fund	149
G-11	Statement of Due to/from Swim Pool Utility Operating Fund – Swim Pool Utility Capital Fund	149
G-12	Statement of Due to Current Fund – Swim Pool Utility Operating Fund	149

**BOROUGH OF PARK RIDGE  
TABLE OF CONTENTS**

<u>Exhibits</u>	<u>Page</u>
<b>Supplementary Schedules (Continued)</b>	
<b><u>Swim Pool Utility Fund (Continued)</u></b>	
G-13	150
G-14	151
G-15	152
G-16	152
G-17	152
G-18	153
G-19	154
G-20	154
G-21	154
G-22	155
G-23	156
<b><u>Public Assistance Fund</u></b>	
H-1	157
H-2	157
H-3	158
H-4	158
H-5	158
<b><u>PART II – Government Auditing Standards</u></b>	
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	159-160
Schedule of Expenditures of Federal Awards	161
Schedule of Expenditures of State Financial Assistance	162-163
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	164-165
Schedule of Findings and Responses	166-170
Summary Schedule of Prior Year Audit Findings	171

**BOROUGH OF PARK RIDGE  
TABLE OF CONTENTS**

Page

**PART III – Supplementary Data and Letter of Comments and Recommendations**

Comparative Statements of Operations and Changes in Fund Balance - Current Fund	172
Comparative Statements of Operations and Changes in Fund Balance - Water Utility Operating Fund	173
Comparative Statements of Operations and Changes in Fund Balance - Electric Utility Operating Fund	174
Comparative Statements of Operations and Changes in Fund Balance - Swim Pool Utility Operating Fund	175
Comparative Schedule of Tax Rate Information	176
Comparison of Tax Levies and Collection	176
Delinquent Taxes and Tax Title Liens	177
Property Acquired by Tax Title Lien Liquidation	177
Comparison of Water Utility Levies	177
Comparison of Electric Utility Levies	177
Comparative Schedule of Fund Balances	178
Officials in Office and Surety Bonds	179
General Comments	180-184
Appreciation	184
Recommendations	185-186

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

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**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULES  
YEAR ENDED DECEMBER 31, 2015**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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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, 2015 and 2014, 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, 2015, 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 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 financial reporting requirements of the State of New Jersey for municipal government entities.

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Park Ridge as of December 31, 2015 and 2014, 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, 2015 and 2014. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 35.1 percent and 39.2 percent of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2015 and 2014.

***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, 2015 and 2014, 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, 2015 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 July 15, 2016 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  
July 15, 2016

**BOROUGH OF PARK RIDGE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
CURRENT FUND  
AS OF DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>			
Cash	A-4	\$ 2,864,660	\$ 3,143,873
Cash - Change Funds	A-5	375	375
Cash - Petty Cash Fund	A-6	1,250	750
Due from State of New Jersey - Senior Citizens' and Veterans' Deductions	A-7		273
Grant Receivables	A-8	<u>191,439</u>	<u>194,554</u>
		<u>3,057,724</u>	<u>3,339,825</u>
<b>Receivables and Other Assets With Full Reserves</b>			
Delinquent Property Taxes Receivable	A-9	327,052	242,089
Property Acquired for Taxes - Assessed Valuation	A-10	100,650	100,650
Revenue Accounts Receivable	A-11	36,911	22,827
Due from Municipal Library	A-12	38,123	
Due from Animal Control Fund	B-5	7,811	7,712
Due from Other Trust Fund	B-14	431,906	429,137
Due from General Capital Fund	C-6	71,800	
Due from Water Utility Operating Fund	D-13	39,645	5,321
Due from Swim Pool Utility Operating Fund	G-12	13	13
Due from Public Assistance Fund	H-2	<u>-</u>	<u>3,845</u>
		<u>1,053,911</u>	<u>811,594</u>
<b>Deferred Charges</b>			
Overexpenditure of Budget Appropriations	A-13	87,733	
Special Emergency Authorizations	A-14	<u>125,674</u>	<u>236,154</u>
		<u>213,407</u>	<u>236,154</u>
<b>Total Assets</b>		<u>\$ 4,325,042</u>	<u>\$ 4,387,573</u>

**BOROUGH OF PARK RIDGE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
CURRENT FUND  
AS OF DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3,A-15	\$ 319,937	\$ 364,784
Encumbrances Payable	A-16	95,512	281,710
Accounts Payable	A-17	98,125	80,969
Tax Overpayments	A-18	108	
Prepaid Taxes	A-19	260,408	224,291
County Taxes Payable	A-20	7,039	6,348
Local School Taxes Payable	A-21	2	
Fees Payable	A-22	2,305	9,904
Special Emergency Notes	A-23	75,754	173,754
Due to State of New Jersey - Senior Citizens' and Veterans' Deductions	A-7	477	
Due to Unemployment Insurance Trust Fund	B-7		12,000
Due to General Capital Fund	C-6		8,579
Due to Electric Utility Operating Fund	E-13	35,950	112,630
Due to Public Assistance Fund	H-2	2,100	
Reserve for:			
Tax Appeals	A-24	362,365	190,130
Miscellaneous Reserves	A-25	6,250	6,250
Appropriated Grant Reserves	A-26	81,460	72,923
Unappropriated Grant Reserves	A-27	<u>52,081</u>	<u>68,104</u>
		1,399,873	1,612,376
Reserve for Receivables and Other Assets	A	1,053,911	811,594
Fund Balance	A-1	<u>1,871,258</u>	<u>1,963,603</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 4,325,042</u>	 <u>\$ 4,387,573</u>

**BOROUGH OF PARK RIDGE**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>			
Fund Balance Utilized	A-2	\$ 750,700	\$ 680,700
Miscellaneous Revenue Anticipated	A-2	3,050,018	2,794,377
Receipts from Delinquent Taxes	A-2	243,328	199,996
Receipts from Current Taxes	A-2	39,902,208	38,767,043
Non-Budget Revenue	A-2	269,058	198,391
Other Credits to Income			
Unexpended Balances of Appropriation Reserves	A-15	261,766	294,820
Statutory Excess - Animal Control Fund	A-1		5,047
Cancelled Accounts Payable	A-1		74,348
Interfunds and Other Receivables Liquidated	A	3,845	-
Total Revenue		<u>44,480,923</u>	<u>43,014,722</u>
<b>EXPENDITURES</b>			
Budget Appropriations			
Operations			
Salaries & Wages	A-3	4,142,424	4,148,021
Other Expenses	A-3	5,601,700	5,361,873
Capital Improvements	A-3	299,170	260,755
Debt Service	A-3	1,485,428	1,388,364
Deferred Charges and Statutory Expenditures	A-3	918,795	910,505
County Taxes	A-20	4,261,969	4,034,495
Local District School Tax	A-21	26,852,461	25,952,544
Senior Citizens Deductions Disallowed for Prior Year Taxes	A-7	1,239	250
Refund of Prior Years Revenue	A-1		509
Interfunds and Other Receivables Created	A	347,115	403,669
Total Expenditures		<u>43,910,301</u>	<u>42,460,985</u>
Excess in Revenue		570,622	553,737
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-13	87,733	62,400
Expenditures Included Above Which were Funded by			
Capital Ordinance	A-1	-	221,655
Statutory Excess to Fund Balance		658,355	837,792
FUND BALANCE, JANUARY 1	A	<u>1,963,603</u>	<u>1,806,511</u>
		2,621,958	2,644,303
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	<u>750,700</u>	<u>680,700</u>
FUND BALANCE, DECEMBER 31	A	<u>\$ 1,871,258</u>	<u>\$ 1,963,603</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, 2015**

	<u>Reference</u>	<u>Budget</u>	<u>Added By: 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
FUND BALANCE ANTICIPATED	A-1	\$ 750,700	-	\$ 750,700	-
<b>MISCELLANEOUS REVENUES</b>					
Licenses					
Alcoholic Beverages	A-11	15,000		19,565	\$ 4,565
Fees and Permits					
Fire Code Department	A-11	40,500		39,880	(620)
Board of Health	A-11	13,000		15,911	2,911
Fines and Costs - Municipal Court	A-11	112,500		118,672	6,172
Interest and Costs on Taxes	A-11	59,500		74,038	14,538
Joint Insurance Fund Dividend	A-11	15,000		12,861	(2,139)
Hotel Tax	A-11	295,000		308,162	13,162
Recycling Program	A-11	15,000		15,600	600
Cable Television Franchise Fee	A-11	127,000		137,917	10,917
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	5,000		21,250	16,250
Tri-Boro Safety Corps.	A-11	44,000		53,147	9,147
Consolidated Municipal Property Tax Relief Aid	A-11	16,161		16,161	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	A-11	366,437		366,437	
Watershed Moratorium Offset Aid	A-11	1,598		1,598	
Uniform Construction Code Fees	A-11	197,500		251,030	53,530
Clean Communities Program	A-27	15,537		15,537	
Recycling Tonnage Program	A-27	17,817		17,817	
Alcohol Education and Rehabilitation Fund	A-27	1,123		1,123	
Mun. Alliance on Alc. and Drug Abuse	A-27	8,529		8,529	
Drunk Driving Enforcement Fund	A-27	9,927		9,927	
Body Armor Replacement Fund	A-27	1,934		1,934	
Sustainable New Jersey	A-27	10,000		10,000	
CDBG - Senior Programs	A-27	3,237		3,237	
NJDOT - Ridge Ave	A-8	149,000		149,000	
Body Armor Replacement Fund	A-8		2,015	2,015	
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	12,000		15,569	3,569
Library Reimbursements	A-11	72,000		61,000	(11,000)
Excess Sewer User Fees	A-11	82,750		66,622	(16,128)
Sprint Cell Tower Rent	A-11	75,000		80,990	5,990
Reserve for Payment of Debt	C-6	64,489		64,489	-
Interfund - Due from Other Trust Fund	B-14	200,000	-	200,000	-
Total Miscellaneous Revenues	A-1	2,936,539	2,015	3,050,018	111,464
RECEIPTS FROM DELINQUENT TAXES	A-1,A-9	175,000	-	243,328	68,328
<b>AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET</b>					
Local Tax For Municipal Purposes		8,486,626		8,778,872	292,246
Minimum Library Tax		588,906	-	588,906	-
Total Amount to be Raised by Taxes	A-2	9,075,532	-	9,367,778	292,246
	A-3	\$ 12,937,771	\$ 2,015	13,411,824	\$ 472,038
Non-Budget Revenue	A-1,A-2			269,058	
				\$ 13,680,882	

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, 2015**

	<u>Reference</u>	<u>Realized</u>
<b>ANALYSIS OF REALIZED REVENUES</b>		
Allocation of Current Tax Collections		
Revenue from Collections	A-1, A-9	\$ 39,902,208
Less Allocated to School and County Taxes	A-20,A-21	<u>31,114,430</u>
		8,787,778
Add Appropriation Reserve for Uncollected Taxes	A-3	<u>580,000</u>
Amount for Support of Municipal Budget Appropriation	A-2	<u>\$ 9,367,778</u>
<b>Analysis of Non-Budget Revenue</b>		
Sale of Equipment		\$ 42,794
Snow Removal		12,240
Parking Permits		23,720
Police Fees		1,813
Smoke Detector Fees		6,220
Bid Specs		2,200
Housing Registration		9,885
Senior Citizen and Veterans Administration Fees		1,735
Zoning/Planning Board Fees		4,525
Payment in Lieu of Taxes		16,766
FEMA Refunds		17,688
Parking Meters Broadway/RR		4,946
Interest on Deposits		30,806
Insurance Dividend		58,896
Miscellaneous		<u>34,824</u>
	A-2	<u>\$ 269,058</u>
Cash Receipt	A-4	\$ 265,117
Due from Animal Control Fund	B-5	99
Due from Other Trust Fund	B-14	831
Due from General Capital Fund	C-6	<u>3,011</u>
		<u>\$ 269,058</u>

**BOROUGH OF PARK RIDGE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>	<u>Over-</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>	<u>expended</u>
OPERATIONS - WITHIN "CAPS"						
GENERAL GOVERNMENT						
General Administration						
Salaries and Wages	\$ 104,950	\$ 167,200	\$ 167,181	\$ 19		
Other Expenses	34,196	34,196	29,901	4,295		
Mayor and Council						
Salaries and Wages	43,200	43,200	43,200			
Other Expenses	16,200	16,200	11,662	4,538		
Municipal Clerk						
Salaries and Wages	120,000	76,400	76,377	23		
Other Expenses	53,400	42,400	34,963	7,437		
Other Expenses - Grant Professional	20,000	25,000	25,000	-		
Financial Administration						
Salaries and Wages	121,300	106,550	106,385	165		
Other Expenses	47,455	77,715	77,709	6		
Audit Services						
Other Expenses	30,000	30,000	3,300	26,700		
Revenue Administration						
Salaries and Wages	33,400	31,400	30,711	689		
Other Expenses	15,250	13,950	10,646	3,304		
Tax Assessment Administration						
Salaries and Wages	24,425	26,825	26,776	49		
Other Expenses	3,875	2,575	2,535	40		
Other Expenses - Property Appraisals	10,000	10,000		10,000		
Legal Services and Costs						
Other Expenses	108,375	62,365	53,419	8,946		
Engineering Services and Costs						
Other Expenses	56,200	56,200	55,869	331		
LAND USE ADMINISTRATION						
Planning Board						
Salaries and Wages	39,750	39,750	38,807	943		
Other Expenses	33,405	33,405	21,449	11,956		
Zoning Board of Adjustment						
Salaries and Wages	29,650	29,650	28,480	1,170		
Other Expenses	11,990	11,990	10,737	1,253		
Zoning Officer						
Salaries and Wages	13,500	13,500	13,432	68		
Other Expenses	2,115	2,115	1,524	591		
Housing Task Force						
Salaries and Wages	10,500	5,500	4,667	833		
Other Expenses	650	650		650		
INSURANCE						
General Liability	233,158	233,158	223,748	9,410		
Employee Group Health	1,264,600	1,264,600	1,237,424	27,176		
Employee Group Health Waiver	15,000	15,000	13,888	1,112		

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, 2015**

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balance Cancelled	Over- expended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>		
OPERATIONS - WITHIN "CAPS" (Continued)						
PUBLIC SAFETY FUNCTIONS						
Police						
Salaries and Wages	\$ 2,302,150	\$ 2,390,650	\$ 2,389,029	\$ 1,621		
Other Expenses	161,800	149,800	149,041	759		
Pistol Range						
Other Expenses	16,900	11,900	9,747	2,153		
Police Reserves/EMC						
Salaries and Wages	15,000	15,000	14,901	99		
Other Expenses	25,500	27,950	27,948	2		
Tri-Borough Safety Corps						
Other Expenses	269,087	269,087	269,756	-		\$ 669
Emergency Management Services						
Salaries and Wages	3,000	3,000	3,000			
Other Expenses	6,325	6,375	6,365	10		
First Aid Organization						
Other Expenses - Contribution	40,000	40,000	32,500	7,500		
Fire Department						
Salaries and Wages	50,000	50,000	49,380	620		
Other Expenses	88,752	88,752	89,382	-		630
Fire Hydrant Services	15,000	15,000	14,910	90		
Fire Prevention						
Salaries and Wages	35,000	48,550	48,548	2		
Other Expenses	8,675	8,675	8,675	-		
PUBLIC WORKS FUNCTION						
Streets and Road Maintenance						
Salaries and Wages	634,600	648,300	648,267	33		
Other Expenses	182,700	173,700	173,560	140		
Sewer System						
Salaries and Wages	50,300	41,300	36,408	4,892		
Other Expenses	10,900	10,900	6,916	3,984		
Shade Tree						
Other Expenses	21,680	21,680	20,088	1,592		
Solid Waste Collection						
Other Expenses - Sanitation	307,293	307,293	307,293	-		
Other Expenses - Recycling	115,850	128,775	128,765	10		
Building and Grounds						
Salaries and Wages	83,600	87,595	81,040	6,555		
Other Expenses	77,750	90,055	90,054	1		
Vehicle Maintenance						
Salaries and Wages	87,000	79,675	78,649	1,026		
Other Expenses	98,600	74,600	71,563	3,037		

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, 2015**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>	<u>Over-</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Balance</u> <u>Cancelled</u>	<u>expended</u>
OPERATIONS - WITHIN "CAPS" (Cont'd)						
HEALTH AND HUMAN SERVICES						
Board of Health						
Salaries and Wages	\$ 27,000	\$ 27,000	\$ 24,880	\$ 2,120		
Other Expenses	48,880	48,880	45,090	3,790		
Administration of Public Assistance						
Salaries and Wages	9,600	9,650	9,612	38		
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		
PARKS AND RECREATION FUNCTIONS						
Recreation Services and Programs						
Salaries and Wages	32,000	32,850	32,812	38		
Other Expenses	32,200	32,200	30,066	2,134		
Senior Citizens						
Salaries and Wages	12,000	12,000	11,116	884		
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	6,500	6,500	5,720	780		
Other Expenses	3,850	3,850	2,456	1,394		
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	150,400	141,850	141,156	694		
Other Expenses	7,255	4,755	4,089	666		
UTILITY EXPENSES AND BULK PURCHASES						
Electricity	85,000	88,400	88,398	2		
Telephone	34,000	30,600	28,049	2,551		
Water	15,000	15,000	8,893	6,107		
Gas and Oil	28,000	21,000	18,912	2,088		
Gasoline	80,000	63,400	61,163	2,237		

**BOROUGH OF PARK RIDGE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<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>	<u>Over-expended</u>
OPERATIONS - WITHIN "CAPS" (Cont'd)						
LANDFILL/SOLID WASTE DISPOSAL COSTS						
Dumping Fees	\$ 220,000	\$ 220,000	\$ 205,427	\$ 14,573	-	-
UNCLASSIFIED:						
Reserve for Terminal Leave	24,000	350	-	350	-	-
Total Operations Within "CAPS"	8,059,491	8,058,191	7,840,914	218,576	-	\$ 1,299
Contingent	5,000	5,000	-	5,000	-	-
Total Operations Including Contingent Within "CAPS"	8,064,491	8,063,191	7,840,914	223,576	-	1,299
Detail:						
Salaries and Wages	4,038,825	4,133,895	4,110,534	23,361	-	-
Other Expenses	4,025,666	3,929,296	3,730,380	200,215	-	1,299
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"						
Statutory Expenditures						
Contribution to						
Social Security System	200,000	201,300	176,363	24,937		
Defined Contribution Retirement Plan	4,000	4,000		4,000		
Police & Firemen Retirement System	470,161	470,161	470,028	133		
Public Employees Retirement System	132,854	132,854	132,851	3	-	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	807,015	808,315	779,242	29,073	-	-
Total General Appropriations for Municipal Purposes Within "CAPS"	8,871,506	8,871,506	8,620,156	252,649	-	1,299
OPERATIONS - EXCLUDED FROM "CAPS"						
LANDFILL/SOLID WASTE DISPOSAL COSTS						
Recycling Tax	11,000	11,000	9,884	1,116		
SEWERAGE PROCESSING AND DISPOSAL						
Bergen County Utilities Authority-Sewer Fees	653,056	653,056	651,167	1,889		
EDUCATION FUNCTIONS						
Maintenance of Free Public Library	588,906	588,906	588,906	-		

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, 2015**

	<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>	<u>Over- expended</u>
<b>OPERATIONS - EXCLUDED FROM "CAPS" (Cont'd)</b>						
<b>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</b>						
Municipal Court						
Other Expenses - Contractual	\$ 110,289	\$ 110,289	\$ 111,553			\$ 1,264
<b>PUBLIC SAFETY FUNCTION</b>						
<b>LOSAP</b>						
Fire Department	50,000	50,000	42,526	\$ 7,474		
Tri-Borough Ambulance	20,000	20,000	10,631	9,369		-
<b>OTHER COMMON OPERATING EXPENSES</b>						
Reserve for Tax Appeals	175,000	175,000	175,000	-	-	-
Total Other Operations Excluded from "CAPS"	1,608,251	1,608,251	1,589,667	19,848	-	1,264
<b>PUBLIC AND PRIVATE PROGRAMS</b>						
<b>OFFSET BY REVENUES</b>						
<b>Municipal Drug Alliance Program</b>						
Salaries & Wages	8,529	8,529	1,481	7,048		
Clean Communities Program	15,537	15,537	15,537	-		
Body Armor Fund Grant	1,934	3,949	3,520	429		
Drunk Driving Enforcement Fund	9,927	9,927		9,927		
Alcohol Education and Rehabilitation Fund	1,123	1,123		1,123		
Sustainable New Jersey	10,000	10,000		10,000		
Recycling Tonnage Grant	17,817	17,817		17,817		
CDBG - Senior Programs	3,237	3,237	2,141	1,096	-	-
Total Public and Private Programs	68,104	70,119	22,679	47,440	-	-
Total Operations Excluded from "CAPS"	1,676,355	1,678,370	1,612,346	67,288	-	1,264
<b>Detail:</b>						
Salaries and Wages	8,529	8,529	1,481	7,048	-	-
Other Expenses	1,667,826	1,669,841	1,610,865	60,240	-	1,264
<b>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>						
Capital Improvement Fund	65,000	65,000	65,000			
<b>New Jersey Transportation Authority Trust Fund</b>						
<b>Authority Act:</b>						
NJDOT Ridge Ave. Improvements	149,000	149,000	234,170	-	-	85,170
Total Capital Improvements Excluded from "CAPS"	214,000	214,000	299,170	-	-	85,170

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, 2015**

	<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>	<u>Over- expended</u>
<b>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>						
Payment of Bond Principal	\$ 945,000	\$ 945,000	\$ 945,000			
Payment of Bond Anticipation Notes and Capital Notes	75,000	75,000	75,000			
Interest on Bonds	310,659	310,659	310,658		\$ 1	
Interest on Notes	18,674	18,674	18,674			
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	<u>136,097</u>	<u>136,097</u>	<u>136,096</u>	-	1	-
Total Municipal Debt Service Excluded from "CAPS"	<u>1,485,430</u>	<u>1,485,430</u>	<u>1,485,428</u>	-	2	-
<b>DEFERRED CHARGES MUNICIPAL- EXCLUDED FROM "CAPS"</b>						
<b>DEFERRED CHARGES</b>						
Special Emergency Authorization - 5 Years	<u>110,480</u>	<u>110,480</u>	<u>110,480</u>	-	-	-
Total Deferred Charges Municipal Excluded from "CAPS"	<u>110,480</u>	<u>110,480</u>	<u>110,480</u>	-	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>3,486,265</u>	<u>3,488,280</u>	<u>3,507,424</u>	\$ 67,288	2	\$ 86,434
Subtotal General Appropriations	12,357,771	12,359,786	12,127,580	319,937	2	87,733
Reserve for Uncollected Taxes	<u>580,000</u>	<u>580,000</u>	<u>580,000</u>	-	-	-
Total General Appropriations	<u>\$ 12,937,771</u>	<u>\$ 12,939,786</u>	<u>\$ 12,707,580</u>	<u>\$ 319,937</u>	<u>\$ 2</u>	<u>\$ 87,733</u>
	<u>Reference</u>	A-2	A-1	A, A-1		A-13
Budget	A-3	\$ 12,937,771				
Added by 40A:4-87	A-2	<u>2,015</u>				
		<u>\$ 12,939,786</u>				
Cash Disbursed	A-4		\$ 11,599,393			
Encumbrances Payable	A-16		95,512			
Due to Other Trust Fund	B-14		94,155			
Due to General Capital Fund	C-6		53,040			
Deferred Charges						
Special Emergency Authorization	A-14		110,480			
Reserve for Tax Appeals	A-24		175,000			
Reserve for Uncollected Taxes	A-2		<u>580,000</u>			
			<u>\$ 12,707,580</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, 2015 AND 2014**

ASSETS	<u>Reference</u>	<u>2015</u>	<u>2014</u>
<b>ANIMAL CONTROL TRUST FUND</b>			
Cash	B-3	\$ 21,110	\$ 18,408
<b>OTHER TRUST FUND</b>			
Cash	B-3	1,809,937	1,311,587
Due from Water Utility Operating Fund	D-16	47,528	
Due from Electric Utility Operating Fund	E-15	<u>23,607</u>	<u>-</u>
		<u>1,881,072</u>	<u>1,311,587</u>
<b>UNEMPLOYMENT INSURANCE TRUST FUND</b>			
Cash	B-3	93,607	89,502
Due from Current Fund	B-7		12,000
Due from Other Trust Fund	B-15	<u>12,788</u>	<u>6,294</u>
		<u>106,395</u>	<u>107,796</u>
<b>OPEN SPACE PRESERVATION TRUST FUND</b>			
Cash	B-3	<u>356,856</u>	<u>356,246</u>
<b>AFFORDABLE HOUSING TRUST FUND</b>			
Cash	B-3	<u>293,001</u>	<u>336,907</u>
<b>LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)</b>			
Investments	B	1,366,388	1,296,085
Contributions Receivable	B	<u>71,384</u>	<u>78,978</u>
		<u>1,437,772</u>	<u>1,375,063</u>
<b>Total Assets</b>		<u>\$ 4,096,206</u>	<u>\$ 3,506,007</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, 2015 AND 2014**

LIABILITIES AND RESERVES	<u>Reference</u>	<u>2015</u>	<u>2014</u>
<b>ANIMAL CONTROL TRUST FUND</b>			
Due to State of New Jersey	B-4	\$ 816	\$ 816
Due to Current Fund	B-5	\$ 7,811	7,712
Reserve for Animal Control Expenditures	B-6	<u>13,299</u>	<u>9,880</u>
		<u>21,110</u>	<u>18,408</u>
<b>OTHER TRUST FUND</b>			
Due to Current Fund	B-14	431,906	429,137
Due to General Capital Fund	C-7	80,583	80,583
Due to Unemployment Insurance Trust Fund	B-15	12,788	6,294
Due to Water Utility Operating Fund	D-16		11,758
Due to Electric Utility Operating Fund	E-15		13,731
Developers Escrow Deposits	B-12	429,584	404,693
Payroll Deductions Payable	B-13	452,801	39,551
Miscellaneous Reserves & Deposits	B-16	<u>473,410</u>	<u>325,840</u>
		<u>1,881,072</u>	<u>1,311,587</u>
<b>UNEMPLOYMENT INSURANCE TRUST FUND</b>			
Due to State of New Jersey	B-8		1,723
Reserve for Unemployment Insurance Benefits	B-9	<u>106,395</u>	<u>106,073</u>
		<u>106,395</u>	<u>107,796</u>
<b>OPEN SPACE PRESERVATION TRUST FUND</b>			
Due to General Capital Fund	C-8	249,929	182,900
Reserve for Open Space Expenditures	B-10	<u>106,927</u>	<u>173,346</u>
		<u>356,856</u>	<u>356,246</u>
<b>AFFORDABLE HOUSING TRUST FUND</b>			
Reserve for Affordable Housing	B-11	<u>293,001</u>	<u>336,907</u>
<b>LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)</b>			
Reserve for LOSAP Benefits	B	<u>1,437,772</u>	<u>1,375,063</u>
Total Liabilities and Reserves		<u>\$ 4,096,206</u>	<u>\$ 3,506,007</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, 2015**

	<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	-	\$ 68,200	\$ 68,200	-
	B-2	\$ -	\$ 68,200	\$ 68,200	\$ -

EXHIBIT B-2

**STATEMENT OF APPROPRIATIONS-REGULATORY BASIS  
OPEN SPACE PRESERVATION TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<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		\$ 200	\$ 200	
Down Payments on Improvements	-	68,000	68,000	-
	\$ -	\$ 68,200	\$ 68,200	\$ -
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, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>			
Cash	C-2,C-3	\$ 1,406,038	\$ 845,371
Grants Receivable	C-4	259,176	130,045
Other Accounts Receivable	C-5	17,377	
Due from Current Fund	C-6		8,579
Due from Other Trust Fund	C-7	80,583	80,583
Due from Open Space Preservation Trust Fund	C-8	249,929	182,900
Deferred Charges to Future Taxation			
Funded	C-9	11,128,002	12,128,057
Unfunded	C-10	3,686,683	2,418,160
Overexpenditure of Ordinance Appropriations	C-11	73,001	-
		<hr/>	<hr/>
Total Assets		<u>\$ 16,900,789</u>	<u>\$ 15,793,695</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Serial Bonds	C-16	\$ 9,689,000	\$ 10,634,000
Green Trust Loan	C-17	1,439,002	1,494,057
Bond Anticipation Notes	C-15	3,577,660	2,125,000
Contracts Payable	C-12	316,911	566,949
Improvement Authorizations			
Funded	C-14	436,070	394,114
Unfunded	C-14	276,098	232,376
Due to Current Fund	C-6	71,800	
Due to Water Utility Capital Fund	D-17	591,840	
Due to Electric Utility Capital Fund	E-16	240,500	
Due to Swim Pool Utility Capital Fund	G-10	57,063	
Capital Improvement Fund	C-13	36,346	39,513
Reserve for Payment of Debt	C-18		64,489
Reserve for Municipal Building Improvements	C-19	2,252	3,097
Fund Balance	C-1	166,247	240,100
		<hr/>	<hr/>
Total Liabilities, Reserves and Fund Balance		<u>\$ 16,900,789</u>	<u>\$ 15,793,695</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2015 and 2014 of \$119,000 and \$333,000, respectively. (See Exhibit C-20)

**BOROUGH OF PARK RIDGE**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Balance, January 1	C	\$ 240,100	\$ 412,600
Increased by:			
Premium on Sale of Bonds and Notes	C-6	38,147	1,697
Funded Improvement Authorizations Cancelled	C-1	<u>-</u>	<u>208,458</u>
		278,247	622,755
Decreased by:			
Appropriation to Finance Improvement Authorizations Anticipated as Current Fund Revenue	C-14 C-1	112,000 <u>-</u>	372,755 <u>9,900</u>
Balance, December 31	C	<u>\$ 166,247</u>	<u>\$ 240,100</u>

**BOROUGH OF PARK RIDGE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
WATER UTILITY FUND  
AS OF DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>			
<b>OPERATING FUND</b>			
Cash	D-5	\$ 3,209,155	\$ 3,454,828
Cash - Change Fund	D-7	25	25
Due from Other Trust Fund	D-16		11,758
Due from Electric Utility Operating Fund	D-14	69,060	57,959
Due from Utility Trust Fund	F-3	<u>88,812</u>	<u>69,841</u>
		<u>3,367,052</u>	<u>3,594,411</u>
<b>Receivables With Full Reserves</b>			
Water Usage Charges Receivable	D-8	197,403	116,292
Other Charges Receivable	D-9	45,729	43,925
Woodcliff Lake Surcharge Receivable	D-10	<u>30,897</u>	<u>25,509</u>
		<u>274,029</u>	<u>185,726</u>
<b>Total Operating Fund</b>		<u>3,641,081</u>	<u>3,780,137</u>
<b>CAPITAL FUND</b>			
Due from General Capital Fund	D-17	591,840	
Due from Water Utility Operating Fund	D-15	526,894	815,641
Fixed Capital	D-11	13,188,545	12,356,422
Fixed Capital Authorized and Uncompleted	D-12	<u>2,078,493</u>	<u>2,489,738</u>
<b>Total Capital Fund</b>		<u>16,385,772</u>	<u>15,661,801</u>
		<u>\$ 20,026,853</u>	<u>\$ 19,441,938</u>

**BOROUGH OF PARK RIDGE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
WATER UTILITY FUND  
AS OF DECEMBER 31, 2015 AND 2014  
(Continued)**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>OPERATING FUND</b>			
Liabilities			
Appropriation Reserves	D-4,D-18	\$ 179,937	\$ 159,019
Encumbrances Payable	D-19	90,779	172,726
Accounts Payable	D-20	320	11,133
Prepaid Rents	D-22	459	483
Overpayments	D-23	15,207	15,972
Accrued Interest on Bonds	D-24	13,463	14,157
Due to Current Fund	D-13	39,645	5,321
Due to Other Trust Fund	D-16	47,528	
Due to Water Utility Capital Fund	D-15	526,894	815,641
Due to Swim Pool Utility Operating Fund	G-9	52,781	
Miscellaneous Reserves	D-30	<u>1,781,585</u>	<u>1,773,200</u>
		2,748,598	2,967,652
Reserve for Receivables	D	274,029	185,726
Fund Balance	D-1	<u>618,454</u>	<u>626,759</u>
<b>Total Operating Fund</b>		<u>3,641,081</u>	<u>3,780,137</u>
<b>CAPITAL FUND</b>			
Serial Bonds Payable	D-26	1,542,000	1,652,000
Bond Anticipation Notes	D-27	591,840	
Contracts Payable	D-21	47,347	161,129
Improvement Authorization			
Funded	D-25	365,133	318,090
Unfunded	D-25	1,519,745	1,382,196
Capital Improvement Fund	D-28	416,669	411,669
Reserve for Amortization	D-29	11,903,038	11,665,660
Fund Balance	D-2	<u>-</u>	<u>71,057</u>
<b>Total Capital Fund</b>		<u>16,385,772</u>	<u>15,661,801</u>
		<u>\$ 20,026,853</u>	<u>\$ 19,441,938</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2015 and 2014 of \$1,230,160 and \$1,528,500, respectively. (See Exhibit D-31)

**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, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
<b>REVENUES AND OTHER INCOME REALIZED</b>			
Fund Balance Utilized	D-3	\$ 399,400	\$ 267,512
Water Usage Charges	D-3	3,011,809	2,871,721
Miscellaneous Charges and Fees	D-3	265,827	279,820
Reserve for Woodcliff Lake Improvements - Reimbursements			
Well 20 Capital Expenditures	D-1		389,772
Holly Court Water Tank - Debt Service	D-3	89,102	51,893
Water Utility Capital Fund Balance	D-3	71,057	
Non-Budget Revenue	D-3	28,802	17,115
Other Credits			
Appropriation Reserves Lapsed	D-18	138,688	119,881
Cancellation of Accounts Payable	D-20	969	-
		<u>4,005,654</u>	<u>3,997,714</u>
<b>Total Income</b>			
<b>EXPENDITURES</b>			
Operating	D-4	3,072,000	3,096,298
Capital Improvements	D-4	170,000	185,000
Debt Service	D-4	147,059	148,441
Deferred Charges and Statutory Expenditures	D-4	225,500	214,025
		<u>3,614,559</u>	<u>3,643,764</u>
<b>Total Expenditures</b>			
Excess in Revenue		391,095	353,950
Fund Balance, January 1,	D	<u>626,759</u>	<u>540,321</u>
		1,017,854	894,271
Decreased by:			
Utilized as Anticipated Revenue	D-1,D-3	<u>399,400</u>	<u>267,512</u>
Balance, December 31,	D	<u>\$ 618,454</u>	<u>\$ 626,759</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, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Balance, January 1	D	\$ 71,057	\$ 59,280
Increased by:			
Cancellation of Funded Improvement Authorizations	D-2	-	11,777
		71,057	71,057
Decreased by:			
Anticipated as 2015 Water Utility Operating Fund Revenue	D-15	71,057	-
Balance, December 31,	D	<u>\$ -</u>	<u>\$ 71,057</u>

**BOROUGH OF PARK RIDGE  
STATEMENT OF REVENUES - REGULATORY BASIS  
WATER UTILITY OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	D-1	\$ 399,400	\$ 399,400	
Water Usage Charges	D-1,D-8	2,805,000	3,011,809	\$ 206,809
Miscellaneous Charges and Fees	D-1,D-3	250,000	265,827	15,827
Reserve for Woodcliff Lake Improvements - Reimbursements				
Holly Court Water Tank - Debt Service	D-1, D-30	89,102	89,102	
Water Utility Capital Fund Balance	D-1, D-15	<u>71,057</u>	<u>71,057</u>	-
	D-4	<u>\$ 3,614,559</u>	3,837,195	<u>\$ 222,636</u>
Non-Budget Revenue	D-1, D-3		<u>28,802</u>	
			<u>\$3,865,997</u>	
 <u>Analysis of Realized Revenue</u>				
Miscellaneous Charges and Fees:				
Fire Sprinkler	D-9		\$ 69,409	
Hydrants	D-9		34,416	
Mobile Antenna Rents	D-5,D-14		<u>162,002</u>	
	D-3		<u>\$ 265,827</u>	
Non-Budget Revenue:				
Interest on Investments			\$ 25,472	
Miscellaneous			<u>3,330</u>	
	D-3		<u>\$ 28,802</u>	
 Cash Receipts				
Due from Utility Trust Fund	D-5		\$ 25,299	
	F-3		<u>3,503</u>	
			<u>\$ 28,802</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, 2015**

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
<b>OPERATING</b>				
Salaries and Wages	\$ 1,182,000	\$ 1,222,000	\$ 1,204,183	\$ 17,817
Other Expenses	1,542,000	1,542,000	1,468,897	73,103
Group Health Insurance	<u>308,000</u>	<u>308,000</u>	<u>282,622</u>	<u>25,378</u>
Total Operating	<u>3,032,000</u>	<u>3,072,000</u>	<u>2,955,702</u>	<u>116,298</u>
<b>CAPITAL IMPROVEMENTS</b>				
Capital Improvement Fund	5,000	5,000	5,000	
Capital Outlay	<u>205,000</u>	<u>165,000</u>	<u>105,878</u>	<u>59,122</u>
Total Capital Improvements	<u>210,000</u>	<u>170,000</u>	<u>110,878</u>	<u>59,122</u>
<b>DEBT SERVICE</b>				
Payment of Bond Principal	110,000	110,000	110,000	
Interest on Bonds	<u>37,059</u>	<u>37,059</u>	<u>37,059</u>	<u>-</u>
Total Debt Service	<u>147,059</u>	<u>147,059</u>	<u>147,059</u>	<u>-</u>
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES</b>				
Deferred Charges				
Cost of Improvements -				
Ordinance No. 2004-07	21,500	21,500	21,500	
Statutory Expenditures				
Contribution to				
Public Employees Retirement System	113,000	113,000	113,000	-
Social Security System (O.A.S.I.)	<u>91,000</u>	<u>91,000</u>	<u>86,483</u>	<u>4,517</u>
Total Deferred Charges and Statutory Expenditures	<u>225,500</u>	<u>225,500</u>	<u>220,983</u>	<u>4,517</u>
	<u>\$ 3,614,559</u>	<u>\$ 3,614,559</u>	<u>\$ 3,434,622</u>	<u>\$ 179,937</u>

	<u>Reference</u>	D-3	D-4	D-1	D, D-1
Cash Disbursed	D-5			\$ 3,133,893	
Encumbrances Payable	D-19			90,779	
Due to Current Fund	D-13			34,324	
Due to Other Trust Fund	D-16			59,286	
Due to Water Utility Capital Fund	D-15			26,500	
Due to Swim Pool Utility Operating Fund	G-9			52,781	
Accrued Interest on Bonds	D-24			<u>37,059</u>	
				<u>\$ 3,434,622</u>	

**BOROUGH OF PARK RIDGE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
ELECTRIC UTILITY FUND  
AS OF DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>			
<b>OPERATING FUND</b>			
Cash	E-5	\$ 1,232,580	\$ 1,333,395
Cash - Change Fund	E-7	50	50
Cash - Petty Cash	E-8	550	500
Due from Current Fund	E-13	35,950	112,630
Due from Other Trust Fund	E-15		13,731
Due from Electric Utility Capital Fund	E-14	189,327	
Due from Utility Trust Fund	F-4	<u>136,801</u>	<u>130,978</u>
		<u>1,595,258</u>	<u>1,591,284</u>
Receivables With Full Reserves			
Light and Power Charges Receivable	E-9	390,493	354,817
Other Charges Receivable	E-10	<u>18,828</u>	<u>19,047</u>
		<u>409,321</u>	<u>373,864</u>
<b>Total Operating Fund</b>		<u>2,004,579</u>	<u>1,965,148</u>
<b>CAPITAL FUND</b>			
Due from General Capital Fund	E-16	240,500	
Due from Electric Utility Operating Fund	E-14		185,047
Fixed Capital	E-11	12,175,721	12,035,465
Fixed Capital Authorized and Uncompleted	E-12	<u>413,083</u>	<u>389,083</u>
<b>Total Capital Fund</b>		<u>12,829,304</u>	<u>12,609,595</u>
		<u>\$ 14,833,883</u>	<u>\$ 14,574,743</u>

**BOROUGH OF PARK RIDGE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
ELECTRIC UTILITY FUND  
AS OF DECEMBER 31, 2015 AND 2014  
(Continued)**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>OPERATING FUND</b>			
Liabilities			
Appropriation Reserves	E-4,E-17	\$ 161,113	\$ 193,894
Encumbrances Payable	E-18	500,160	510,102
Accounts Payable	E-20	3,317	11,900
Accrued Interest on Bonds	E-21	9,763	11,578
Prepaid Charges	E-28	1,436	2,681
Overpayments	E-29	10,923	9,946
Due to Other Trust Fund	E-15	23,607	
Due to Water Utility Operating Fund	D-14	69,060	57,959
Due to Electric Utility Capital Fund	E-14	-	185,047
		<u>779,379</u>	<u>983,107</u>
Reserve for Receivables	E	409,321	373,864
Fund Balance	E-1	<u>815,879</u>	<u>608,177</u>
<b>Total Operating Fund</b>		<u>2,004,579</u>	<u>1,965,148</u>
<b>CAPITAL FUND</b>			
Serial Bonds	E-23	1,243,000	1,483,000
Bond Anticipation Notes	E-24	240,500	
Contracts Payable	E-19	31,110	103,150
Improvement Authorizations			
Funded	E-22	31,088	93,685
Unfunded	E-22	42,082	145,478
Due to Electric Utility Operating Fund	E-14	189,327	
Capital Improvement Fund	E-25	166,500	151,500
Reserve for Amortization	E-26	10,876,697	10,470,941
Deferred Reserve for Amortization	E-27	9,000	125,000
Fund Balance	E-2	-	36,841
<b>Total Capital Fund</b>		<u>12,829,304</u>	<u>12,609,595</u>
		<u>\$ 14,833,883</u>	<u>\$ 14,574,743</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2015 and 2014 of \$219,607 and \$345,607 respectively. (See Exhibit E-30)

**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, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
<b>REVENUES AND OTHER INCOME REALIZED</b>			
Fund Balance Utilized	E-3	\$ 514,598	\$ 945,480
Light and Power Charges	E-3	10,070,539	9,849,282
Miscellaneous Charges and Fees	E-3	37,443	22,074
FEMA Reimbursements	E-1		108,673
Reserve for Hurricane Sandy Emergency - Reimbursements	E-1		52,427
Insurance Proceeds	E-1		25,983
Electric Utility Capital Fund Balance	E-3	36,841	
Non-Budget Revenue	E-3	26,156	12,726
Other Credits to Income			
Appropriation Reserves Lapsed	E-17	<u>159,162</u>	<u>108,645</u>
 Total Income		 <u>10,844,739</u>	 <u>11,125,290</u>
 <b>EXPENDITURES</b>			
Operating	E-4	9,570,000	10,085,700
Capital Improvements	E-4	48,500	33,500
Debt Service	E-4	284,439	287,176
Deferred Charges and Statutory Expenditures	E-4	<u>219,500</u>	<u>254,921</u>
 Total Expenditures		 <u>10,122,439</u>	 <u>10,661,297</u>
 Excess in Revenue		 722,300	 463,993
 Fund Balance, January 1,	 E	 <u>608,177</u>	 <u>1,089,664</u>
		1,330,477	1,553,657
Decreased by:			
Utilized as Anticipated Revenue	E-1, E-3	<u>514,598</u>	<u>945,480</u>
 Balance, December 31,	 E	 <u>\$ 815,879</u>	 <u>\$ 608,177</u>

**BOROUGH OF PARK RIDGE**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE- REGULATORY BASIS**  
**ELECTRIC UTILITY FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Balance, January 1	E	\$ 36,841	\$ 9,570
Increased by:			
Cancellation of Funded Improvement Authorizations	E-2	<u>-</u>	<u>27,271</u>
		36,841	36,841
Decreased by:			
Anticipated as Electric Utility Operating Fund Revenue	E-14	<u>36,841</u>	<u>-</u>
Balance, December 31,	E	<u>\$ -</u>	<u>\$ 36,841</u>

**BOROUGH OF PARK RIDGE  
STATEMENT OF REVENUES - REGULATORY BASIS  
ELECTRIC UTILITY OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	E-1	\$ 514,598	\$ 514,598	
Light and Power Charges	E-1,E-9	9,849,000	10,070,539	\$ 221,539
Miscellaneous Charges and Fees	E-1,E-3	22,000	37,443	15,443
Electric Utility Capital Fund Balance	E-1,E-14	<u>36,841</u>	<u>36,841</u>	<u>-</u>
	E-4	<u>\$ 10,422,439</u>	10,659,421	<u>\$ 236,982</u>
Non-Budget Revenue	E-1, E-3		<u>26,156</u>	
			<u>\$ 10,685,577</u>	
 <u>Analysis of Realized Revenue</u>				
Miscellaneous: Charges and Fees				
Dusk to Dawn Charges	E-10		\$ 18,803	
Miscellaneous Fees	E-5		<u>18,640</u>	
	E-3		<u>\$ 37,443</u>	
Non-Budget Revenue:				
Interest on Investments			\$ 8,099	
Miscellaneous			<u>18,057</u>	
	E-3		<u>\$ 26,156</u>	
Cash Receipts	E-5		\$ 24,794	
Due from Utility Trust Fund	F-4		<u>1,362</u>	
			<u>\$ 26,156</u>	

**BOROUGH OF PARK RIDGE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**ELECTRIC UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<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>
<b>OPERATING</b>					
Salaries and Wages	\$ 1,133,000	\$ 1,133,000	\$ 1,090,548	\$ 17,452	\$ 25,000
Other Expenses	670,000	670,000	543,628	51,372	75,000
Group Health Insurance	286,000	286,000	266,967	19,033	
Purchase of Electric Current	7,126,000	7,126,000	6,871,965	54,035	200,000
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	-	-
<b>Total Operating</b>	<b>9,870,000</b>	<b>9,870,000</b>	<b>9,428,108</b>	<b>141,892</b>	<b>300,000</b>
<b>CAPITAL IMPROVEMENTS</b>					
Capital Improvement Fund	15,000	15,000	15,000		
Capital Outlay	33,500	33,500	24,091	9,409	-
<b>Total Capital Improvements</b>	<b>48,500</b>	<b>48,500</b>	<b>39,091</b>	<b>9,409</b>	<b>-</b>
<b>MUNICIPAL DEBT SERVICE -</b>					
Payment of Bond Principal	240,000	240,000	240,000		
Interest on Bonds	44,439	44,439	44,439	-	-
<b>Total Municipal Debt Service</b>	<b>284,439</b>	<b>284,439</b>	<b>284,439</b>	<b>-</b>	<b>-</b>
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES</b>					
<b>Deferred Charges</b>					
<b>Special Emergency Authorizations</b>					
Cost of Improvements					
Ordinance No. 1996-05	25,500	25,500	25,500		
<b>Statutory Expenditures</b>					
<b>Contribution to</b>					
Public Employees Retirement System	107,000	107,000	107,000		
Social Security System (O.A.S.I.)	87,000	87,000	77,188	9,812	-
<b>Total Deferred Charges and Statutory Expenditures</b>	<b>219,500</b>	<b>219,500</b>	<b>209,688</b>	<b>9,812</b>	<b>-</b>
	<b>\$ 10,422,439</b>	<b>\$ 10,422,439</b>	<b>\$ 9,961,326</b>	<b>\$ 161,113</b>	<b>\$ 300,000</b>
	<u>Reference</u>	E-3	E-4	E-1	E, E-1
Cash Disbursed	E-5			\$ 9,299,547	
Encumbrances Payable	E-18			500,160	
Due to Current Fund	E-13			76,680	
Due to Electric Utility Capital Fund	E-14			40,500	
Accrued Interest on Bonds	E-21			44,439	
				<u>\$ 9,961,326</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, 2015 AND 2014**

ASSETS	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Cash	F-1	\$ 1,026,357	\$ 933,152
		<u>\$ 1,026,357</u>	<u>\$ 933,152</u>
 LIABILITIES AND RESERVES			
Deposits Payable			
Water Customers	F-2	\$ 480,551	\$ 459,461
Electric Customers	F-2	320,193	272,872
Due to Water Utility Operating Fund	F-3	88,812	69,841
Due to Electric Utility Operating Fund	F-4	<u>136,801</u>	<u>130,978</u>
 Total Liabilities and Reserves		 <u>\$ 1,026,357</u>	 <u>\$ 933,152</u>

**BOROUGH OF PARK RIDGE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
SWIM POOL UTILITY FUND  
AS OF DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>			
<b>OPERATING FUND</b>			
Cash	G-5	\$ 186,501	\$ 270,392
Petty Cash	G-7	250	250
Due from Water Utility Operating Fund	G-9	52,781	
Due from Swim Pool Utility Capital Fund	G-11	<u>3,396</u>	<u>-</u>
Total Operating Fund		<u>242,928</u>	<u>270,642</u>
<b>CAPITAL FUND</b>			
Grants Receivable	G-8	23,801	23,801
Due from General Capital Fund	G-10	57,063	
Due from Swimming Pool Utility Operating Fund	G-11		18,804
Fixed Capital	G-13	1,120,498	1,060,861
Fixed Capital Authorized and Uncompleted	G-14	<u>48,418</u>	<u>43,055</u>
Total Capital Fund		<u>1,249,780</u>	<u>1,146,521</u>
		<u>\$ 1,492,708</u>	<u>\$ 1,417,163</u>

**BOROUGH OF PARK RIDGE**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**SWIM POOL UTILITY FUND**  
**AS OF DECEMBER 31, 2015 AND 2014**  
**(Continued)**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>OPERATING FUND</b>			
Liabilities			
Appropriation Reserves	G-4,G-15	\$ 30,256	\$ 3,962
Encumbrances Payable	G-16	3	2
Accounts Payable	G-17	300	300
Due to Current Fund	G-12	13	13
Due to Swim Pool Utility Capital Fund	G-11	-	18,804
		<u>30,572</u>	<u>23,081</u>
Fund Balance	G-1	<u>212,356</u>	<u>247,561</u>
Total Operating Fund		<u>242,928</u>	<u>270,642</u>
<b>CAPITAL FUND</b>			
Bond Anticipation Notes	G-22	65,000	
Improvement Authorizations			
Funded	G-18	43,055	27,055
Unfunded	G-18	5,363	16,000
Due to Swim Pool Utility Operating Fund	G-11	3,396	
Capital Improvement Fund	G-19	16,000	16,000
Reserve for Amortization	G-20	1,073,861	1,060,361
Deferred Reserve for Amortization	G-21	43,055	27,055
Fund Balance	G-2	<u>50</u>	<u>50</u>
Total Capital Fund		<u>1,249,780</u>	<u>1,146,521</u>
		<u>\$ 1,492,708</u>	<u>\$ 1,417,163</u>

There were no Bonds and Notes Authorized But Not Issued on December 31, 2015. There were Bonds and Notes Authorized But Not Issued on December 31, 2014 of \$16,500. (See Exhibit G-23)

**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, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
<b>REVENUES AND OTHER INCOME REALIZED</b>			
Fund Balance Utilized	G-3	\$ 46,100	\$ 14,750
Membership Fees	G-3	202,670	201,970
Miscellaneous Fees	G-3	47,399	48,315
Other Credits			
Appropriation Reserves Lapsed	G-15	<u>762</u>	<u>1,096</u>
 Total Income		 <u>296,931</u>	 <u>266,131</u>
 <b>EXPENDITURES</b>			
Operating	G-4	246,680	191,320
Deferred Charges and Statutory Expenditures	G-4	<u>39,356</u>	<u>20,430</u>
 Total Expenditures		 <u>286,036</u>	 <u>211,750</u>
 Excess in Revenue		 10,895	 54,381
 Fund Balance, January 1,	 G	 <u>247,561</u>	 <u>207,930</u>
		258,456	262,311
 Decreased by:			
Utilized as Anticipated Revenue	G-1, G-3	<u>46,100</u>	<u>14,750</u>
 Balance, December 31,	 G	 <u>\$ 212,356</u>	 <u>\$ 247,561</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, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Balance, January 1	G	\$ <u>50</u>	\$ <u>50</u>
Balance, December 31,	G	\$ <u>50</u>	\$ <u>50</u>

**BOROUGH OF PARK RIDGE  
STATEMENT OF REVENUES - REGULATORY BASIS  
SWIM POOL UTILITY OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Utilized	G-1	\$ 46,100	\$ 46,100	
Membership Fees	G-1,G-5	201,970	202,670	\$ 700
Miscellaneous	G-1,G-3	<u>37,966</u>	<u>47,399</u>	<u>9,433</u>
	G-4	<u>\$ 286,036</u>	<u>\$ 296,169</u>	<u>\$ 10,133</u>

Analysis of Realized Revenue

Miscellaneous		
Guest Fees		\$ 22,420
Swim Lessons		8,873
Fines		3,357
Snack Bar Concession Fee		3,400
Pictures		355
Other Receipts		<u>8,994</u>
	G-3,G-5	<u>\$ 47,399</u>

**BOROUGH OF PARK RIDGE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**SWIM POOL UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
<b>OPERATING</b>				
Salaries and Wages	\$ 127,000	\$ 126,630	\$ 109,800	\$ 16,830
Other Expenses	<u>120,050</u>	<u>120,050</u>	<u>106,634</u>	<u>13,416</u>
 Total Operating	 <u>247,050</u>	 <u>246,680</u>	 <u>216,434</u>	 <u>30,246</u>
 <b>DEFERRED CHARGES AND STATUTORY EXPENDITURES</b>				
Deferred Charges				
Cost of Improvements	29,500	29,500	29,500	
Statutory Expenditures				
Contribution to Social Security System (O.A.S.I.)	<u>9,486</u>	<u>9,856</u>	<u>9,846</u>	<u>10</u>
 Total Deferred Charges and Statutory Expenditures	 <u>38,986</u>	 <u>39,356</u>	 <u>39,346</u>	 <u>10</u>
	<u>\$ 286,036</u>	<u>\$ 286,036</u>	<u>\$ 255,780</u>	<u>\$ 30,256</u>
 <u>Reference</u>	 G-3	 G-4	 G-1	 G,G-1
	<u>Reference</u>			
Cash Disbursed	G-5		\$ 226,277	
Encumbrances Payable	G-16		3	
Due to Swim Pool Utility Capital Fund	G-11		<u>29,500</u>	
	G-4		<u>\$ 255,780</u>	

**BOROUGH OF PARK RIDGE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
PUBLIC ASSISTANCE FUND  
AS OF DECEMBER 31, 2015 AND 2014**

	<u>Reference</u>	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>			
Cash	H-1	\$ 6,479	\$ 19,276
Due from Current Fund	H-2	<u>2,100</u>	<u>-</u>
		<u>\$ 8,579</u>	<u>\$ 19,276</u>
<b>LIABILITIES AND RESERVES</b>			
Due to Current Fund	H-2		\$ 3,845
Reserve for Public Assistance	H-3	<u>\$ 8,579</u>	<u>15,431</u>
		<u>\$ 8,579</u>	<u>\$ 19,276</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF PARK RIDGE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
GENERAL FIXED ASSETS ACCOUNT GROUP  
AS OF DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Land	\$ 14,623,192	\$ 14,623,192
Buildings and Building Improvements	5,584,560	5,185,000
Machinery and Equipment	<u>6,067,703</u>	<u>5,908,752</u>
	<u>\$ 26,275,455</u>	<u>\$ 25,716,944</u>
 Investment in Fixed Assets	 <u>\$ 26,275,455</u>	 <u>\$ 25,716,944</u>

**NOTES TO FINANCIAL STATEMENTS**

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Borough of Park Ridge (the "Borough") was incorporated in 1894 and operates under an elected Mayor and Council form of government. The Mayor is elected to a four-year term and the six council members are elected at-large to serve staggered three-year terms. The Mayor is the Chief Executive Officer of the Borough and as such presides over all public meetings, provides leadership in the development of community projects and makes appointments to various boards. The Borough Council exercises all legislative powers including final adoption of the municipal budget and bond ordinances and confirmation of the Mayor's appointments, and all executive authority which is not specifically provided to the Mayor, by state law. A Borough Administrator is appointed by the Borough Council and is responsible for the implementation of the policies of the Mayor and Council, for the administration of all Borough affairs and for the day to day operations of the Borough. The Borough Administrator is the Chief Administrative Officer for the Borough. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, water and electric supply services and general administrative services.

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

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

**B. Description of Regulatory Basis of Accounting**

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

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

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

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

Unemployment Insurance 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 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.

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements (Continued)**

*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.

*Electric Utility Fund* - This fund is used to account for the revenues and expenditures for 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, 2014 balances to conform to the December 31, 2015 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.

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting**

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

The Borough of Park Ridge follows a modified accrual basis of accounting. Under this method of accounting, revenues, except State/Federal Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed or permitted for municipalities by the Division ("regulatory basis of accounting") differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

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

**Inventories** - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires inventories to be recorded as assets in proprietary-type funds.

**Property Tax Revenues/Receivables** - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of December 31, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Borough also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11<sup>th</sup> 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.

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

**Miscellaneous Revenues/Receivables** - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both measurable and available).

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

**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.

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

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

**Compensated Absences** - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations are recorded as a long-term obligation in the government-wide financial statements.

**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.

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

**General Fixed Assets (Continued)**

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

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

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

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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

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

Trust Funds (Except Open Space Preservation Trust Fund)  
General Capital Fund  
Water Utility Capital Fund  
Electric Utility Capital Fund  
Swim Pool Utility Fund  
Public Assistance Fund

**BOROUGH OF PARK RIDGE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgets and Budgetary Accounting (Continued)**

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 2015 and 2014 the Borough Council increased the original Current Fund budget by \$2,015 and \$284,055. The increase for 2015 was funded by additional aid allotted to the Borough. 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. In addition, the governing body approved several budget transfers during 2015 and 2014.

**B. Excess Expenditures Over Appropriations**

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

<u>2015</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Current Fund			
Tri-Borough Safety Corps			
Other Expenses	\$ 269,087	\$ 269,756	\$ 669
Fire Department			
Other Expenses	88,752	89,382	630
Municipal Court			
Other Expenses - Contractual	110,289	111,553	1,264
NJDOT Ridge Ave. Improvements	149,000	234,170	85,170

In accordance with the regulatory basis of accounting, the above variances or overexpenditures were recorded as deferred charges on the balance sheet of the respective fund at year end and are required to be funded in the succeeding year's budget. GAAP does not permit the deferral of overexpenditures at year end.

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 3 CASH DEPOSITS AND INVESTMENTS**

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

**A. Cash Deposits**

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), 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, 2015 and 2014, the book value of the Borough's deposits were \$12,508,781 and \$12,114,887 and bank and brokerage firm balances of the Borough's deposits amounted to \$13,280,478 and \$12,336,823, 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>2015</u>	<u>2014</u>
Insured	<u>\$ 13,280,478</u>	<u>\$ 12,336,823</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, 2015 and 2014, none of the the Borough's bank balances were exposed to custodial credit risk.

**B. Investments**

The Borough is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, 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, 2015 AND 2014**

**NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)**

**B. Investments (Continued)**

As of December 31, 2015 and 2014, the Borough had the following investments:

	<u>2015</u>	<u>2014</u>
	Fair Value	Fair Value
	(LOSAP Only)	(LOSAP Only)
Investment:		
Lincoln Financial Group		
LOSAP Investment Plans (Unaudited)	\$ <u>1,366,388</u>	\$ <u>1,296,085</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, 2015 and 2014, \$1,366,388 and \$1,296,085 of the Borough’s investments was exposed to custodial credit risk as follows:

	<u>2015</u>	<u>2014</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>1,366,388</u>	\$ <u>1,296,085</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, 2015 and 2014, the Borough’s investment in Lincoln Financial Group, a subsidiary of Lincoln National Corporation, was rated Baa1 and A- by Moody’s and Standard & Poor’s, respectively.

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

The fair value of the above-listed investment was based on 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 Funds are assigned to the Utility Operating Funds in accordance with the regulatory basis of accounting.

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE**

Receivables at December 31, 2015 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Electric Utility</u>	<u>Total</u>
<b><u>2015</u></b>				
Property Taxes	\$ 327,052			\$ 327,052
Utility Charges and Fees	<u>-</u>	<u>\$ 274,029</u>	<u>\$ 409,321</u>	<u>683,350</u>
	<u>\$ 327,052</u>	<u>\$ 274,029</u>	<u>\$ 409,321</u>	<u>\$ 1,010,402</u>

In 2015, the Borough collected \$242,089, \$185,726 and \$373,864 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, 2014.

Receivables at December 31, 2014 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Electric Utility</u>	<u>Total</u>
<b><u>2014</u></b>				
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.

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**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>2015</u>		<u>2014</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	\$ 551,175	\$ 38,050	\$ 446,028	\$ 133,209
Trust Fund:				
Animal Control		7,811		7,712
Other Trust	71,135	525,277		541,503
Unemployment Insurance	12,788		18,294	
Open Space Preservation		249,929		182,900
General Capital Fund	330,512	961,203	272,062	
Water Utility:				
Operating	157,872	666,848	139,558	820,962
Capital	1,118,734		815,641	
Electric Utility:				
Operating	362,078	92,667	257,339	243,006
Capital	240,500	189,327	185,047	
Utility Trust Fund		225,613		200,819
Swim Pool Utility:				
Operating	56,177	13		18,817
Capital	57,063	3,396	18,804	
Public Assistance Fund	2,100	-	-	3,845
 Total	 <u>\$ 2,960,134</u>	 <u>\$ 2,960,134</u>	 <u>\$ 2,152,773</u>	 <u>\$ 2,152,773</u>

The above balances are the result of expenditures being paid by one fund on behalf of another and/or deposits made in one fund which are revenues 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, 2015 AND 2014**

**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>
<b><u>2015</u></b>			
Current Fund			
Overexpenditure of Budget Appropriations	\$ 87,733	\$ 87,733	
Special Emergency Authorizations (40A:4-55)	125,674	88,234	\$ 37,440
General Capital Fund			
Overexpenditure of Ordinance Appropriations	73,001	73,001	
<b><u>2014</u></b>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	\$ 236,154	\$ 110,480	\$ 125,674

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**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:

	<b>2015</b>		<b>2014</b>	
	Fund Balance <u>December 31,</u>	Utilized in Subsequent Year's Budget	Fund Balance <u>December 31,</u>	Utilized in Subsequent Year's Budget
<b>Current Fund</b>				
Cash Surplus	\$ 1,542,166	\$ 750,700	\$ 1,706,376	\$ 750,700
Non-Cash Surplus	<u>329,092</u>	<u>-</u>	<u>257,227</u>	<u>-</u>
	<u>\$ 1,871,258</u>	<u>\$ 750,700</u>	<u>\$ 1,963,603</u>	<u>\$ 750,700</u>
<b>Water Utility Operating Fund</b>				
Cash Surplus	\$ 618,454	\$ 407,266	\$ 626,759	\$ 399,400
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 618,454</u>	<u>\$ 407,266</u>	<u>\$ 626,759</u>	<u>\$ 399,400</u>
<b>Electric Utility Operating Fund</b>				
Cash Surplus	\$ 815,879	\$ 575,870	\$ 608,177	\$ 514,598
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 815,879</u>	<u>\$ 575,870</u>	<u>\$ 608,177</u>	<u>\$ 514,598</u>
<b>Swim Pool Utility Operating Fund</b>				
Cash Surplus	\$ 212,356	\$ 39,000	\$ 247,561	\$ 46,100
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 212,356</u>	<u>\$ 39,000</u>	<u>\$ 247,561</u>	<u>\$ 46,100</u>

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**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, 2015 and 2014.

	Balance, December 31, <u>2014</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2015</u>
<b><u>2015</u></b>				
Land	\$ 14,623,192			\$ 14,623,192
Buildings and Building Improvements	5,185,000	\$ 399,560		5,584,560
Machinery and Equipment	<u>5,908,752</u>	<u>784,014</u>	<u>\$ 625,063</u>	<u>6,067,703</u>
	<u>\$ 25,716,944</u>	<u>\$ 1,183,574</u>	<u>\$ 625,063</u>	<u>\$ 26,275,455</u>
	Balance, December 31, <u>2013</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2014</u>
<b><u>2014</u></b>				
Land	\$ 14,623,192			\$ 14,623,192
Buildings and Building Improvements	5,185,000			5,185,000
Machinery and Equipment	<u>5,838,757</u>	<u>\$ 92,488</u>	<u>\$ 22,493</u>	<u>5,908,752</u>
	<u>\$ 25,646,949</u>	<u>\$ 92,488</u>	<u>\$ 22,493</u>	<u>\$ 25,716,944</u>

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**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, 2015 and 2014.

<u>Water Utility Fund</u>	Balance December 31, <u>2014</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2015</u>
<b><u>2015</u></b>				
Fixed Capital				
Land and Land Rights	\$ 12,887			\$ 12,887
Structures and System Improvements	9,057,732	\$ 747,985		9,805,717
Vehicles and Equipment	<u>3,285,803</u>	<u>84,138</u>	<u>-</u>	<u>3,369,941</u>
	<u>\$ 12,356,422</u>	<u>\$ 832,123</u>	<u>\$ -</u>	<u>\$ 13,188,545</u>
	Balance December 31, <u>2013</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2014</u>
<b><u>2014</u></b>				
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	<u>3,241,905</u>	<u>43,898</u>	<u>-</u>	<u>3,285,803</u>
	<u>\$ 12,238,747</u>	<u>\$ 117,675</u>	<u>\$ -</u>	<u>\$ 12,356,422</u>

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 8 FIXED ASSETS (Continued)**

**B. Utility Funds Fixed Assets (Continued)**

<u>Electric Utility Fund</u>	Balance December 31, <u>2014</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2015</u>
<u>2015</u>				
Fixed Capital				
Structures and System Improvements	\$ 9,437,463	\$ 128,082		\$ 9,565,545
Vehicles and Equipment	<u>2,598,002</u>	<u>12,174</u>	<u>-</u>	<u>2,610,176</u>
	<u>\$ 12,035,465</u>	<u>\$ 140,256</u>	<u>\$ -</u>	<u>\$ 12,175,721</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	\$ 9,304,744	\$ 132,719		\$ 9,437,463
Vehicles and Equipment	<u>2,569,258</u>	<u>28,744</u>	<u>-</u>	<u>2,598,002</u>
	<u>\$ 11,874,002</u>	<u>\$ 161,463</u>	<u>\$ -</u>	<u>\$ 12,035,465</u>
	Balance December 31, <u>2014</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2015</u>
<u>Swim Pool Utility Fund</u>				
<u>2015</u>				
Fixed Capital				
Land and Land Improvements	\$ 43,376	\$ 10,737		\$ 54,113
Pool Facilities and Improvements	957,089	\$ 48,900		1,005,989
Furniture & Equipment	<u>60,396</u>	<u>-</u>	<u>-</u>	<u>60,396</u>
	<u>\$ 1,060,861</u>	<u>\$ 59,637</u>	<u>\$ -</u>	<u>\$ 1,120,498</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>

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**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.

	<u>2015</u>	<u>2014</u>
Issued		
General		
Bonds, Notes and Loans	\$ 14,705,662	\$ 14,253,057
Water Utility		
Bonds and Notes	2,133,840	1,652,000
Electric Utility		
Bonds and Notes	1,483,500	1,483,000
Swim Pool Utility		
Notes	<u>65,000</u>	<u>-</u>
	18,388,002	17,388,057
Less Funds Temporarily Held to Pay Bonds, Notes and Loans	<u>22,977</u>	<u>104,329</u>
Net Debt Issued	18,365,025	17,283,728
Authorized But Not Issued		
General		
Bonds and Notes	119,000	333,000
Water Utility		
Bonds and Notes	1,230,160	1,528,500
Electric Utility		
Bonds and Notes	219,607	345,607
Swim Pool Utility		
Bonds and Notes	<u>-</u>	<u>16,500</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 19,933,792</u>	<u>\$ 19,507,335</u>

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**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 .829% and .826% at December 31, 2015 and 2014, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2015</u></b>			
General Debt	\$ 14,824,662	\$ 9,977	\$ 14,814,685
School Debt	9,995,713	9,995,713	-
Utility Debt	<u>5,132,107</u>	<u>5,132,107</u>	<u>-</u>
Total	<u>\$ 29,952,482</u>	<u>\$ 15,137,797</u>	<u>\$ 14,814,685</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2014</u></b>			
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>

**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>2015</u>	<u>2014</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 62,478,046	\$ 61,336,985
Less: Net Debt	<u>14,814,685</u>	<u>14,481,728</u>
Remaining Borrowing Power	<u>\$ 47,663,361</u>	<u>\$ 46,855,257</u>

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**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>2015</u>	<u>2014</u>
\$4,827,000, 2007 Bonds, due in annual installments of \$325,000 to \$350,000 through October, 2023, interest at 3.875 to 4.00%	\$ 2,627,000	\$ 2,952,000
\$3,215,000, 2012 Bonds, due in annual installments of \$150,000 to \$300,000 through August 2026, interest at 2.00%	2,765,000	2,915,000
\$3,035,000, 2013 Refunding Bonds, due in annual installments of \$325,000 to \$350,000 through February 2022, interest at 3.00% to 4.00%	2,370,000	2,700,000
\$2,207,000, 2013 Bonds, due in annual installments of \$140,000 to \$280,000 through August 2023, interest at 2.00% to 3.00%	<u>1,927,000</u>	<u>2,067,000</u>
	<u>\$ 9,689,000</u>	<u>\$ 10,634,000</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>2015</u>	<u>2014</u>
\$500,000, 2008 Loans, due in semi - annual installments of \$13,390 to \$16,833 through July, 2026, interest at 2.00%	\$ 334,263	\$ 361,177
\$1,156,000, 2012 Loans, due in semi - annual installments of \$28,141 to \$39,079 through April, 2032, interest at 2.00%	<u>1,104,739</u>	<u>1,132,880</u>
	<u>\$ 1,439,002</u>	<u>\$ 1,494,057</u>

**BOROUGH OF PARK RIDGE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2015 AND 2014**

**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>2015</u>	<u>2014</u>
\$1,250,000, 2012 Bonds, due in annual installments of \$75,000 to \$95,000 through August, 2027, interest at 2.00% to 2.20%	\$ 1,030,000	\$ 1,105,000
\$582,000, 2013 Bonds, due in annual installments of \$35,000 to \$47,000 through August, 2027, interest at 2.00% to 4.00%	<u>512,000</u>	<u>547,000</u>
	<u>\$ 1,542,000</u>	<u>\$ 1,652,000</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%	\$ 768,000	\$ 893,000
\$695,000, 2012 Bonds, due in annual installments of \$100,000 to \$105,000 through August, 2019, interest at 2.00%	405,000	505,000
\$100,000, 2013 Bonds, due in annual installments of \$15,000 to \$20,000 through August, 2019, interest at 2.00%	<u>70,000</u>	<u>85,000</u>
	<u>\$ 1,243,000</u>	<u>\$ 1,483,000</u>

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**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, 2015 is as follows:

Calendar Year	General		Water Utility		Electric Utility		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
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	1,251,592	179,191	125,000	26,403	168,000	6,510	1,756,696
2021-2025	4,405,325	353,076	660,000	87,202			5,505,603
2026-2030	696,334	38,665	282,000	11,735			1,028,734
2031-2032	116,078	2,330	-	-	-	-	118,408
	<u>\$ 11,128,002</u>	<u>\$ 1,629,559</u>	<u>\$ 1,542,000</u>	<u>\$ 254,851</u>	<u>\$ 1,243,000</u>	<u>\$ 117,681</u>	<u>\$ 15,915,093</u>

**Changes in Long-Term Municipal Debt**

The Borough's long-term capital debt activity for the years ended December 31, 2015 and 2014 were as follows:

	Balance, December 31, 2014	Additions	Reductions	Balance, December 31, 2015	Due Within One Year
<b><u>2015</u></b>					
<b><u>General Capital Fund</u></b>					
Bonds Payable	\$ 10,634,000	\$ -	\$ 945,000	\$ 9,689,000	\$ 1,005,000
Intergovernmental Loans Payable	1,494,057	-	55,055	1,439,002	84,583
General Capital Fund Long-Term Liabilities	<u>\$ 12,128,057</u>	<u>\$ -</u>	<u>\$ 1,000,055</u>	<u>\$ 11,128,002</u>	<u>\$ 1,089,583</u>
<b><u>Water Capital Fund</u></b>					
Bonds Payable	\$ 1,652,000	\$ -	\$ 110,000	\$ 1,542,000	\$ 115,000
Water Capital Fund Long-Term Liabilities	<u>\$ 1,652,000</u>	<u>\$ -</u>	<u>\$ 110,000</u>	<u>\$ 1,542,000</u>	<u>\$ 115,000</u>
<b><u>Electric Capital Fund</u></b>					
Bonds Payable	\$ 1,483,000	\$ -	\$ 240,000	\$ 1,243,000	\$ 240,000
Electric Capital Fund Long-Term Liabilities	<u>\$ 1,483,000</u>	<u>\$ -</u>	<u>\$ 240,000</u>	<u>\$ 1,243,000</u>	<u>\$ 240,000</u>

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt (Continued)**

**Changes in Long-Term Municipal Debt (Continued)**

	Balance, December 31, <u>2013</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2014</u>	Due Within <u>One Year</u>
<b><u>2014</u></b>					
<b><u>General Capital Fund</u></b>					
Bonds Payable	\$ 11,559,000	\$ -	\$ 925,000	\$ 10,634,000	\$ 945,000
Intergovernmental Loans Payable	<u>1,543,560</u>	<u>-</u>	<u>49,503</u>	<u>1,494,057</u>	<u>55,055</u>
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>
<b><u>Water Capital Fund</u></b>					
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>
<b><u>Electric Capital Fund</u></b>					
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, 2015 AND 2014**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**B. Short-Term Debt**

The Borough's short-term debt activity for the years ended December 31, 2015 and 2014 was as follows:

**Bond Anticipation Notes**

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance January 1, 2015</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2015</u>
<b>2015</b>						
<b><u>General Capital Fund</u></b>						
Impvts. to Roads, Curbs and Sidewalks	1.50%	10/7/2016	\$ 733,000	\$ 733,000	\$ 733,000	\$ 733,000
Various Impvts. & Acq. of Equip.	1.50%	10/7/2016	1,242,000	2,389,160	1,242,000	2,389,160
Improvements to Borough Hall	1.50%	10/7/2016		380,500		380,500
Payments of Amounts Owing to Others for Taxes Levied	0.50%	1/14/2016	150,000	75,000	150,000	75,000
Total General Capital Fund			<u>\$ 2,125,000</u>	<u>\$ 3,577,660</u>	<u>\$ 2,125,000</u>	<u>\$ 3,577,660</u>
<b><u>Water Utility Capital Fund</u></b>						
Various Impvts. & Acq. of Equip.	1.50%	10/7/2016		\$ 491,840		\$ 491,840
Installation of New Well and Pumping Station	1.50%	10/7/2016	\$ -	100,000	\$ -	100,000
Total Water Utility Capital Fund			<u>\$ -</u>	<u>\$ 591,840</u>	<u>\$ -</u>	<u>\$ 591,840</u>
<b><u>Electric Utility Capital Fund</u></b>						
Acquisition of Mini-Excavator and Installation of Circuit Breakers at Mill Road Substation	1.50%	10/7/2016	\$ -	\$ 240,500	\$ -	\$ 240,500
Total Electric Utility Capital Fund			<u>\$ -</u>	<u>\$ 240,500</u>	<u>\$ -</u>	<u>\$ 240,500</u>
<b><u>Swim Pool Utility Capital Fund</u></b>						
Installation of Slide and Volleyball Court at Municipal Pool	1.50%	10/7/2016	\$ -	\$ 65,000	\$ -	\$ 65,000
Total Swim Pool Utility Capital Fund			<u>\$ -</u>	<u>\$ 65,000</u>	<u>\$ -</u>	<u>\$ 65,000</u>

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**B. Short-Term Debt (Continued)**

**Bond Anticipation Notes (Continued)**

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance January 1, 2014</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2014</u>
<b><u>2014</u></b>						
<b><u>General Capital Fund</u></b>						
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>

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. The amounts issued for the water, electric and swim pool utility activities are accounted for in the Water, Electric and Swim Pool Utility Capital Funds, respectively.

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 schedules, municipalities may issue debt to finance 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 for the years 2015 and 2014 as follows:

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**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>	<u>Balance, December 31, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, December 31, 2015</u>
<b><u>2015</u></b>						
<b><u>Current Fund</u></b>						
Reassessment of Real Property			\$ 22,000		\$ 22,000	
Hurricane Irene Storm Damage	0.50%	1/14/2016	<u>151,754</u>	<u>\$ 75,754</u>	<u>151,754</u>	<u>\$ 75,754</u>
Total			<u>\$ 173,754</u>	<u>\$ 75,754</u>	<u>\$ 173,754</u>	<u>\$ 75,754</u>

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance, December 31, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, December 31, 2014</u>
<b><u>2014</u></b>						
<b><u>Current Fund</u></b>						
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	<u>\$ 180,000</u>	<u>\$ -</u>	<u>\$ 180,000</u>	<u>\$ -</u>
Total Electric Utility Operating Fund			<u>\$ 180,000</u>	<u>\$ -</u>	<u>\$ 180,000</u>	<u>\$ -</u>

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**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>
<b><u>2015</u></b>		
2015 Road Improvement Project	\$69,140	2016
Rehabilitation of Well #10	30,108	2016
<b><u>2014</u></b>		
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

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

<u>Purpose</u>	<u>Remaining Commitment</u>
<b><u>2015</u></b>	
Ford Pick Up Truck	\$33,283
<b><u>2014</u></b>	
Preparation of Updated Tax Maps	62,400
Ford Utility Truck	46,100
Compact Excavator and Trailer	54,536

**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 \$674,455 and \$657,141 at December 31, 2015 and 2014, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2015 and 2014, the Borough has reserved in the Other Trust Fund \$60,351 to fund compensated absences in accordance with NJSA 40A:4-39.

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**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. The Borough elected to pay off its deferred pension obligation balance during 2014.

**Changes in Other Long-Term Liabilities**

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

The Borough's changes in other long-term liabilities for the years ended December 31, 2015 and 2014 were as follows:

	Balance, December 31, <u>2014</u>	Additions	Reductions	Balance, December 31, <u>2015</u>	Due Within <u>One Year</u>	
<b><u>2015</u></b>						
Compensated Absences	\$ 657,141	\$ 17,314		\$ 674,455	\$ 50,000	
Net Pension Liability - PERS	8,629,869	3,346,883	\$ 441,776	11,534,976		
Net Pension Liability - PFRS	<u>7,700,075</u>	<u>3,784,983</u>	<u>553,470</u>	<u>10,931,588</u>	<u>-</u>	
Total	<u>\$ 16,987,085</u>	<u>\$ 7,149,180</u>	<u>\$ 995,246</u>	<u>\$ 23,141,019</u>	<u>\$ 50,000</u>	
	Balance, December 31, <u>2013</u>	Prior Period Adjustment (A)	Additions	Reductions	Balance, December 31, <u>2014</u>	Due Within <u>One Year</u>
<b><u>2014</u></b>						
Compensated Absences	\$ 527,403		\$ 149,387	\$ 19,649	\$ 657,141	\$ 48,700
Deferred Pension Obligation	134,731		2,770	137,501	-	
Net Pension Liability - PERS		\$ 8,208,282	801,571	379,984	8,629,869	
Net Pension Liability - PFRS	<u>-</u>	<u>7,869,249</u>	<u>300,987</u>	<u>470,161</u>	<u>7,700,075</u>	<u>-</u>
Total	<u>\$ 662,134</u>	<u>\$ 16,077,531</u>	<u>\$ 1,254,715</u>	<u>\$ 1,007,295</u>	<u>\$ 16,987,085</u>	<u>\$ 48,700</u>

(A) Represents the proportionate share of the Borough's net pension liability of the state sponsored employer retirement systems resulting from the requirements of Governmental Accounting Standards Board's Statement No. 68 "Accounting and Financial Reporting for Pensions".

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS**

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

**Police and Firemen's Retirement System (PFRS)** – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after December 31, 1944. Membership is mandatory for such employees 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 employees 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. DCRP is a defined contribution pension plan.

**Other Pension Funds**

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

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

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Other Pension Funds (Continued)**

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](http://www.state.nj.us/treasury/pensions).

**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.

**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.us/treasury/doinvest](http://www.state.nj.us/treasury/doinvest).

**Funded Status and Funding Progress**

As of July 1, 2013, the most recent actuarial valuation date, which was rolled forward to June 30, 2014, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS is 62.8 percent with an unfunded actuarial accrued liability of \$51.0 billion. The aggregate funded ratio and unfunded accrued liability for the local PERS system is 52.08 percent and \$18.7 billion, respectively and the aggregate funded ratio and unfunded accrued liability for local PFRS is 62.4 percent and \$13.9 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.

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (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 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, 2013 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 and (b) changes to projected salary increases 2.15-5.40 percent based on age for PERS and 3.95-9.62 percent based on age 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 10.0% for PFRS, 6.92% for PERS and 5.50% for DRCP of employee's annual compensation for fiscal year 2015.

**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 December 31, 2015 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.

During the years ended December 31, 2015, 2014 and 2013, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS (1)</u>	<u>DCRP</u>
2015	\$ 470,161	\$ 379,984	None
2014	431,863	323,607	None
2013	427,726	344,734	None

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

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

**Public Employees Retirement System (PERS)**

At December 31, 2015 and 2014, the Borough had a liability of \$11,534,976 and \$8,629,869, respectively, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015 and 2014, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 and 2013, respectively. The Borough's proportionate share of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the Borough's proportionate share was 0.05139 percent, which was an increase of 0.00530 percent from its proportionate share measured as of June 30, 2014 of 0.04609 percent.

For the year ended December 31, 2015 and 2014, the pension system has determined the Borough's pension expense to be \$1,028,123 and \$537,008, respectively, for PERS based on the actuarial valuation which is more than the actual contributions reported in the Borough's financial statements of \$379,984 and \$323,607, respectively. At December 31, 2015 and 2014, the Borough's deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Borough's financial statements are from the following sources:

	2015		2014	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 275,184		\$ 271,369	
Changes of Assumptions	1,238,764			
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 185,460		\$ 514,293
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>1,255,016</u>	<u>-</u>	<u>507,681</u>	<u>-</u>
Total	<u>\$ 2,768,964</u>	<u>\$ 185,460</u>	<u>\$ 779,050</u>	<u>\$ 514,293</u>

**BOROUGH OF PARK RIDGE  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

At December 31, 2015 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2016	\$ 516,632
2017	516,632
2018	516,632
2019	645,206
2020	<u>388,402</u>
	<u>\$ 2,583,504</u>

***Actuarial Assumptions***

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2015</u>	<u>2014</u>
Inflation Rate	3.04%	3.01%
Salary Increases:		
2012-2021	2.15-4.40% Based on Age	2.15-4.40% Based on Age
Thereafter	3.15-5.40% Based on Age	3.15-5.40% Based on Age
Investment Rate of Return	7.90%	7.90%
Mortality Rate Table	RP-2000	RP-2000

**BOROUGH OF PARK RIDGE  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

*Actuarial Assumptions*

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

The actuarial assumptions used in the July 1, 2014 and 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

*Long-Term Expected Rate of Return*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 and 2014 are summarized in the following table:

<u>Asset Class</u>	<u>2015</u>		<u>2014</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%	6.00%	0.80%
U.S. Treasuries	1.75%	1.64%	-	-
Investment Grade Credit	10.00%	1.79%	-	-
Core Bonds	-	-	1.00%	2.49%
Intermediate-Term Bonds	-	-	11.20%	2.26%
Mortgages	2.10%	1.62%	2.50%	2.17%
High Yield Bonds	2.00%	4.03%	5.50%	4.82%
Inflation-Indexed Bonds	1.50%	3.25%	2.50%	3.51%
Broad US Equities	27.25%	8.52%	25.90%	8.22%
Developed Foreign Equities	12.00%	6.88%	12.70%	8.12%
Emerging Market Equities	6.40%	10.00%	6.50%	9.91%
Private Equity	9.25%	12.41%	8.25%	13.02%
Hedge Funds/Absolute Return	12.00%	4.72%	12.25%	4.92%
Real Estate (Property)	2.00%	6.83%	3.20%	5.80%
Commodities	1.00%	5.32%	2.50%	-
Global Debt ex US	3.50%	-0.40%	-	-
REIT	4.25%	5.12%	-	-

*Discount Rate*

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

<u>Year</u>	<u>Discount Rate</u>
2015	4.90%
2014	5.39%

**BOROUGH OF PARK RIDGE  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

***Discount Rate (Continued)***

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

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2033
Municipal Bond Rate *	From July 1, 2033 and Thereafter

\* The municipal bond return rate used is 3.80% and 4.29% as of June 30, 2015 and 2014, respectively. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the Borough's proportionate share of the PERS net pension liability as of December 31, 2015 calculated using the discount rate of 4.90%, as well as what the Borough's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90 percent) or 1-percentage-point higher (5.90 percent) than the current rate:

	<b>1% Decrease (3.90%)</b>	<b>Current Discount Rate (4.90%)</b>	<b>1% Increase (5.90%)</b>
Borough's Proportionate Share of the PERS Net Pension Liability	<u>\$ 14,336,564</u>	<u>\$ 11,534,976</u>	<u>\$ 9,186,145</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2015. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

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

**BOROUGH OF PARK RIDGE  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

**Police and Firemen’s Retirement System (PFRS)**

At December 31, 2015 and 2014, the Borough had a liability of \$10,931,588 and \$7,700,075, respectively, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2015 and 2014, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 and 2013, respectively. The Borough’s proportionate share of the net pension liability was based on a projection of the Borough’s long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the Borough’s proportionate share was 0.06563 percent, which was an increase of 0.00442 percent from its proportionate share measured as of June 30, 2014 of 0.06121 percent.

For the years ended December 31, 2015 and 2014, the pension system has determined the Borough pension expense to be \$1,093,716 and \$572,919, respectively, for PFRS based on the actuarial valuation which is more than the actual contributions reported in the Borough’s financial statements of \$470,161 and \$431,863, respectively. At December 31, 2015 and 2014, the Borough’s deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Borough’s financial statements are from the following sources:

	2015		2014	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience		\$ 94,288		
Changes of Assumptions	\$ 2,018,243		\$ 289,087	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		190,255		\$ 785,767
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>665,885</u>	<u>-</u>	<u>224,997</u>	<u>-</u>
Total	<u>\$ 2,684,128</u>	<u>\$ 284,543</u>	<u>\$ 514,084</u>	<u>\$ 785,767</u>

At December 31, 2015 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense as follows:

Year Ending	Total
<u>December 31,</u>	
2016	\$ 482,936
2017	482,936
2018	482,936
2019	679,378
2020	<u>271,399</u>
	<u>\$ 2,399,585</u>

**BOROUGH OF PARK RIDGE  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

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

*Actuarial Assumptions*

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2015</u>	<u>2014</u>
Inflation Rate	3.04%	3.01%
Salary Increases:		
2012-2021	2.60-9.48%	3.95-8.62%
	Based on Age	Based on Age
Thereafter	3.60-10.48%	4.95-9.62%
	Based on Age	Based on Age
Investment Rate of Return	7.90%	7.90%
Mortality Rate Table	RP-2000	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale AA and one year using Scale BB.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013. The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2007 to June 30, 2010.

**BOROUGH OF PARK RIDGE  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

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

***Long-Term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 and 2014 are summarized in the following table:

<u>Asset Class</u>	<u>2015</u>		<u>2014</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%	6.00%	0.80%
U.S. Treasuries	1.75%	1.64%	-	-
Investment Grade Credit	10.00%	1.79%	-	-
Core Bonds	-	-	1.00%	2.49%
Intermediate-Term Bonds	-	-	11.20%	2.26%
Mortgages	2.10%	1.62%	2.50%	2.17%
High Yield Bonds	2.00%	4.03%	5.50%	4.82%
Inflation-Indexed Bonds	1.50%	3.25%	2.50%	3.51%
Broad US Equities	27.25%	8.52%	25.90%	8.22%
Developed Foreign Equities	12.00%	6.88%	12.70%	8.12%
Emerging Market Equities	6.40%	10.00%	6.50%	9.91%
Private Equity	9.25%	12.41%	8.25%	13.02%
Hedge Funds/Absolute Return	12.00%	4.72%	12.25%	4.92%
Real Estate (Property)	2.00%	6.83%	3.20%	5.80%
Commodities	1.00%	5.32%	2.50%	5.35%
Global Debt ex US	3.50%	-0.40%	-	-
REIT	4.25%	5.12%	-	-

***Discount Rate***

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

<u>Year</u>	<u>Discount Rate</u>
2015	5.79%
2014	6.32%

**BOROUGH OF PARK RIDGE  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

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

***Discount Rate (Continued)***

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

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2045
Municipal Bond Rate *	From July 1, 2045 and Thereafter

\* The municipal bond return rate used is 3.80% and 4.29% as of June 30, 2015 and 2014, respectively. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the Borough's proportionate share of the PFRS net pension liability as of December 31, 2015 calculated using the discount rate of 5.79%, as well as what the Borough's proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.79 percent) or 1-percentage-point higher (6.79 percent) than the current rate:

	<b>1% Decrease (4.79%)</b>	<b>Current Discount Rate (5.79%)</b>	<b>1% Increase (6.79%)</b>
Borough's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 14,411,303</u>	<u>\$ 10,931,588</u>	<u>\$ 8,094,191</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2015. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

**BOROUGH OF PARK RIDGE  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

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

***Special Funding Situation – PFRS***

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

At December 31, 2015 and 2014, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$958,664 and \$829,169, respectively. For the years ended December 31, 2015 and 2014, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$119,579 and \$105,059, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$49,903 and \$34,429, respectively. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

***Pension Plan Fiduciary Net Position***

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

**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 590 state and local participating employers and contributing entities for Fiscal Year 2015.

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

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

**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](http://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.

**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, 2014, the most recent actuarial valuation date, the State had a \$65.0 billion unfunded actuarial liability for other postemployment benefits (OPEB) which is made up of \$24.4 billion for state active and retired members and \$40.6 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.

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.

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Actuarial Methods and Assumptions**

In the July 1, 2014 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, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 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 \$173.9 million for 10,355 eligible retired members for Fiscal Year 2015. 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 \$44.3 million in Fiscal Year 2015 to provide benefits under Chapter 330 to qualified retirees.

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 contributions to the State Health Benefits Program Fund-Local Government for post-retirement benefits for the years ended December 31, 2015 and 2014 were \$701,785 and \$762,730, respectively, which equaled the required contributions for each year. Prior to enrolling in the State Health Benefits Program for post-retirement medical benefits, the Borough provided these benefits through a private plan. The Borough's contribution to the plan for post-retirement medical benefits for the year ended December 31, 2013 was \$959,719.

**BOROUGH OF PARK RIDGE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2015 AND 2014**

**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.

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>
2015	NONE	\$ 6,494	\$ 6,673	\$ 106,395
2014	NONE	10,484	20,853	106,073
2013	\$ 12,000	7,714	9,264	116,170

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

**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, 2015 and 2014. 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, 2015 and 2014, the Borough reserved \$362,365 and \$190,130, 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, 2015 and 2014, 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, 2015 and 2014, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

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

The Borough of Park Ridge Length of Service Award Program (the Plan) was created by a Borough ordinance adopted on August 10, 1999 pursuant to 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Borough of Park Ridge approved the adoption of the Plan at the general election held on November 2, 1999.

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

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

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

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

The Borough of Park Ridge has contributed \$1,519 for 2015 and 2014, respectively, for each eligible volunteer fire department member into the Plan. The Borough also contributed a one-third (1/3) share of \$1,519 for 2015 and 2014, 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 for 2015 and 2014, respectively, for each Tri-Boro Ambulance Corp. member into the plan. The total Borough contributions were \$38,983 and \$53,545 for 2015 and 2014, respectively. The total contributions from the Boroughs of Montvale and Woodcliff Lake were \$23,288 and \$21,264 for 2015 and 2014, 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.

**NOTE 18 SUBSEQUENT EVENTS**

**Debt Authorized**

On May 24, 2016 the Borough adopted a bond ordinance authorizing the issuance of \$213,750 in Bonds or bond anticipation notes to fund certain general capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

On June 14, 2016 the Borough adopted a bond ordinances authorizing the issuance of \$671,050 in Bonds or bond anticipation notes to fund certain general, water utility and electric utility capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

**CURRENT FUND**

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

Balance, December 31, 2014		\$ 3,143,873
Increased by:		
Non-Budget Revenue	\$ 265,117	
Taxes Receivable	39,833,995	
Revenue Accounts Receivable	2,566,410	
NJ Senior Citizen and Veteran's Deductions	86,761	
Grants Receivable	154,130	
Tax Overpayments	108	
Prepaid Taxes	260,408	
Fees Payable	15,259	
Special Emergency Notes	75,754	
Reserve for Grants - Unappropriated	52,081	
Receipts from Other Trust Fund	543,501	
Receipts for Other Trust Fund	18,868	
Receipts for General Capital Fund	84,080	
Receipts for Electric Utility Operating Fund		
Receipts from Public Assistance Fund	<u>5,945</u>	
		<u>43,962,417</u>
		47,106,290
Decreased by Disbursements:		
2015 Budget Appropriations	11,599,393	
2014 Appropriation Reserves	92,766	
Petty Cash	500	
Encumbrances Payable	195,659	
Accounts Payable	61,416	
County Taxes Payable	4,261,278	
Local District School Tax Payable	26,852,459	
Fees Payable	22,858	
Reserve for Tax Appeals	2,765	
Reserve for Grants- Appropriated	9,194	
Special Emergency Notes	173,754	
Payments made to Municipal Library	38,123	
Payments made to Other Trust Fund	509,534	
Payments made for Other Trust Fund	148,928	
Payments made to Unemployment Insurance Trust Fund	12,000	
Payments made to General Capital Fund	149,999	
Payments made for Water Utility Operating Fund	34,324	
Payments made for Electric Utility Operating Fund	<u>76,680</u>	
		<u>44,241,630</u>
Balance, December 31, 2015		<u>\$ 2,864,660</u>

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

Balance, December 31, 2014	\$ <u>375</u>
Balance, December 31, 2015	\$ <u>375</u>

Analysis of Balance

Tax Office	\$ <u>375</u>
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**STATEMENT OF PETTY CASH FUNDS**

Balance, December 31, 2014	\$ 750
Increased by:	
Established by Treasurer's Disbursements	<u>500</u>
Balance, December 31, 2015	\$ <u>1,250</u>

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

Balance, December 31, 2014 (Due from)		\$ 273
Increased by:		
Senior Citizens' Deductions per Tax Duplicate 2015	\$ 7,750	
Veterans' Deductions per Tax Duplicate 2015	79,750	
Senior Citizens/Veterans Deductions Allowed By Tax Collector-2015	<u>250</u>	
		<u>87,750</u>
		88,023
Decreased by:		
Receipts from State of New Jersey	86,761	
Senior Citizens/Veterans' Deductions Disallowed by Tax Collector-2015	500	
Senior Citizens/Veterans' Deductions Disallowed by Tax Collector-2014	<u>1,239</u>	
		<u>88,500</u>
Balance, December 31, 2015 (Due to)		<u><u>\$ 477</u></u>

EXHIBIT A-8

**STATEMENT OF GRANT RECEIVABLES**

	Balance, December 31, <u>2014</u>	Accrued in <u>2015</u>	<u>Received</u>	Balance, December 31, <u>2015</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		\$ 2,115	2,285
BC Forfeiture - Message Display Sign	5,000			5,000
BC Forfeiture - NJSACOP	10,341			10,341
NJ DOT - Ridge Avenue	150,000	\$ 149,000	150,000	149,000
Body Armor Replacement Fund	<u>-</u>	<u>2,015</u>	<u>2,015</u>	<u>-</u>
	<u>\$ 194,554</u>	<u>\$ 151,015</u>	<u>\$ 154,130</u>	<u>\$ 191,439</u>

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

Year	Balance, December 31, 2014	2015 Levy	Senior Citizens' and Veterans' Deductions Disallowed	Cash Collections		Senior Citizens' and Veterans' Deductions Allowed	Remitted, Abated or Cancelled	Balance, December 31, 2015
				2014	2015			
2014	\$ 242,089	-	\$ 1,239	-	\$ 243,328	-	-	-
	242,089	-	1,239	-	243,328	-	-	-
2015	-	\$ 40,254,466	500	\$ 224,291	39,590,667	\$ 87,750	\$ 25,206	\$ 327,052
	\$ 242,089	\$ 40,254,466	\$ 1,739	\$ 224,291	\$ 39,833,995	\$ 87,750	\$ 25,206	\$ 327,052

68

Analysis of 2015 Property Tax Levy

TAX YIELD

General Purpose Tax	\$ 40,187,983
Added and Omitted Taxes (54:4-63.10 et seq.)	66,483
	<u>\$ 40,254,466</u>

TAX LEVY

Local District School Taxes	\$ 26,852,461
County Taxes - General	\$ 4,210,604
County Open Space Preservation Tax	44,326
Due County for Added and Omitted Taxes (54:4-63.10 et seq.)	<u>7,039</u>
	4,261,969

Local Tax for Municipal Purposes	8,486,626
Minimum Library Tax	588,906
Add Additional Tax Levies	<u>64,504</u>
	<u>9,140,036</u>

\$ 40,254,466

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

Balance, December 31, 2014	<u>\$ 100,650</u>
Balance, December 31, 2015	<u>\$ 100,650</u>

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

	Balance, December 31, <u>2014</u>	Accrued in <u>2015</u>	Collected in <u>2015</u>	Balance, December 31, <u>2015</u>
Borough Clerk				
Licenses				
Alcoholic Beverages		\$ 19,565	\$ 19,565	
Fire Code Department				
Fees and Permits		39,880	39,880	
Health Officer and Registrar				
Fees and Permits		15,911	15,911	
Municipal Court				
Fines and Costs	\$ 10,016	118,491	118,672	\$ 9,835
Interest and Cost on Taxes		74,038	74,038	
Joint Insurance Fund Dividend		12,861	12,861	
Hotel Tax		308,162	308,162	
Recycling Program		15,600	15,600	
Cable Television Franchise Fee		137,917	137,917	
Water Utility Rental Fees		105,000	105,000	
Electric Utility Rental Fees		30,000	30,000	
Pistol Range Fee	8,749	16,001	21,250	3,500
Tri-Boro Safety Corps		53,147	53,147	
Consolidated Municipal Property Tax Relief Aid		16,161	16,161	
Energy Receipts Tax		366,437	366,437	
Watershed Moratorium Offset Aid		1,598	1,598	
Uniform Construction Code Fees		251,030	251,030	
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		15,569	15,569	
Library Reimbursements		61,000	61,000	
Excess Sewer User Fees	4,062	86,136	66,622	23,576
Sprint Cell Tower Rent	-	80,990	80,990	-
	<u>\$ 22,827</u>	<u>\$ 2,580,494</u>	<u>\$ 2,566,410</u>	<u>\$ 36,911</u>

EXHIBIT A-12

**BOROUGH OF PARK RIDGE  
STATEMENT OF DUE FROM MUNICIPAL LIBRARY**

Increased by:		
Cash Disbursement		\$ 38,123
Balance, December 31, 2015		<u>\$ 38,123</u>

EXHIBIT A-13

**STATEMENT OF DEFERRED CHARGES**

	<u>Amount Resulting from 2015</u>	<u>Balance, December 31, 2015</u>
Overexpenditure of Budget Appropriations	\$ 87,733	\$ 87,733
	<u>\$ 87,733</u>	<u>\$ 87,733</u>

EXHIBIT A-14

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

<u>Date</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance, December 31, 2014</u>	<u>Raised in 2015 Budget</u>	<u>Balance, December 31, 2015</u>
2010	Reassessment of Real Property	\$ 110,000	\$ 22,000	\$ 22,000	\$ 22,000	
2011	Hurricane Irene Storm Damage	450,000	90,000	151,754	76,000	\$ 75,754
2014	Preparation of an Approved Tax Map	62,400	12,480	<u>62,400</u>	<u>12,480</u>	<u>49,920</u>
				<u>\$ 236,154</u>	<u>\$ 110,480</u>	<u>\$ 125,674</u>

**BOROUGH OF PARK RIDGE  
STATEMENT OF 2014 APPROPRIATION RESERVES**

	Balance, December 31, 2014	Transfers	Encumbrance Payable Cancelled	Balance After Modification	Expended	Balance Lapsed
<b>Salaries and Wages</b>						
General Administration	\$ 2,117			\$ 2,117		\$ 2,117
Municipal Clerk	4,782			4,782		4,782
Financial Administration	660			660		660
Revenue Administration	33			33		33
Tax Assessment Administration	20			20		20
Planning Board	1,652			1,652		1,652
Zoning Board Adjustment	2,587			2,587		2,587
Zoning Officer	5			5		5
Police	971	\$ 5,000		5,971	\$ 5,836	135
Police Reserve	915			915		915
Welfare/Administration of Public Service	117			117		117
Fire	75			75		75
Fire Prevention/Uniform Fire Code	31			31		31
Road Repairs and Maintenance	14,091			14,091	1,251	12,840
Public Buildings & Grounds	1,400			1,400		1,400
Maintenance of Vehicles	1,712			1,712		1,712
Board of Health	605	400		1,005	965	40
Recreation	1,971			1,971		1,971
Senior Citizen	749			749	231	518
Park Ridge Television	160			160		160
Sewer System	1,827			1,827	167	1,660
Uniform Construction Code	1,151	-	-	1,151	-	1,151
<b>Total Salaries &amp; Wages</b>	<b>37,631</b>	<b>5,400</b>	<b>-</b>	<b>43,031</b>	<b>8,450</b>	<b>34,581</b>
<b>Other Expenses</b>						
General Administration	8,310			8,310	2,400	5,910
Municipal Clerk						
Other Expenses	742			742	315	427
Grant Professional	6,645			6,645		6,645
Mayor and Council	2,699		\$ 985	3,684		3,684
Financial Administration	12,330	5,000		17,330	12,912	4,418
Audit Services	26,800			26,800	25,100	1,700
Revenue Administration	760			760		760
Tax Assessment Administration						
Other Expenses	1,132			1,132		1,132
Property Appraisals	100			100		100
Legal Services & Costs	24,685	(20,000)		4,685	110	4,575
Engineering Services & Costs	2,077			2,077	2,067	10
Planning Board	13,862			13,862		13,862
Zoning Board of Adjustment	2,489			2,489		2,489
Uniform Construction Code	3,203		500	3,703		3,703
<b>Insurance</b>						
General Liability	107			107		107
Group Insurance for Employees	2,352		1,107	3,459		3,459
Group Insurance Waiver for Employees	873			873		873
Tri-Boro Ambulance	5,000			5,000	3,600	1,400
Police	2,673		525	3,198		3,198
Police Reserve	701			701		701
Pistol Range	4,700		85	4,785		4,785
Emergency Management Services	1,503			1,503		1,503

**BOROUGH OF PARK RIDGE  
STATEMENT OF 2014 APPROPRIATION RESERVES**

	Balance, December 31, 2014	Transfers	Encumbrance Payable Cancelled	Balance After Modification	Expended	Balance Lapsed
Fire						
Other Expenses	\$ 31,184			\$ 31,184	\$ 26	\$ 31,158
Fire Hydrant Services	90			90		90
TriBoro Safety Corps	21,338	\$ (10,600)		10,738	750	9,988
Fire Prevention/Uniform Fire Codes	2,050			2,050		2,050
Municipal Court	853			853		853
Road Repairs and Maintenance	13,729			13,729	109	13,620
Solid Waste Collection - Sanitation	80			80		80
Solid Waste Collection - Recycling	91	13,000		13,091	12,769	322
Municipal Services Act	20,000			20,000	14,433	5,567
Public Buildings & Grounds	586	500		1,086	883	203
Maintenance of Vehicles	4,470		\$ 15	4,485		4,485
Board of Health	2,712		314	3,026		3,026
Welfare/Administration of Public Service	1,300			1,300		1,300
Municipal Alliance	6,200			6,200		6,200
Park Ridge Television	2,102			2,102	76	2,026
Recreation	1,850			1,850	696	1,154
Electric	172			172		172
Telephone/Communication	2,475		123	2,598		2,598
Water	1,572		2,300	3,872		3,872
Gas and Oil	591			591		591
Gasoline	413	6,700		7,113	7,016	97
Sewer System						
Other Expenses	215			215		215
Shade Tree	5,520			5,520	150	5,370
Landfill Dumping Fees	13,725			13,725		13,725
Recycling Tax	1,709			1,709		1,709
Contingent	1,437		1,525	2,962		2,962
Social Security System	2,844			2,844	904	1,940
Deferred Compensation Retirement Plan	4,000			4,000		4,000
Public Employees Retirement System	1			1		1
Bergen County Utilities Authority-Sewer Fees	319			319		319
Fire Department LOSAP	22,113			22,113		22,113
Tri-Borough Ambulance LOSAP	38			38		38
Clean Communities Program	1,588			1,588	1,588	
Alcohol and Rehabilitation Fund	897			897	897	
Recycling Tonnage Grant	11,608			11,608	11,608	
CDBG - Senior Programs	3,638			3,638	3,638	
Matching Funds for Grant	10,000			10,000		10,000
Various Building Roof Improvements	9,900	-	-	9,900	-	9,900
Total Other Expenses	<u>327,153</u>	<u>\$ (5,400)</u>	<u>7,479</u>	<u>329,232</u>	<u>102,047</u>	<u>227,185</u>
Total	<u>\$ 364,784</u>	<u>\$ -</u>	<u>\$ 7,479</u>	<u>\$ 372,263</u>	<u>\$ 110,497</u>	<u>\$ 261,766</u>
					Cash Disbursements	\$ 92,766
					Transferred to Appropriated Grant Reserves	17,731
					<u>\$ 110,497</u>	

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

Balance, December 31, 2014		\$	281,710
Increased by:			
Charges to 2015 Appropriations			<u>95,512</u>
			377,222
Decreased by			
Payments	\$	195,659	
Cancelled Encumbrances Restored to Appropriation Reserves		7,479	
Transferred to Accounts Payable		<u>78,572</u>	
			<u>281,710</u>
Balance, December 31, 2015		\$	<u><u>95,512</u></u>

EXHIBIT A-17

**STATEMENT OF ACCOUNTS PAYABLE**

Balance, December 31, 2014		\$	80,969
Increased by:			
Transferred from Encumbrances Payable			<u>78,572</u>
			159,541
Decreased by:			
Cash Disbursements			<u>61,416</u>
Balance, December 31, 2015		\$	<u><u>98,125</u></u>

**Analysis of Balance - December 31, 2015**

Vendor Payables		\$	57,025
Due to Montvale Borough (LOSAP)			20,550
Due to Park Ridge Borough (LOSAP)			<u>20,550</u>
			<u><u>\$ 98,125</u></u>

EXHIBIT A-18

**STATEMENT OF TAX OVERPAYMENTS**

Increased by:			
Overpayments Received		\$	<u>108</u>
Balance, December 31, 2015		\$	<u><u>108</u></u>

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

Balance, December 31, 2014	\$ 224,291
Increased by:	
Collection of 2016 Taxes	260,408
	484,699
Decreased by:	
Applied to 2015 Taxes Receivable	224,291
Balance, December 31, 2015	\$ 260,408

**STATEMENT OF COUNTY TAXES PAYABLE**

Balance, December 31, 2014	\$ 6,348
Increased by:	
2015 Levy	
General County	\$ 4,210,604
County Open Space Preservation	44,326
Added and Omitted Taxes (RS 54:4-63.1 et seq.)	7,039
	4,261,969
	4,268,317
Decreased by:	
Payments	4,261,278
Balance, December 31, 2015	\$ 7,039

**STATEMENT OF LOCAL DISTRICT SCHOOL TAX PAYABLE**

Increased by:	
2015 Calendar Year Levy	\$ 26,852,461
Decreased by:	
Payments	26,852,459
Balance, December 31, 2015	\$ 2

**STATEMENT OF FEES PAYABLE**

	Balance, December 31, 2014	Fees Collected	Payments	Balance, December 31, 2015
Due State of New Jersey				
Marriage License Fees	\$ 170	\$ 3,210	\$ 1,075	\$ 2,305
State Construction Fees	9,734	12,049	21,783	-
	\$ 9,904	\$ 15,259	\$ 22,858	\$ 2,305

**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, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, December 31, 2015</u>
Reassessment of Real Prop.	8/15/2014	8/14/2015	1.50%	\$ 22,000		\$ 22,000	
Hurricane Irene	8/15/2014	8/14/2015	1.50	151,754		151,754	
Hurricane Irene	8/14/2015	1/14/2016	0.50	<u>-</u>	<u>\$ 75,754</u>	<u>-</u>	<u>\$ 75,754</u>
				<u>\$ 173,754</u>	<u>\$ 75,754</u>	<u>\$ 173,754</u>	<u>\$ 75,754</u>

EXHIBIT A-24

**STATEMENT OF RESERVE FOR TAX APPEALS**

Balance, December 31, 2014	\$ 190,130
Increased by: 2015 Budget Appropriation	<u>175,000</u>
	365,130
Decreased by: Judgments Refunded	<u>2,765</u>
Balance, December 31, 2015	<u>\$ 362,365</u>

EXHIBIT A-25

**STATEMENT OF MISCELLANEOUS RESERVES**

	<u>Balance, December 31, 2014</u>	<u>Balance, December 31, 2015</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>2014</u>	Transferred from 2014 Appropriation <u>Reserves</u>	Cash <u>Disbursements</u>	Balance, December 31, <u>2015</u>
Recycling Tonnage Grant	\$ 11,252	\$ 11,608		\$ 22,860
Alcohol Education and Rehab.-DWI Court	2,626	897	\$ 750	2,773
Domestic Violence Grant	2,178			2,178
Bergen County Recycling	8,851			8,851
Clean Communities	18,500	1,588	3,346	16,742
Body Armor Replacement Fund	4,759			4,759
Drive Sober or Get Pulled Over	2,775			2,775
NJEDA Hazardous Replacement Fund	2,406			2,406
Municipal Alliance on Alcoholism & Drug Abuse	11,599		5,098	6,501
State of New Jersey - Over the Limit Under Arrest	4,981			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
CDBG - Senior Programs	-	3,638	-	3,638
	<u>\$ 72,923</u>	<u>\$ 17,731</u>	<u>\$ 9,194</u>	<u>\$ 81,460</u>

EXHIBIT A-27

**STATEMENT OF RESERVE FOR GRANTS - UNAPPROPRIATED**

	Balance, December 31, <u>2014</u>	<u>Received</u>	Realized in 2015 <u>Budget</u>	Balance, December 31, <u>2015</u>
Alcohol Ed & Rehabilitation	\$ 1,123	\$ 1,653	\$ 1,123	\$ 1,653
Body Armor Grant	1,934		1,934	-
Clean Communities	15,537	18,883	15,537	18,883
Recycling Tonnage Grant	17,817	14,147	17,817	14,147
Municipal Alliance	8,529	4,989	8,529	4,989
Over the Limit Under Arrest				
Sustainable New Jersey	10,000	5,000	10,000	5,000
Drunk Driving Enforcement Fund	9,927	398	9,927	398
CDBG - Senior Programs	3,237	3,711	3,237	3,711
State Forestry Grant		3,000		3,000
Mini Grant - Bergen County	-	300	-	300
	<u>\$ 68,104</u>	<u>\$ 52,081</u>	<u>\$ 68,104</u>	<u>\$ 52,081</u>

**TRUST FUNDS**

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

	<u>Animal Control</u>	<u>Other Trust</u>	<u>Unemployment Insurance</u>	<u>Open Space</u>	<u>Affordable Housing</u>
Balance, December 31, 2014	\$ 18,408	\$ 1,311,587	\$ 89,502	\$ 356,246	\$ 336,907
Increased by Receipts:					
Developers Escrow		\$ 110,285			
Receipts from Current Fund		509,534	12,000		
Receipts for Unemployment Insurance Trust Fund		6,494			
Employee Contributions					
Payroll Deductions Payable		10,938,597			
Due to State of NJ - Registration Fees	\$ 915				
Dog License Fees	5,829				
Miscellaneous Reserves and Deposits		593,036			
Interest on Deposits	99		501	\$ 1,781	\$ 1,657
Developers Fees	-	-	-	-	8,229
	<u>6,843</u>	<u>12,157,946</u>	<u>12,501</u>	<u>1,781</u>	<u>9,886</u>
	25,251	13,469,533	102,003	358,027	346,793
Decreased by Disbursements:					
Developers Escrow		169,706			
Payroll Deductions Payable		10,525,347			
Payments to Current Fund		543,501			
Payments for Current Fund		94,155			
Payments for General Capital Fund				971	
Payments for Water Utility Operating Fund		59,286			
Dog License Fees Paid to State of NJ	1,731				
Reserve for Animal Control Expenditures	2,410				
Due to State - Unemployment Claims			8,396		
Miscellaneous Reserves and Deposits		267,601			
Reserve for Open Space Expenditures				200	
Reserve for Affordable Housing Expenditures	-	-	-	-	53,792
	<u>4,141</u>	<u>11,659,596</u>	<u>8,396</u>	<u>1,171</u>	<u>53,792</u>
Balance, December 31, 2015	<u>\$ 21,110</u>	<u>\$ 1,809,937</u>	<u>\$ 93,607</u>	<u>\$ 356,856</u>	<u>\$ 293,001</u>

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

Balance, December 31, 2014	\$ 816
Increased by:	
State Fees Collected	915
	1,731
Decreased by:	
Payments to State	\$ 1,731

EXHIBIT B-5

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

Balance, December 31, 2014	\$ 7,712
Increased by:	
Interest on Deposits	99
Balance, December 31, 2015	\$ 7,811

EXHIBIT B-6

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

Balance, December 31, 2014	\$ 9,880
Increased by:	
Dog License Fees	5,829
	15,709
Decreased by:	
Disbursements for Expenditures Under R.S. 4:19-15.11:	2,410
Balance, December 31, 2015	\$ 13,299

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

Balance, December 31, 2014	\$ 12,000
Decreased by:	
Received from Current Fund	<u>\$ 12,000</u>

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

Balance, December 31, 2014	\$ 1,723
Increased by:	
Unemployment Claims	<u>6,673</u>
	8,396
Decreased by:	
Payments to State	<u>\$ 8,396</u>

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

Balance, December 31, 2014	\$ 106,073
Increased by:	
Employee Contributions	
Due from Other Trust Fund	\$ 6,494
Interest on Deposits	<u>501</u>
	<u>6,995</u>
	113,068
Decrease by:	
Unemployment Claims Due to State	<u>6,673</u>
Balance, December 31, 2015	<u>\$ 106,395</u>

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

Balance, December 31, 2014		\$ 173,346
Increased by:		
Interest on Deposits		<u>1,781</u>
		175,127
Decreased by:		
Due to General Capital Fund - Down Payments on Improvement Authorizations	\$ 68,000	
Disbursements for Open Space Expenditures	<u>200</u>	
		<u>68,200</u>
Balance, December 31, 2015		<u>\$ 106,927</u>

EXHIBIT B-11

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

Balance, December 31, 2014		\$ 336,907
Increased by:		
Developers Fees Received	\$ 8,229	
Interest on Deposits	<u>1,657</u>	
		<u>9,886</u>
		346,793
Decreased by:		
Disbursements for Affordable Housing Expenditures		<u>53,792</u>
Balance, December 31, 2015		<u>\$ 293,001</u>

EXHIBIT B-12

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

Balance, December 31, 2014		\$ 404,693
Increased by:		
Developer Deposits Received		
Cash Receipts	\$ 110,285	
Due from Electric Utility Operating Fund	<u>37,338</u>	
		\$ 147,623
Adjustments to Miscellaneous Reserves and Deposits		<u>46,974</u>
		<u>194,597</u>
		599,290
Decreased by:		
Cash Disbursements		<u>169,706</u>
Balance, December 31, 2015		<u>\$ 429,584</u>

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

Balance, December 31, 2014		\$ 39,551
Increased by:		
Payroll Deposits		<u>10,938,597</u>
		10,978,148
Decreased by:		
Payroll Disbursements:		<u>10,525,347</u>
Balance, December 31, 2015		<u>\$ 452,801</u>

EXHIBIT B-14

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

Balance, December 31, 2014		\$ 429,137
Increased by:		
Cash Received from Current Fund	\$ 509,534	
Payments Made by Current Fund - Miscellaneous Reserves and Deposits	148,928	
Adjustments to Miscellaneous Reserves and Deposits	<u>831</u>	
		<u>659,293</u>
		1,088,430
Decreased by:		
Cash Received by Current Fund - Miscellaneous Reserves and Deposits	18,868	
Payments Made to Current Fund	543,501	
Payments Made for Current Fund	<u>94,155</u>	
		<u>656,524</u>
Balance, December 31, 2015		<u>\$ 431,906</u>

EXHIBIT B-15

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

Balance, December 31, 2014		\$ 6,294
Increased by:		
Unemployment Employee Contributions Deposited in Other Trust Fund		<u>6,494</u>
Balance, December 31, 2015		<u>\$ 12,788</u>

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

	Balance, December 31, <u>2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	Balance, December 31, <u>2015</u>
Fire Prevention Penalty Fees	\$ 14,080	\$ 4,205			\$ 18,285
DARE Donations	18,495	27,512	\$ 23,708	\$ 6,966	29,265
Recreation Fees	27,009	106,019	28,654	(41,748)	62,626
POAA Fees	613	116	717	(12)	
Tax Sale Premiums	77,200	114,900	17,000	(51,000)	124,100
Legal Advertising Escrow Deposits	7,312	1,520	326	(1,542)	6,964
Fuel Depot Fees (Community Resale)	58,424	203,597	172,137	(68,969)	20,915
Open Bail Account	1,430				1,430
UCC Penalties	6,500				6,500
Outside Police Duty Fees	(51,255)	132,014	148,928	(1,118)	(69,287)
Snow Removal Costs	65,000				65,000
Accumulated Absences	60,351				60,351
Flexible Spending Deposits	2,372	1,089			3,461
Miscellaneous Fees and Deposits	<u>38,309</u>	<u>20,932</u>	<u>25,059</u>	<u>109,618</u>	<u>143,800</u>
	<u>\$ 325,840</u>	<u>\$ 611,904</u>	<u>\$ 416,529</u>	<u>\$ (47,805)</u>	<u>\$ 473,410</u>
Cash Receipts		\$ 593,036			
Cash Disbursements			\$ 267,601		
Due from/to Current Fund		18,868	148,928	\$ (831)	
Developer Escrow Deposits		<u>-</u>	<u>-</u>	<u>(46,974)</u>	
		<u>\$ 611,904</u>	<u>\$ 416,529</u>	<u>\$ (47,805)</u>	

Analysis of Miscellaneous Fees and Deposits - December 31, 2015

Recreation Fees - First Friends	\$ 13,209
Recreation Fees - Mayor's Golf Outing	16,600
Municipal Alliance - Teen Center Donations	3,503
Park Ridge TV Donations	110
Other Deposits	<u>110,378</u>
	<u>\$ 143,800</u>

**GENERAL CAPITAL**

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

Balance, December 31, 2014		\$ 845,371
Increased by Receipts:		
2015 Budget Appropriations:		
Capital Improvement Fund	\$ 65,000	
Interest on Deposits	3,011	
Bond Anticipation Notes	1,567,500	
Receipts from Current Fund	149,999	
Receipts for Water Utility Capital Fund	591,840	
Receipts for Electric Utility Capital Fund	240,500	
Receipts for Swim Pool Utility Capital Fund	<u>65,000</u>	
		<u>2,682,850</u>
		3,528,221
Decreased by Disbursements:		
Improvement Authorizations	1,475,393	
Contracts Payable	545,128	
Bond Anticipation Notes	39,840	
Reserve for Municipal Building Improvements	845	
Payments Made for Current Fund	53,040	
Payments Made for Swim Pool Utility Capital Fund	<u>7,937</u>	
		<u>2,122,183</u>
Balance, December 31, 2015		<u>\$ 1,406,038</u>

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

	Balance, December 31, <u>2015</u>
Fund Balance	\$ 166,247
Capital Improvement Fund	36,346
Reserve for Municipal Building Improvements	2,252
Contracts Payable	316,911
Grants Receivable	(259,176)
Other Accounts Receivable	(17,377)
Deferred Charges to Future Taxation - Overexpenditure of Ordinance Appropriations	(73,001)
Due from Other Trust Fund	(80,583)
Due from Open Space Preservation Trust Fund	(249,929)
Due to Current Fund	71,800
Due to Water Utility Capital Fund	591,840
Due to Electric Utility Capital Fund	240,500
Due to Swim Pool Utility Capital Fund	57,063
Excess Note Proceeds	9,977

## Improvement Authorizations:

<u>Ord. No.</u>	<u>Description</u>	
06-7A	Rehabilitation of Tennis Courts	15,000
07-07A	Improvements to Mill Pond Dam & Engineering Dredging	46,190
07-7B	Engineering & Design for Dredging Mill Pond	115,916
07-9D	Improvement of Firehouse Building & Lighting	6,250
08-08B	Improvement to Municipal Complex	9,942
09-11	Pedestrian Improvement to Train Station	2,180
12-07	Various Public Improvements and Acquisition of New or Replacement Equip.	44,706
12-08	Various Improvements & Acquisitions of Equipment	1,824
13-01	2014/2015 Roads, Curb, Drainage & Sidewalk Improvements	1,695
13-03	Various Improvements & Acquisitions of Equipment	226,066
13-07	Monitoring of Former Underground Storage Tank Location	2,131
14-19	Improvements to Sulak Recreation Facility	149,880
14-20/15-04	Improvements to Borough Hall	440
15-01	Various Improvements & Acquisitions of Equipment	14,993
15-03	Various Public Improvements	33,264
15-10	Various Improvements & Acquisitions of Equipment	8,787
15-12	Various Public Improvements	(86,096)
		<u>\$ 1,406,038</u>

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

Ord. No.	Agency	Balance, December 31, 2014	2015 Authorizations	Balance, December 31, 2015	Balance, Pledged to Improvement Authorization
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
15-06	County of Bergen - ADA Cooperative Curb Ramp Construction	-	\$ 129,131	129,131	129,131
		<u>\$ 130,045</u>	<u>\$ 129,131</u>	<u>\$ 259,176</u>	<u>\$ 259,176</u>

EXHIBIT C-5

**STATEMENT OF OTHER ACCOUNTS RECEIVABLE**

Increased by:		
2015 Authorizations - Ord. No. 15-01		\$ 53,333
Decreased by:		
Received by Current Fund		<u>35,956</u>
Balance, December 31, 2015		<u>\$ 17,377</u>

EXHIBIT C-6

**STATEMENT OF DUE TO/FROM CURRENT FUND**

Balance, December 31, 2014 (Due from)		\$ 8,579
Increased by:		
Cash Received by Current Fund:		
Premium on Bonds and Notes	\$ 38,147	
Other Accounts Receivable	35,956	
Contributions for Unfunded Ordinance No. 13-03	<u>9,977</u>	
		\$ 84,080
Payments Made for Current Fund		<u>53,040</u>
		<u>137,120</u>
		145,699
Decreased by:		
Interest on Deposits		3,011
Received from Current Fund		149,999
2015 Anticipated Current Fund Revenue - Reserve for Payment of Debt Service		<u>64,489</u>
		<u>217,499</u>
Balance, December 31, 2015 (Due to)		<u>\$ 71,800</u>

EXHIBIT C-7

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

Balance, December 31, 2014	\$ <u>80,583</u>
Balance, December 31, 2015	\$ <u><u>80,583</u></u>

EXHIBIT C-8

**STATEMENT OF DUE FROM OPEN SPACE PRESERVATION TRUST FUND**

Balance, December 31, 2014	\$ 182,900
Increased by:	
Improvement Authorizations Funded by Open Space Trust Fund	<u>68,000</u>
	250,900
Decreased by:	
Payments Made by Open Space Preservation Trust Fund - Improvement Authorizations	<u>971</u>
Balance, December 31, 2015	\$ <u><u>249,929</u></u>

EXHIBIT C-9

**STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

Balance, December 31, 2014	\$ 12,128,057
Decreased by:	
2015 Budget Appropriations	
General Serial Bonds	\$ 945,000
Green Trust Loan	<u>55,055</u>
	<u>1,000,055</u>
Balance, December 31, 2015	\$ <u><u>11,128,002</u></u>

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

Ord. No.	Improvement Description	Balance, December 31, 2014	2015 Authori- zations	Notes Paid by Budget Appropriation	Contributions from Participating Municipalities	Balance, December 31, 2015	Analysis of Balance December 31, 2015		
							Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
11-30	Payment of Amounts Owing to Others for Taxes Levied	\$ 150,000		\$ 75,000		\$ 75,000	\$ 75,000		
13-01	2014/2015 Road, Curb, Drainage and Sidewalk Improvement Program	733,000				733,000	733,000		
13-03	Various Public Improvements and Acquisition of New or Replacement Equipment and Machinery	1,202,160			\$ 9,977	1,192,183	1,192,183		
14-20/									
15-04	Improvements to Borough Hall	333,000	\$ 47,500			380,500	380,500		
15-01	Various Public Improvements and Acquisition of New or Replacement Equipment and Machinery		1,187,000			1,187,000	1,187,000		
15-12	Various Public Improvements	-	119,000	-	-	119,000	-	\$ 86,096	\$ 32,904
		<u>\$ 2,418,160</u>	<u>\$ 1,353,500</u>	<u>\$ 75,000</u>	<u>\$ 9,977</u>	<u>\$ 3,686,683</u>	<u>\$ 3,567,683</u>	<u>\$ 86,096</u>	<u>\$ 32,904</u>
				Due from Current Fund	\$ 9,977				
					Bond Anticipation Notes Excess Note Proceeds Ord. 13-03		\$ 3,577,660 <u>9,977</u> <u>\$ 3,567,683</u>		
				Improvement Authorizations - Unfunded					\$ 276,098
				Less: Unexpended Proceeds of Bond Anticipation Notes:					
				Ord. 13-01			\$ 1,695		
				Ord. 13-03			226,066		
				Ord. 14-20/15-04			440		
				Ord. 15-01			<u>14,993</u>		
									<u>243,194</u>
									<u>\$ 32,904</u>

**BOROUGH OF PARK RIDGE  
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION -  
OVEREXPENDITURE OF ORDINANCE APPROPRIATIONS**

Increased by:		
Overexpenditure of Improvement Authorizations in 2015	\$	<u>73,001</u>
Balance, December 31, 2015	\$	<u>73,001</u>

**STATEMENT OF CONTRACTS PAYABLE**

Balance, December 31, 2014	\$	566,949
Increased by:		
2015 Improvement Authorization Charges		<u>316,911</u>
		883,860
Decreased by:		
Cash Disbursements	\$	545,128
Cancelled Contracts Restored to Improvement Authorizations		<u>21,821</u>
		<u>566,949</u>
Balance, December 31, 2015	\$	<u>316,911</u>

**STATEMENT OF CAPITAL IMPROVEMENT FUND**

Balance, December 31, 2014	\$	39,513
Increased by:		
2015 Budget Appropriation		<u>65,000</u>
		104,513
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>68,167</u>
Balance, December 31, 2015	\$	<u>36,346</u>

**BOROUGH OF PARK RIDGE  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ord. No.	Improvement Description	Ordinance Amount	Balance, December 31, 2014		2015 Authorizations						Balance, December 31, 2015		Over-expended						
			Funded	Unfunded	Deferred Charges Unfunded	Grants Receivable	Other Accounts Receivable	Capital Improvement Fund	Fund Balance	Municipal Open Space Trust	Contracts Payable Canceled	Paid or Charged		Funded	Unfunded				
04-05	Various Public Improvements																\$ 2,244		\$ 2,244
04-9B	Improvement of Downtown	\$ 50,000															1,196		1,196
06-7A	Rehabilitation of Tennis Courts	225,000	\$ 15,000																\$ 15,000
07-7A-08-8F	Repairs of Mill Pond Dam	1,293,800	46,190																46,190
07-7B	Engineering & Design for Dredging Mill Pond	200,000	115,916																115,916
07-9D	Improvement of Firehouse Building & Lighting	60,000	6,250																6,250
08-8B	Improvement to Municipal Complex	330,000	9,942																9,942
09-11	Pedestrian Improvements to Train Station	79,000	2,180																2,180
12-07	Various Public Improvements & Acquisition of New or Replacement Equipment and Machinery	553,000	22,885											\$ 21,821					44,706
12-08	Various Improvements & Acquisition of Equip.	179,720	1,824																1,824
12-13/13-02/																			
14-18/15-07	Improvements to Mill Pond Park and Davies Field	310,010								\$ 60,000							107,342		47,342
13-01	2013/2014 Road, Curb, Drainage and Sidewalk Improvement Program	770,000		\$ 6,310													4,615		\$ 1,695
13-03	Various Improvements & Acquisition of Equip.	1,304,710		226,066															226,066
13-07	Monitoring of Former Underground Storage Tank Locations	31,000	2,131																2,131
14-12/14-22	Various Improvements & Acquisition of Equip.	372,755	21,916															33,785	11,869
14-19	Improvements to Sulak Recreation Facility	176,680	149,880																149,880
14-20/15-04	Improvements to Borough Hall	400,000			\$ 47,500			\$ 2,500										49,560	440
15-01	Various Improvements & Acquisition of Equip.	1,300,000			1,187,000		\$ 53,333	59,667										1,285,007	14,993
15-03	Various Public Improvements	100,000							\$ 100,000									66,736	33,264
15-06	Construction of Curb Ramps Along Park Ave	129,131				\$ 129,131												139,481	10,350
15-10	Various Improvements & Acquisition of Equip.	20,000							12,000	8,000								11,213	8,787
15-12	Various Public Improvements	125,000	-	-	119,000	-	-	6,000	-	-								92,096	-
			<u>\$ 394,114</u>	<u>\$ 232,376</u>	<u>\$ 1,353,500</u>	<u>\$ 129,131</u>	<u>\$ 53,333</u>	<u>\$ 68,167</u>	<u>\$ 112,000</u>	<u>\$ 68,000</u>	<u>\$ 21,821</u>	<u>\$ 1,793,275</u>	<u>\$ 436,070</u>	<u>\$ 276,098</u>	<u>\$ 73,001</u>				

Due from Open Space Preservation Trust Fund  
 Cash Disbursed  
 Contracts Payable  
 Due to Open Space Preservation Trust Fund

\$ 68,000

\$ 1,475,393

316,911

971

\$ 1,793,275

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

Ord. No.	<u>Improvement Description</u>	<u>Date of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2015</u>
11-30	Payments of Amounts Owing to Others for Taxes Levied	12/21/11	8/15/2014 8/14/2015	8/14/2015 1/14/2016	1.50 % 0.50	\$ 150,000	\$ 75,000	\$ 150,000	\$ 75,000
13-01	2013/2014 Road, Curb, Drainage and Sidewalk Improvement Program	10/8/13	10/8/2014 10/8/2015	10/8/2015 10/7/2016	0.70 % 1.50	733,000	733,000	733,000	733,000
112 13-03	Various Public Improvements & Acquisition of New or Replacement Equipment and Machinery	10/8/13	10/8/2014 10/8/2015	10/8/2015 10/7/2016	0.70 % 1.50	1,242,000	1,202,160	1,242,000	1,202,160
14-20	Improvements to Borough Hall	10/8/15	10/8/2015	10/7/2016	1.50 %		333,000		333,000
15-01	Various Public Improvements & Acquisition of New or Replacement Equipment and Machinery	10/8/15	10/8/2015	10/7/2016	1.50 %		1,187,000		1,187,000
15-04	Improvements to Borough Hall	10/8/15	10/8/2015	10/7/2016	1.50 %	-	47,500	-	47,500
						<u>\$ 2,125,000</u>	<u>\$ 3,577,660</u>	<u>\$ 2,125,000</u>	<u>\$ 3,577,660</u>
								\$ 75,000	
								39,840	
							\$ 1,567,500		
							<u>2,010,160</u>	<u>2,010,160</u>	
							<u>\$ 3,577,660</u>	<u>\$ 2,125,000</u>	

Paid by Budget Appropriation  
Paid by Capital Cash  
Issued for Cash  
Renewals



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

Purpose	Date of Issue	Amount of Original Issue	Maturity of Loans Outstanding at		Interest Rate		Balance, December 31, 2014	Decreased	Balance, December 31, 2015
			Date	Amount					
Memorial Field Improvements	10/20/2008	\$ 500,000	2016	\$ 27,455	2.00	%			
			2017	28,007	2.00				
			2018	28,570	2.00				
			2019	29,145	2.00				
			2020	29,730	2.00				
			2021	30,327	2.00				
			2022	30,937	2.00				
			2023	31,559	2.00				
			2024	32,193	2.00				
			2025	32,840	2.00				
			2026	33,500	2.00				
						\$ 361,177	\$ 26,914	\$ 334,263	
Mill Pond Dam Improvements	7/9/2012	1,156,000	2016	57,128	2.00				
			2017	58,277	2.00				
			2018	59,448	2.00				
			2019	60,643	2.00				
			2020	61,862	2.00				
			2021	63,105	2.00				
			2022	64,374	2.00				
			2023	65,668	2.00				
			2024	66,988	2.00				
			2025	68,334	2.00				
			2026	69,707	2.00				
			2027	71,109	2.00				
			2028	72,538	2.00				
			2029	73,995	2.00				
2030	75,483	2.00							
2031	77,001	2.00							
2032	39,079	2.00							
						<u>1,132,880</u>	<u>28,141</u>	<u>1,104,739</u>	
						<u>\$ 1,494,057</u>	<u>\$ 55,055</u>	<u>\$ 1,439,002</u>	
							<u>\$ 55,055</u>		

Paid by Budget Appropriation

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

Balance, December 31, 2014	\$ 64,489
Decreased by:	
Realized as Budget Revenue - Due to Current Fund	\$ <u>64,489</u>

EXHIBIT C-19

**STATEMENT OF RESERVE FOR MUNICIPAL BUILDING IMPROVEMENTS**

Balance, December 31, 2014	\$ 3,097
Decreased by:	
Cash Disbursements	<u>845</u>
Balance, December 31, 2015	<u>\$ 2,252</u>

EXHIBIT C-20

**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Ord. <u>No.</u>	<u>Description</u>	Balance December 31, <u>2014</u>	2015 <u>Authorizations</u>	Notes <u>Issued</u>	Balance December 31, <u>2015</u>
14-20/					
15-04	Improvements to Borough Hall	\$ 333,000	\$ 47,500	\$ 380,500	
15-01	Various Improvements and Acq. of Equipment		1,187,000	1,187,000	
15-12	Various Public Improvements	<u>-</u>	<u>119,000</u>	<u>-</u>	<u>\$ 119,000</u>
		<u>\$ 333,000</u>	<u>\$ 1,353,500</u>	<u>\$ 1,567,500</u>	<u>\$ 119,000</u>

**WATER UTILITY FUND**

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

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2014	\$ 3,454,828	\$ -
Increased by Receipts:		
Water Usage Charges Receivable	\$ 2,995,354	
Other Charges Receivable	103,825	
Mobile Antenna Rent	150,901	
Non-Budget Revenue	25,299	
Prepaid Rents	459	
Overpayments	15,207	
Woodcliff Lake Surcharge Receivable	97,487	
Received From Utility Trust Fund	<u>7,666</u>	<u>-</u>
	<u>3,396,198</u>	<u>-</u>
	6,851,026	-
Decreased by Disbursements:		
2015 Appropriations	3,133,893	
2014 Appropriation Reserves	20,331	
Encumbrances Payable	172,726	
Accounts Payable	9,844	
Interest on Bonds	37,753	
Payments made for Utility Trust Fund	23,134	
Payments made for Water Utility Capital Fund	<u>244,190</u>	<u>-</u>
	<u>3,641,871</u>	<u>-</u>
Balance, December 31, 2015	<u>\$ 3,209,155</u>	<u>\$ -</u>

EXHIBIT D-6

**ANALYSIS OF CASH  
WATER UTILITY CAPITAL FUND**

	Balance, December 31, 2015
Capital Improvement Fund	\$ 416,669
Contracts Payable	47,347
Due from General Capital Fund	(591,840)
Due from Water Utility Operating Fund	(526,894)
Improvement <u>Authorizations:</u> <u>Description</u>	
Ord. No.	
98-11.1	Construction of Well #20 149
04-07	Replacement of Water Mains (62,540)
2012-9	Various Public Improvements/Acquisitions 364,984
2014-15	Various Public Improvements/Acquisitions (9,117)
2014-21	Installation of New Well and Pumping Station 93,255
2015-11	Various Public Improvements/Acquisitions <u>267,987</u>
	<u>\$ -</u>

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

Balance, December 31, 2014	\$	<u>25</u>
Balance, December 31, 2015	\$	<u>25</u>

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

Balance, December 31, 2014	\$	116,292
Increased by:		
Water Usage Charges Levied		<u>3,092,920</u>
		3,209,212
Decreased by:		
Water Usage Charges Collected:		
Cash Receipts	\$ 2,995,354	
Prepayments Applied	483	
Overpayments Applied	<u>15,972</u>	
		<u>3,011,809</u>
Balance, December 31, 2015	\$	<u>197,403</u>

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

Balance, December 31, 2014	\$	43,925
Increased by:		
Other Water Charges Levied		
Fire Sprinklers	\$ 70,307	
Hydrants	<u>35,322</u>	
		<u>105,629</u>
		149,554
Decreased by:		
Other Water Charges Collected:		
Fire Sprinklers	69,409	
Hydrants	<u>34,416</u>	
		<u>103,825</u>
Balance, December 31, 2015	\$	<u>45,729</u>

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

Balance, December 31, 2014	\$ 25,509
Increased by:	
Surcharges Levied	<u>102,875</u>
	128,384
Decreased by:	
Surcharges Collected	<u>97,487</u>
Balance, December 31, 2015	<u>\$ 30,897</u>

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

	Balance, December 31, <u>2014</u>	<u>Additions by</u>		Balance, December 31, <u>2015</u>
		Budget Capital <u>Outlay</u>	<u>Ordinance</u>	
Source of Supply Plant:				
Structures and Improvements	\$ 323,165			\$ 323,165
Wells and Springs	4,181,873		\$ 37,562	4,219,435
Pumping Plant:				
Land and Land Rights	12,887			12,887
Structures and Improvements	564,373	\$ 2,180		566,553
Electric Pumping Equipment	740,208	6,114		746,322
Water Treatment Plant - Water				
Treatment Equipment	1,010,542	7,891		1,018,433
Computer Hardware/Software-Equipment	100,556	4,593		105,149
Transmission and Distribution Plant:				
Structures and Improvements	17,682		642,583	660,265
Distribution Reservoirs and Standpipes	908,591			908,591
Transmission and Distribution Mains	1,412,627	36,720		1,449,347
Services	235,685	949		236,634
Meters	783,951	8,957		792,908
Hydrants	358,704	13,708		372,412
Well Communication System-Equipment	4,047			4,047
General Plant:				
Structures and Improvements	168,312	5,326		173,638
Improvements to Utility Garage	102,218			102,218
Office Furniture and Equipment	206,813	2,426		209,239
Transportation Equipment	356,788			356,788
Other General Equipment	311,672			311,672
Tools-Equipment	130,965	4,281		135,246
Other Utility Assets:				
Other Tangible Property-Equipment	242,936			242,936
Water Diversion Rights	551			551
Meter Reading System	6,763			6,763
Pickup Trucks	43,318		46,100	89,418
New Hybrid Vehicles	24,723	12,733		37,456
Backhoe Loader	86,031			86,031
Valve Box Vacuum	20,441	-	-	20,441
	<u>\$ 12,356,422</u>	<u>\$ 105,878</u>	<u>\$ 726,245</u>	<u>\$ 13,188,545</u>
2015 Budget Appropriations		<u>\$ 105,878</u>		

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

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance, December 31, 2014</u>	<u>2015 Authorizations Deferred Charges to Future Revenue</u>	<u>Costs to Fixex Capital</u>	<u>Balance, December 31, 2015</u>
96-8/98-11.1	Construction of Well #20	\$ 30,149			\$ 30,149
2004-07	Replacement of Water Mains	44,460			44,460
2012-9	Various Public Improvements & Acq.	1,045,129		\$ 680,145	364,984
2014-15	Various Public Improvements & Acq.	470,000		46,100	423,900
2014-21	Installation of New Well and Pumping Station	900,000			900,000
2015-011	Various Public Improvements & Acq.	-	\$ 315,000	-	315,000
		<u>\$ 2,489,738</u>	<u>\$ 315,000</u>	<u>\$ 726,245</u>	<u>\$ 2,078,493</u>

EXHIBIT D-13

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

Balance, December 31, 2014	\$ 5,321
Increased by:	
Payments Made by Current Fund	<u>34,324</u>
Balance, December 31, 2015	<u>\$ 39,645</u>

EXHIBIT D-14

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

Balance, December 31, 2014	\$ 57,959
Increased by:	
Receipts Deposited in Electric Utility Operating Fund - Mobile Antenna Rents	<u>11,101</u>
Balance, December 31, 2015	<u>\$ 69,060</u>

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

Balance, December 31, 2014		\$ 815,641
Increased by:		
2015 Budget Appropriation:		
Capital Improvement Fund	\$ 5,000	
Deferred Charges		
Cost of Improvements - Ordinance No. 2004-07	21,500	
		26,500
		842,141
Decreased by:		
Capital Fund Balance Realized as Budget Revenue		
Payments Made by Water Utility Operating Fund:		
Improvement Authorizations	\$ 130,104	71,057
Contracts Payable	114,086	
		244,190
		315,247
Balance, December 31, 2015		\$ 526,894

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

Balance, December 31, 2014 (Due from)		\$ 11,758
Decreased by:		
Payments Made by Other Trust Fund		\$ 59,286
Balance, December 31, 2015 (Due to)		\$ 47,528

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

Increased by:		
Bond Anticipation Notes Deposited in General Capital Fund		\$ 591,840
Balance, December 31, 2015		\$ 591,840

**BOROUGH OF PARK RIDGE  
STATEMENT OF 2014 APPROPRIATION RESERVES  
WATER UTILITY OPERATING FUND**

	Balance, December 31, <u>2014</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<b>OPERATING</b>				
Salaries and Wages	\$ 23,133	\$ 23,133	\$ 6,479	\$ 16,654
Other Expenses	44,626	44,626	13,356	31,270
Group Insurance	<u>35,886</u>	<u>35,886</u>	<u>-</u>	<u>35,886</u>
 Total Operating	 <u>103,645</u>	 <u>103,645</u>	 <u>19,835</u>	 <u>83,810</u>
 <b>CAPITAL IMPROVEMENTS</b>				
Capital Outlay	<u>48,881</u>	<u>48,881</u>	<u>-</u>	<u>48,881</u>
 Total Capital Improvements	 <u>48,881</u>	 <u>48,881</u>	 <u>-</u>	 <u>48,881</u>
 <b>DEFERRED CHARGES AND STATUTORY EXPENDITURES</b>				
Statutory Expenditures				
Contribution to				
Public Employees Retirement System	1	1		1
Social Security System (O.A.S.I.)	<u>6,492</u>	<u>6,492</u>	<u>496</u>	<u>5,996</u>
 Total Deferred Charges and Statutory Expenditures	 <u>6,493</u>	 <u>6,493</u>	 <u>496</u>	 <u>5,997</u>
	<u>\$ 159,019</u>	<u>\$ 159,019</u>	<u>\$ 20,331</u>	<u>\$ 138,688</u>
 Cash Disbursed			<u>\$ 20,331</u>	

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

Balance, December 31, 2014	\$ 172,726
Increased by:	
Charges to 2015 Budget Appropriations	<u>90,779</u>
	263,505
Decreased by:	
Cash Disbursements	<u>172,726</u>
Balance, December 31, 2015	<u>\$ 90,779</u>

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

Balance, December 31, 2014	\$ 11,133
Decreased by:	
Cash Disbursements	\$ 9,844
Cancelled to Operations	<u>969</u>
	<u>10,813</u>
Balance, December 31, 2015	<u>\$ 320</u>

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

Balance, December 31, 2014	\$ 161,129
Increased by:	
Charges to Improvement Authorizations	<u>47,347</u>
	208,476
Decreased by:	
Payments Made by Water Utility Operating Fund	\$ 114,086
Cancelled Payables Restored to Improvement Authorizations	<u>47,043</u>
	<u>161,129</u>
Balance, December 31, 2015	<u>\$ 47,347</u>

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

Balance, December 31, 2014	\$ 483
Increased by:	
Collections of 2016 Water Usage Charges	<u>459</u>
	942
Decreased by:	
Prepayments Applied to Water Usage Charges Receivable	<u>483</u>
Balance, December 31, 2015	<u>\$ 459</u>

**STATEMENT OF OVERPAYMENTS  
WATER UTILITY OPERATING FUND**

Balance, December 31, 2014	\$ 15,972
Increased by:	
Overpayments Received	<u>15,207</u>
	31,179
Decreased by:	
Overpayments Applied to Water Usage Charges Receivable	<u>15,972</u>
Balance, December 31, 2015	<u>\$ 15,207</u>

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

Balance, December 31, 2014	\$ 14,157
Increased by:	
Budget Appropriation for Interest on Bonds	<u>37,059</u>
	51,216
Decreased by:	
Interest Paid	<u>37,753</u>
Balance, December 31, 2015	<u>\$ 13,463</u>

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

Ord. No.	Improvement Description	Ordinance Amount	Balance, December 31, 2014		2015 Authorizations	Contracts Payable Cancelled	Paid or Charged	Balance, December 31, 2015	
			Funded	Unfunded	Deferred Charges to Future Revenue			Funded	Unfunded
96-8/98-11.1/									
14-03	Construction of Well #20	\$ 425,000	\$ 149	\$ 30,000				\$ 149	\$ 30,000
2004-07	Replacement of Water Mains	150,000		44,460					44,460
2012-9	Various Public Improvements and Acq.	1,085,000	317,941			\$ 47,043		364,984	
2014-15	Various Public Improvements and Acq.	470,000		408,191			\$ 124,148		284,043
2014-21	Installation of New Well and Pumping Station	900,000		899,545			6,290		893,255
2015-11	Various Public Improvements and Acq.	315,000	-	-	\$ 315,000	-	47,013	-	267,987
			<u>\$ 318,090</u>	<u>\$1,382,196</u>	<u>\$ 315,000</u>	<u>\$ 47,043</u>	<u>\$ 177,451</u>	<u>\$ 365,133</u>	<u>\$1,519,745</u>
	Payments Made by Water Utility Operating Fund						\$ 130,104		
	Contracts Payable						<u>47,347</u>		
							<u>\$ 177,451</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, 2015</u>			<u>Balance, December 31, 2014</u>	<u>Decreased</u>	<u>Balance, December 31, 2015</u>
			<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>			
Water Utility Bonds	8/15/2012	\$ 1,250,000	2016	\$ 75,000	2.00%	\$ 1,105,000	\$ 75,000	\$ 1,030,000
			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	2016-19	40,000	2.00%	547,000	35,000	512,000
			2020-21	40,000	3.00%			
			2022-23	45,000	3.00%			
			2024	45,000	3.25%			
			2025	45,000	3.50%			
			2026	45,000	4.00%			
			2027	47,000	4.00%			
						<u>\$ 1,652,000</u>	<u>\$ 110,000</u>	<u>\$ 1,542,000</u>
Paid by Budget Appropriation							<u>\$ 110,000</u>	

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

Ord. No.	<u>Improvement Description</u>	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Increased	Balance, December 31, 2015
14-15	Various Public Improvements and Acquisitions	10/8/2015	10/8/2015	10/7/2016	1.50 %	\$ 176,840	\$ 176,840
14-21	Installation of New Well and Pumping Facility	10/8/2015	10/8/2015	10/7/2016	1.50 %	100,000	100,000
15-11	Various Public Improvements and Acquisitions	10/8/2015	10/8/2015	10/7/2016	1.50 %	<u>315,000</u>	<u>315,000</u>
						<u>\$ 591,840</u>	<u>\$ 591,840</u>
					Due from General Capital Fund	<u>\$ 591,840</u>	

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

Balance, December 31, 2014	\$ 411,669
Increased by:	
2015 Budget Appropriation - Due from Water Operating Fund	<u>5,000</u>
Balance, December 31, 2015	<u>\$ 416,669</u>

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

Balance, December 31, 2014	\$ 11,665,660
Increased by:	
Serial Bonds Paid by Operating Budget	\$ 110,000
Authorizations Funded by 2015 Budget Appropriations - Due from Water Utility Operating Fund	21,500
Capital Outlay Operating Budgets: 2015 Budget Appropriations	<u>105,878</u>
	<u>237,378</u>
Balance, December 31, 2015	<u>\$ 11,903,038</u>

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

	Balance, December 31, <u>2014</u>	<u>Increase</u>	Realized in 2015 <u>Budget</u>	Balance, December 31, <u>2015</u>
Payment of Water Tank	\$ 9,201			\$ 9,201
Construction of Water Line	1,500			1,500
Woodcliff Lake Improvements	256,431	\$ 97,487	\$ 89,102	264,816
Handy Harmon Settlement	<u>1,506,068</u>	<u>-</u>	<u>-</u>	<u>1,506,068</u>
	<u>\$ 1,773,200</u>	<u>\$ 97,487</u>	<u>\$ 89,102</u>	<u>\$ 1,781,585</u>
Woodcliff Lake Surcharge Collected		<u>\$ 97,487</u>		

EXHIBIT D-31

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

Ord. <u>No.</u>	<u>Purpose</u>	Balance, December 31, <u>2014</u>	2015 <u>Authorizations</u>	Raised in <u>2015 Budget</u>	Notes <u>Issued</u>	Balance, December 31, <u>2015</u>
98-11.1	Construction of Well #20	\$ 30,000				\$ 30,000
2004-07	Replacement of Water Mains	128,500		\$ 21,500		107,000
2014-15	Various Public Improvements & Acq.	470,000			\$ 176,840	293,160
2014-21	Installation of New Well and Pumping Station	900,000			100,000	800,000
2015-11	Various Public Improvements & Acq.	<u>-</u>	<u>\$ 315,000</u>	<u>-</u>	<u>315,000</u>	<u>-</u>
		<u>\$ 1,528,500</u>	<u>\$ 315,000</u>	<u>\$ 21,500</u>	<u>\$ 591,840</u>	<u>\$ 1,230,160</u>

**ELECTRIC UTILITY FUND**

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

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2014	\$ 1,333,395	\$ -
Increased by Receipts:		
Light and Power Charges Receivable	\$ 10,057,912	
Other Charges Receivable	18,803	
Miscellaneous Fees	18,640	
Non-Budget Revenue	24,794	
Prepaid Charges	1,436	
Overpayments	10,923	
Receipts for Other Trust Fund	37,338	
Receipts for Water Utility Operating Fund	11,101	
Receipts From Utility Trust Fund	<u>37,179</u>	<u>-</u>
	<u>10,218,126</u>	<u>-</u>
	11,551,521	-
Decreased by Disbursements:		
2015 Appropriations	9,299,547	
2014 Appropriation Reserves	34,459	
Petty Cash	50	
Encumbrances Payable	510,102	
Accounts Payable	8,856	
Interest on Bonds	46,254	
Payments Made for Electric Utility Capital Fund	378,033	
Payments Made for Utility Trust Fund	<u>41,640</u>	<u>-</u>
Receipts From Utility Trust Fund	<u>10,318,941</u>	<u>-</u>
Balance, December 31, 2015	<u>\$ 1,232,580</u>	<u>\$ -</u>

EXHIBIT E-6

**ANALYSIS OF CASH  
ELECTRIC UTILITY CAPITAL FUND**

	Balance, December 31, <u>2015</u>
Capital Improvement Fund	\$ 166,500
Contracts Payable	31,110
Due from General Capital Fund	(240,500)
Due to Electric Utility Operating Fund	189,327
Improvement Authorizations:	
Ord.	
<u>No.</u>	<u>Description</u>
1996-05	Installation of Underground Electric - Bear's Nest II
	(75,107)
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
	9,000
2014-14/ 2015-15	Acquisition of Mini-Excavator and Install Circuit Breakers at Mill Road Station
	<u>(102,418)</u>
	<u>\$ -</u>

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

Balance, December 31, 2014	\$ <u>50</u>
Balance, December 31, 2015	\$ <u>50</u>

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

Balance, December 31, 2014	\$ 500
Increased by:	
Established by Treasurer Disbursements	<u>50</u>
Balance, December 31, 2015	\$ <u>550</u>

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

Balance, December 31, 2014	\$ 354,817
Increased by:	
Light and Power Charges Levied	<u>10,106,215</u>
	10,461,032
Decreased by:	
Light and Power Charges Collected	\$ 10,057,912
Overpayments Applied	9,946
Prepaid Applied	<u>2,681</u>
	<u>10,070,539</u>
Balance, December 31, 2015	\$ <u>390,493</u>

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

Balance, December 31, 2014	\$ 19,047
Increased by:	
Other Electric Charges Levied - Dusk to Dawn	<u>18,584</u>
	37,631
Decreased by:	
Other Electric Charges Collected - Dusk to Dawn	<u>18,803</u>
Balance, December 31, 2015	\$ <u>18,828</u>

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

	Balance, December 31, <u>2014</u>	<u>Additions By:</u>		Balance, December 31, <u>2015</u>
		Budget Capital Outlay	Ordinance	
Structures and Improvements	\$ 791,300	\$ 3,590		\$ 794,890
Water Storage Shed	323,331			323,331
Regulating Station	6,102			6,102
Hydro Generator-Equipment	7,732			7,732
Mill Road Substation	633,679		\$ 4,073	637,752
Brae Boulevard Substation	1,686,887	4,840		1,691,727
Poles, Towers and Fixtures	474,586		20,477	495,063
Cable & Wires	1,052,376		56,536	1,108,912
Underground Conduit	107,584			107,584
Underground Conductors & Devices	195,411			195,411
Line Transformers	637,176		8,953	646,129
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	2,202		1,135,274
Meters & Current Transformers	314,900		13,084	327,984
Street Lighting & Signal System	323,081	8,651	7,878	339,610
Tools, Shop & Garage Equipment	247,440	1,001	4,999	253,440
Computer Hardware/Software-Equipment	238,600	1,926		240,526
Meter Reading System-Equipment	12,660			12,660
Smoke Detectors-Equipment	149,897			149,897
Municipal Improvement	75,000			75,000
Holiday Decorations-Equipment	57,103	2,046		59,149
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	13,113			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	226,522			226,522
Conversion Mill Road Substation & Museum	250,000			250,000
Replace Brae Road Transformer	244,881			244,881
Pick-up Trucks	64,113			64,113
Aerial Bucket Truck	334,872	-	-	334,872
	<u>\$ 12,035,465</u>	<u>\$ 24,256</u>	<u>\$ 116,000</u>	<u>\$ 12,175,721</u>
		\$ 24,091		
		165		
		<u>\$ 24,256</u>		

2015 Budget Appropriations  
2014 Appropriation Reserves

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

Ord. No.	<u>Improvement Description</u>	Balance, December 31, 2014	2015 <u>Authorizations</u> Deferred Charges to Future Revenue	Costs To Fixed Capital	Balance, December 31, 2015
2011-21/					
2012-10	Various Public Impvts./Acqu. of Vehicle	\$ 203			\$ 203
2012-04	Acquisition of Aerial Bucket Truck	18,880			18,880
2014-04	Purchase of Electric Distribution Infrastructure Materials	125,000		\$ 116,000	9,000
2014-14/	Acquisition of Mini-Excavator and Install				
2015-15	Circuit Breakers at Mill Pond Station	245,000	\$ 140,000	-	385,000
		<u>\$ 389,083</u>	<u>\$ 140,000</u>	<u>\$ 116,000</u>	<u>\$ 413,083</u>

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

Balance, December 31, 2014		\$ 112,630
Decreased by:		
Payments Made by Current Fund		<u>76,680</u>
Balance, December 31, 2015		<u>\$ 35,950</u>

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

Balance, December 31, 2014 (Due from)		\$ 185,047
Increased by:		
2015 Budget Appropriations		
Capital Improvement Fund	\$ 15,000	
Deferred Charges		
Cost of Improvements - Ord No. 1996-05	<u>25,500</u>	
		<u>40,500</u>
		225,547
Decreased by:		
Capital Fund Balance Realized as Budget Revenue	36,841	
Payments made by Electric Utility Operating Fund:		
Improvement Authorizations	\$ 274,883	
Contracts Payable	<u>103,150</u>	
	<u>378,033</u>	
		<u>414,874</u>
Balance, December 31, 2015 (Due to)		<u>\$ 189,327</u>

**BOROUGH OF PARK RIDGE  
STATEMENT OF DUE TO/FROM OTHER TRUST FUND  
ELECTRIC UTILITY OPERATING FUND**

Balance, December 31, 2014 (Due from)	\$ 13,731
Decreased by:	
Cash Receipts for Other Trust Fund Developer Escrow Deposits	<u>37,338</u>
Balance, December 31, 2015 (Due to)	<u>\$ 23,607</u>

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

Increased by:	
Bond Anticipation Notes Deposited in General Capital Fund	<u>\$ 240,500</u>
Balance, December 31, 2015	<u>\$ 240,500</u>

**BOROUGH OF PARK RIDGE  
STATEMENT OF 2014 APPROPRIATION RESERVES  
ELECTRIC UTILITY OPERATING FUND**

	Balance, December 31, <u>2014</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<b>OPERATING</b>				
Salaries and Wages	\$ 21,610	\$ 21,610	\$ 136	\$ 21,474
Other Expenses	58,960	58,960	368	58,592
Group Health Insurance	17,832	17,832		17,832
Purchase of Electric Current	<u>62,805</u>	<u>62,805</u>	<u>34,053</u>	<u>28,752</u>
 Total Operating	 <u>161,207</u>	 <u>161,207</u>	 <u>34,557</u>	 <u>126,650</u>
 <b>CAPITAL IMPROVEMENTS</b>				
Capital Outlay	<u>22,037</u>	<u>22,037</u>	<u>165</u>	<u>21,872</u>
 Total Capital Improvements	 <u>22,037</u>	 <u>22,037</u>	 <u>165</u>	 <u>21,872</u>
 <b>DEFERRED CHARGES AND STATUTORY</b>				
Statutory Expenditures				
Contribution to				
Public Employees Retirement System	928	928		928
Social Security System (O.A.S.I.)	<u>9,722</u>	<u>9,722</u>	<u>10</u>	<u>9,712</u>
 Total Deferred Charges and Statutory Expenditures	 <u>10,650</u>	 <u>10,650</u>	 <u>10</u>	 <u>10,640</u>
	<u>\$ 193,894</u>	<u>\$ 193,894</u>	<u>\$ 34,732</u>	<u>\$ 159,162</u>
			Cash Disbursements \$ 34,459	
			Accounts Payable <u>273</u>	
			<u>\$ 34,732</u>	

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

Balance, December 31, 2014	\$ 510,102
Increased by:	
Charges to 2015 Budget Appropriations	<u>500,160</u>
	1,010,262
Decreased by:	
Cash Disbursements	<u>510,102</u>
Balance, December 31, 2015	<u>\$ 500,160</u>

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

Balance, December 31, 2014	\$ 103,150
Increased by:	
Charges to Improvement Authorizations	<u>31,110</u>
	134,260
Decreased by:	
Payments made by Electric Utility Operating Fund	<u>103,150</u>
Balance, December 31, 2015	<u>\$ 31,110</u>

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

Balance, December 31, 2014	\$ 11,900
Increased by:	
Charges to 2014 Appropriation Reserves	<u>273</u>
	12,173
Decreased by:	
Cash Disbursements	<u>8,856</u>
Balance, December 31, 2015	<u>\$ 3,317</u>

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

Balance, December 31, 2014	\$ 11,578
Increased by:	
Budget Appropriation for Interest on Bonds	<u>44,439</u>
	56,017
Decreased by:	
Interest Paid	<u>46,254</u>
Balance, December 31, 2015	<u>\$ 9,763</u>



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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturity of Bonds Outstanding at December 31, 2015</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2014</u>	<u>Decreased</u>	<u>Balance, December 31, 2015</u>
			<u>Date</u>	<u>Amount</u>				
Electric Utility Bonds	10/15/2007	\$1,693,000	2016	\$ 125,000	3.875%	\$ 893,000	\$ 125,000	\$ 768,000
			2017-18	150,000	3.875%			
			2019	175,000	3.875%			
			2020	168,000	4.000%			
Electric Utility Bonds	8/15/2012	695,000	2016-18	100,000	2.000%	505,000	100,000	405,000
			2019	105,000	2.000%			
Electric Utility Bonds	8/15/2013	100,000	2016-17	15,000	2.000%	<u>85,000</u>	<u>15,000</u>	<u>70,000</u>
			2018-19	20,000	2.000%			
						<u>\$ 1,483,000</u>	<u>\$ 240,000</u>	<u>\$ 1,243,000</u>
Paid by Budget Appropriation							<u>\$ 240,000</u>	

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

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Increased</u>	<u>Balance, December 31, 2015</u>
14-14/ 15-15	Acquisition of Mini-Excavator and Installation of Circuit Breakers at Mill Road Substation	10/8/15	10/8/2015	10/7/2016	1.50%	\$ 240,500	\$ 240,500
						<u>\$ 240,500</u>	<u>\$ 240,500</u>
					Due from General Capital Fund	<u>\$ 240,500</u>	

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

Balance, December 31, 2014	\$ 151,500
Increased by:	
2015 Budget Appropriation - Due from Electric Utility Operating Fund	<u>15,000</u>
Balance, December 31, 2015	<u>\$ 166,500</u>

EXHIBIT E-26

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

Balance, December 31, 2014	\$ 10,470,941
Increased by:	
Serial Bonds Paid by Operating Budget	\$ 240,000
Authorizations Funded by Budget Appropriations - Due from Electric Utility Operating Fund	25,500
Capital Outlay Operating Budget:	
2015 Budget Appropriations	24,091
2014 Appropriation Reserves	165
Transfer From Deferred Reserve for Amortization	<u>116,000</u>
	<u>405,756</u>
Balance, December 31, 2015	<u>\$ 10,876,697</u>

EXHIBIT E-27

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

Ord. No.	<u>Improvement Description</u>	Balance, December 31, <u>2014</u>	Transfer to Reserve for <u>Amortization</u>	Balance, December 31, <u>2015</u>
14-04	Purchase of Electric Distribution Infrastructure Materials	\$ 125,000	\$ 116,000	\$ 9,000
		<u>\$ 125,000</u>	<u>\$ 116,000</u>	<u>\$ 9,000</u>

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

Balance, December 31, 2014	\$	2,681
Increased by:		
Collections of 2016 Power and Light Charges		1,436
		4,117
Decreased by:		
Prepayments Applied to Power and Light Charges Receivable		2,681
Balance, December 31, 2015	\$	1,436

**STATEMENT OF OVERPAYMENTS  
ELECTRIC UTILITY OPERATING FUND**

Balance, December 31, 2014	\$	9,946
Increased by:		
Overpayments Received		10,923
		20,869
Decreased by:		
Overpayments Applied to Power and Light Charges Receivable		9,946
Balance, December 31, 2015	\$	10,923

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

Ord. <u>No.</u>	<u>Purpose</u>	Balance, December 31, <u>2014</u>	2015 <u>Authorizations</u>	Raised in in 2015 <u>Budget</u>	Notes <u>Issued</u>	Balance, December 31, <u>2015</u>
1996-05	Installation of Underground Electric - Bear's Nest II	\$ 100,607		\$ 25,500		\$ 75,107
2014-14/ 2015-15	Acquisition of Mini-Excavator and Install Circuit Breakers at Mill Road Station	<u>245,000</u>	<u>\$ 140,000</u>	<u>-</u>	<u>\$ 240,500</u>	<u>144,500</u>
		<u>\$ 345,607</u>	<u>\$ 140,000</u>	<u>\$ 25,500</u>	<u>\$ 240,500</u>	<u>\$ 219,607</u>

**UTILITY TRUST FUND**

**BOROUGH OF PARK RIDGE  
STATEMENT OF CASH - UTILITY TRUST FUND**

Balance, December 31, 2014		\$ 933,152
Increased by Receipts:		
Water Utility Deposits	\$ 44,224	
Electric Utility Deposits	88,961	
Interest Due to Water Utility Operating Fund	3,503	
Interest Due to Electric Utility Operating Fund	<u>1,362</u>	
		<u>138,050</u>
		1,071,202
Decreased by Disbursements:		
Payments Made to Water Utility Operating Fund	7,666	
Payments Made to Electric Utility Operating Fund	<u>37,179</u>	
		<u>44,845</u>
Balance, December 31, 2015		<u>\$ 1,026,357</u>

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

	Balance, December 31, <u>2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2015</u>
Water Utility	\$ 459,461	\$ 44,224	\$ 23,134	\$ 480,551
Electric Utility	<u>272,872</u>	<u>88,961</u>	<u>41,640</u>	<u>320,193</u>
	<u>\$ 709,477</u>	<u>\$ 133,185</u>	<u>\$ 64,774</u>	<u>\$ 800,744</u>
Cash Receipts		\$ 133,185		
Due to Water Utility Operating Fund			\$ 23,134	
Due to Electric Utility Operating Fund		<u>-</u>	<u>41,640</u>	
		<u>\$ 133,185</u>	<u>\$ 64,774</u>	

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

Balance, December 31, 2014		\$ 69,841
Increased by:		
Payments made by Water Utility Operating Fund	\$ 23,134	
Interest on Deposits	<u>3,503</u>	
		<u>26,637</u>
		96,478
Decreased by:		
Payments to Water Utility Operating Fund		<u>7,666</u>
Balance, December 31, 2015		<u>\$ 88,812</u>

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

Balance, December 31, 2014		\$ 130,978
Increased by:		
Payments to Electric Utility Operating Fund	\$ 41,640	
Interest on Deposits	<u>1,362</u>	
		<u>43,002</u>
		173,980
Decreased by:		
Payments to Electric Utility Operating Fund		<u>37,179</u>
Balance, December 31, 2015		<u>\$ 136,801</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, 2014	\$ 270,392	\$ -
Increased by Receipts:		
Membership Fees	\$ 202,670	
Miscellaneous Revenue	<u>47,399</u>	<u>-</u>
	<u>250,069</u>	<u>-</u>
	520,461	-
Decreased by Disbursements:		
2015 Appropriations	226,277	
2014 Appropriation Reserves	3,200	
Encumbrances Payable	2	
Payments made for Water Utility Operating Fund	52,781	
Payments made for Swim Pool Utility Capital Fund	<u>51,700</u>	<u>-</u>
	<u>333,960</u>	<u>-</u>
Balance, December 31, 2015	<u>\$ 186,501</u>	<u>\$ -</u>

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

	Balance, December 31, <u>2015</u>
Fund Balance	\$ 50
Capital Improvement Fund	16,000
Due from General Capital Fund	(57,063)
Due to Swim Pool Utility Operating Fund	3,396
Grants Receivable	(23,801)
Excess Bond Anticipation Note Proceeds	13,000
Improvement Authorizations:	
Ord.	
<u>No.</u> <u>Description</u>	
06-10 Pool Rehabilitation	24,440
10-06 ADA Improvements - Bathrooms	18,615
15-02 Installation of a Slide and a Volleyball Court at the Municipal Pool	<u>5,363</u>
	<u>\$ -</u>

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

Balance, December 31, 2014	\$ <u>250</u>
Balance, December 31, 2015	\$ <u>250</u>

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

		Balance December 31, <u>2014</u>	Balance December 31, <u>2015</u>	<u>Balance Pledged to Improvement Authorizations</u>
Ord. <u>No.</u>	<u>Grantor</u>			
10-06	Community Development Block Grant	\$ <u>23,801</u>	\$ <u>23,801</u>	\$ <u>23,801</u>
		<u>\$ 23,801</u>	<u>\$ 23,801</u>	<u>\$ 23,801</u>

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

Increased by:	
Payments made for Water Utility Operating Fund	\$ <u>52,781</u>
Balance, December 31, 2015	\$ <u>52,781</u>

**BOROUGH OF PARK RIDGE  
STATEMENT OF DUE FROM GENERAL CAPITAL FUND  
SWIM POOL UTILITY CAPITAL FUND**

Increased by:	
Bond Anticipation Notes Deposited in General Capital Fund	\$ 65,000
Decreased by:	
Payments made by General Capital Fund	<u>7,937</u>
Balance, December 31, 2015	<u>\$ 57,063</u>

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

Balance, December 31, 2014 (Due from)	\$ 18,804
Increased by:	
2015 Budget Appropriation - Cost of Improvement	<u>29,500</u>
	48,304
Decreased by:	
Payments made by Swim Pool Utility Operating Fund	<u>51,700</u>
Balance, December 31, 2015 (Due to)	<u>\$ 3,396</u>

**STATEMENT OF DUE TO CURRENT FUND  
SWIM POOL UTILITY OPERATING FUND**

Balance, December 31, 2014	<u>\$ 13</u>
Balance, December 31, 2015	<u>\$ 13</u>

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

	Balance, December 31, <u>2014</u>	Addition By <u>Ordinance</u>	Balance, December 31, <u>2015</u>
Municipal Pool	\$ 841,996		\$ 841,996
Swim Pool Slide		\$ 48,900	48,900
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	10,737	18,379
Water Sprinklers	8,785		8,785
Parking Lot Improvement	21,726		21,726
Security Lock	750		750
Small Tools	1,146	-	1,146
	<u>\$ 1,060,861</u>	<u>\$ 59,637</u>	<u>\$ 1,120,498</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, December 31, <u>2014</u>	<u>2015</u> <u>Authorizations</u> Deferred		Balance, December 31, <u>2015</u>
		<u>Date</u>	<u>Amount</u>		Charges to Future <u>Revenue</u>	Costs To Fixed <u>Capital</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	18,615			18,615
15-02	Installation of a Slide and a Volleyball Court at the Municipal Pool	2/10/2015	65,000	-	\$ 65,000	\$ 59,637	5,363
				<u>\$ 43,055</u>	<u>\$ 65,000</u>	<u>\$ 59,637</u>	<u>\$ 48,418</u>

**BOROUGH OF PARK RIDGE  
STATEMENT OF 2014 APPROPRIATION RESERVES  
SWIM POOL UTILITY OPERATING FUND**

	Balance, December 31, <u>2014</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<b>OPERATING</b>				
Salaries and Wages	\$ 1,157	\$ 1,157	\$ 713	\$ 444
Other Expenses	<u>2,487</u>	<u>2,487</u>	<u>2,487</u>	<u>-</u>
 Total Operating	 <u>3,644</u>	 <u>3,644</u>	 <u>3,200</u>	 <u>444</u>
 <b>STATUTORY EXPENDITURES</b>				
Contribution to Social Security System (O.A.S.I.)	<u>318</u>	<u>318</u>	<u>-</u>	<u>318</u>
 Total Statutory Expenditures	 <u>318</u>	 <u>318</u>	 <u>-</u>	 <u>318</u>
	 <u>\$ 3,962</u>	 <u>\$ 3,962</u>	 <u>\$ 3,200</u>	 <u>\$ 762</u>
			 <u>\$ 3,200</u>	

EXHIBIT G-16

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

Balance, December 31, 2014	\$ 2
Increased by:	
Charges to 2015 Budget Appropriations	<u>3</u>
	5
Decreased by:	
Cash Disbursements	<u>2</u>
Balance, December 31, 2015	<u>\$ 3</u>

EXHIBIT G-17

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

Balance, December 31, 2014	\$ <u>300</u>
Balance, December 31, 2015	<u>\$ 300</u>



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

Balance, December 31, 2014	\$ <u>16,000</u>
Balance, December 31, 2015	\$ <u>16,000</u>

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

Balance, December 31, 2014	\$ 1,060,361
Increased by:	
2015 Budget Appropriation - Cost of Improvement - Due from Swim Pool Utility Operating Fund	500
Transfer From Deferred Reserve for Amortization	<u>13,000</u>
Balance, December 31, 2015	\$ <u>1,073,361</u>

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

Ord. No.	Improvement Description	Balance December 31, 2014	2015 Budget Appropriations- Cost of Improvements	Transfer to Reserve For Amortization	Balance, December 31, 2015
06-10	Pool Rehabilitation	\$ 8,440	\$ 16,000		\$ 24,440
10-06	ADA Improvements to Bathrooms	18,615			18,615
15-02	Installation of a Slide and a Volleyball Court at the Municipal Pool	<u>-</u>	<u>13,000</u>	<u>\$ 13,000</u>	<u>-</u>
		<u>\$ 27,055</u>	<u>\$ 29,000</u>	<u>\$ 13,000</u>	<u>\$ 43,055</u>
	Due from Swim Pool Utility Operating Fund		<u>\$ 29,000</u>		

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

155

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Increased</u>	<u>Balance, December 31, 2015</u>
15-02	Installation of Slide and Volleyball Court at Municipal Pool	10/8/2015	10/8/2015	10/7/2016	1.50 %	<u>\$ 65,000</u>	<u>\$ 65,000</u>
						<u>\$ 65,000</u>	<u>\$ 65,000</u>
					Due from General Capital Fund	<u>\$ 65,000</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>	<u>Balance, December 31 2014</u>	<u>Balance, 2015 Authorizations</u>	<u>Funded by Budget Appropriation</u>	<u>Notes Issued</u>
92	Improvement to Swim Pool	\$ 500		\$ 500	
06-10	Pool Rehabilitation	16,000		16,000	
15-02	Installation of Slide and Volleyball Court at the Municipal Pool	-	\$ 65,000	13,000	\$ 52,000
		<u>\$ 16,500</u>	<u>\$ 65,000</u>	<u>\$ 29,500</u>	<u>\$ 52,000</u>

**PUBLIC ASSISTANCE FUND**

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

	<u>Total</u>	<u>Account #1</u>	<u>Account #2</u>
Balance, December 31, 2014	\$ 19,276	\$ 1,912	\$ 17,364
Increased by:			
State Aid	7,900		7,900
Interest on Investments	<u>44</u>	<u>9</u>	<u>35</u>
	27,220	1,921	25,299
Decreased by:			
Public Assistance Expenditures Eligible for State Aid	14,796		14,796
Payments to Current Fund	<u>5,945</u>	<u>-</u>	<u>5,945</u>
Balance, December 31, 2015	<u>\$ 6,479</u>	<u>\$ 1,921</u>	<u>\$ 4,558</u>

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

Balance, December 31, 2014 (Due to)	\$ 3,845
Decreased by:	
Cash Payments to Current Fund	<u>5,945</u>
Balance, December 31, 2015 (Due from)	<u>\$ 2,100</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, 2014	\$ 15,431	\$ 1,912	\$ 13,519
Increased by:			
Revenues	<u>7,944</u>	<u>9</u>	<u>7,935</u>
	23,375	1,921	21,454
Decreased by:			
Expenditures	<u>14,796</u>	<u>-</u>	<u>14,796</u>
Balance, December 31, 2015	<u>\$ 8,579</u>	<u>\$ 1,921</u>	<u>\$ 6,658</u>

EXHIBIT H-4

**STATEMENT OF PUBLIC ASSISTANCE REVENUES**

	<u>Total</u>	<u>Account #1</u>	<u>Account #2</u>
State Aid Payments	\$ 7,900		\$ 7,900
Interest on Investments	<u>44</u>	<u>\$ 9</u>	<u>35</u>
Total Revenues/Receipts	<u>\$ 7,944</u>	<u>\$ 9</u>	<u>\$ 7,935</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	\$ 10,040		\$ 10,040
Temporary Rental Assistance	<u>4,756</u>	<u>-</u>	<u>4,756</u>
Total Payments Reported/Expenditures	14,796	-	14,796
Due to Current Fund	<u>5,945</u>	<u>-</u>	<u>5,945</u>
Total Disbursements	<u>\$ 20,741</u>	<u>\$ -</u>	<u>\$ 20,741</u>

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

**PART II**

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**GOVERNMENT AUDITING STANDARDS**

**YEAR ENDED DECEMBER 31, 2015**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
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SHERYL M. NICOLosi, CPA  
ROBERT AMPONSAH, CPA

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

### INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Park Ridge, as of and for the year ended December 31, 2015, and the related notes to the financial statements, and have issued our report thereon dated July 15, 2016 . Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was modified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund financial statements.

#### **Internal Control over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and responses we identified certain deficiencies in internal control that we consider to be material weaknesses or significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2015-001 and 2015-002 to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and responses as items 2015-003 to be significant a deficiency.

### **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 2015-001, 2015-002 and 2015-003.

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**

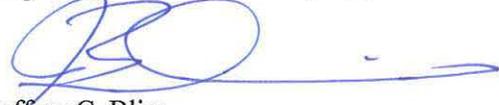
The Borough of Park Ridge's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Borough of Park Ridge's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we 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  
July 15, 2016

**BOROUGH OF PARK RIDGE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Federal Program</u>	<u>State Account Number</u>	<u>CFDA Number</u>	<u>Grant Year</u>	<u>Award Amount</u>	<u>2015 Grant Receipts</u>	<u>Balance January 1, 2015</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Balance December 31, 2015</u>	<u>Cumulative Expended</u>
U.S. Department of Transportation (Passed through State Department of Law and Public Safety)										
Drive Sober or Get Pulled Over	066-1160-100-057	20.601	2012	\$ 4,400	\$ 2,115	\$ 2,775			\$ 2,775	\$ 1,625
Over the Limit Under Arrest	066-1160-100-057	20.601	2012	2,175		2,175			2,175	-
Over the Limit Under Arrest	066-1160-100-057	20.601	2011	2,806		2,806			2,806	-
U.S. Department of Homeland Security										
Disaster Grants										
(Passed through the State Department of Law and Public Safety)										
FEMA - Hurricane Sandy	066-1200-100-A92-2015	97.036	2015	3,292	3,292		\$ 3,292	\$ 3,292		3,292
FEMA - Hazard Mitigation Grant	066-1200-100-B20-2015	97.039	2015	14,396	14,396		14,396	14,396		14,396
U.S. Department of Housing and Urban Development										
Community Development Block Grant Program										
(Passed through County of Bergen Community Development Agency)										
Handicap Bathrooms - Swim Pool (Ord. 10-06)	PV-PR-03-09	14.218	2010	56,976		18,615			18,615	38,361
Senior Citizens Program			2015	3,711	3,711					
Senior Citizens Program			2014	3,237			3,237	2,141	1,096	2,141
Senior Citizens Program			2013	3,638		3,638	-	-	3,638	-
U.S. Department of Agriculture										
(Passed through State Forestry Services)										
Cooperative Forestry Assistance	042-4870-100-038	10.664	2015	3,000	3,000	-	-	-	-	-
						<u>\$ 30,009</u>	<u>\$ 20,925</u>	<u>\$ 19,829</u>	<u>\$ 31,105</u>	

191

Note: This schedule was not subject to a single audit in accordance with U.S. Uniform Guidance.

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

**BOROUGH OF PARK RIDGE**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>State Grant Program</u>	<u>Account Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2015 Grant Receipts</u>	<u>Balance, January 1, 2015</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Program Income</u>	<u>Balance, December 31, 2015</u>	<u>Cumulative Expended</u>
Drug and Alcohol Municipal Alliance	N/A	2015	\$ 4,989	\$ 4,989						
		2014	8,529			\$ 8,529	\$ 1,481		\$ 7,048	\$ 1,481
		2012	5,681		\$ 3,448				3,448	2,233
		2010	10,952		8,151		5,098		3,053	7,899
Clean Communities Grant Program	042-4900-765-004	2015	18,883	18,883						
		2014	15,537			15,537	15,537		-	15,537
		2013	16,566		1,588				1,588	14,978
		2011	14,305		9,655				9,655	4,650
		2010	14,708		7,799		2,300		5,499	9,209
		2009	14,112		1,046		1,046		-	14,112
Drunk Driving Enforcement Fund	1110-448-031020-22	2015	398	398						
		2014	9,927			9,927			9,927	-
Alcohol Education and Rehabilitation	098-9735-760-001	2015	1,653	1,653						
		2014	1,123			1,123			1,123	-
		2013	897		897				897	-
		2012	540		540				540	-
		2011	323		323				323	-
		2010	704		704				704	-
		2008	1,189		1,059		750		309	880
Department of Community Affairs Domestic Violence Grant	N/A	Prior	2,178		2,178				2,178	-
Body Armor Replacement Fund	066-1020-718-001	2015	2,015	2,015		2,015	1,586		429	1,586
		2014	1,934			1,934	1,934		-	1,934
		2012	1,989		318				318	1,671
		2011	1,948		1,948				1,948	-
		2010	2,859		2,009				2,009	850
		2007	1,914		484				484	1,430
Recycling Tonnage Grant	042-4900-752-001	2015	14,147	14,147						
		2014	17,817			17,817			17,817	-
		2013	13,293		11,608				11,608	1,685
		2012	11,252		11,252				11,252	-
NJEDA Hazardous - Discharge Site	N/A	Prior	2,406		2,406				2,406	-

**BOROUGH OF PARK RIDGE**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>State Grant Program</u>	<u>Account Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2015 Grant Receipts</u>	<u>Balance, January 1, 2015</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Program Income</u>	<u>Balance, December 31, 2015</u>	<u>Cumulative Expended</u>
Department of Transportation										
Ridge Avenue Improvements	078-6320-480-XXX	2015	\$149,000			\$ 149,000	\$ 149,000			\$ 149,000
Ridge Avenue Improvements	078-6320-480-ALL	2013	150,000	\$ 150,000						150,000
Department of Human Services										
General Assistance	054-7500-100-250	2014	7,900	7,900	\$ 13,519	7,900	14,796	\$ 35	\$ 6,658	
					<u>\$ 80,932</u>	<u>\$ 213,782</u>	<u>\$ 193,528</u>	<u>\$ 35</u>	<u>\$ 101,221</u>	

Note: This schedule was not subject to a single audit in accordance with OMB 15-08.

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

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

**BOROUGH OF PARK RIDGE  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2015**

**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	\$ 20,925	\$ 205,882	\$ 226,807
Public Assistance Fund	<u>-</u>	<u>7,900</u>	<u>7,900</u>
	<u>\$ 20,925</u>	<u>\$ 213,782</u>	<u>\$ 234,707</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, 2015**

**NOTE 5 FEDERAL AND STATE LOANS OUTSTANDING**

The Borough's federal and state loans outstanding at December 31, 2015, 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 - Memorial Field Improvements	042-4800-533-02	\$ 334,263 <u>1,104,739</u>
Mill Pond Dam Improvements		<u>\$ 1,439,002</u>

**BOROUGH OF PARK RIDGE  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

*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	<u>    X    </u> yes	<u>        </u> no
2) Significant deficiency(ies) that are not considered to be material weakness(es)?	<u>    X    </u> yes	<u>        </u> none reported
Noncompliance material to the financial statements noted?	<u>    X    </u> yes	<u>        </u> no

**Federal Awards Section**

Not Applicable

**State Awards Section**

Not Applicable

**BOROUGH OF PARK RIDGE  
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)  
FOR THE YEAR ENDED DECEMBER 31, 2015**

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 2015-001** – 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.
- Numerous cash transactions were either misposted or not posted to the general ledger and subsidiary records during the year.
- Numerous interfund transactions were not posted to the respective fund's general ledger and subsidiary records during the year.

**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. Cash transactions related to receipt and disbursement activities of the various funds were misposted or not posted to the respective fund's accounting records. In addition, numerous interfund transactions between funds were not recorded in the accounting records of the reciprocal fund.

**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 Funds 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 and that transactions are accurately recorded during the year.

**View of Responsible Official and Planned Corrective Action** – Management has reviewed this finding and has indicated corrective action will be developed and implemented in 2016 to address this finding.

**BOROUGH OF PARK RIDGE  
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)  
FOR THE YEAR ENDED DECEMBER 31, 2015**

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 2015-002** – Our audit of bank reconciliations in the various funds revealed the following:

- Accounts were not reconciled in a timely manner during the year.
- Bank reconciliations prepared at year end were incomplete.
- Numerous reconciling items and old outstanding checks exist at year end in the various accounts.

**Criteria or Specific Requirement** – Internal controls over financial reporting.

**Condition** – Bank reconciliation for the various accounts were not completed on a timely basis (i.e monthly) throughout the year. Bank reconciliations prepared by the Borough did not include all reconciling items or included invalid reconciling items at year end. In addition, various reconciling items existed at year end as a result of numerous interfund adjustments and old prior year checks that remained outstanding.

**Context** – Bank reconciliations for all the Borough accounts were not completed on a timely basis. Several bank reconciliations prepared at December 31, 2015 did not include all outstanding items (i.e. deposit in transit and outstanding checks) or included items that were deemed invalid at year end. In addition, numerous reconciling items existed on the various bank reconciliations that were old and invalid.

**Effect** – Timely reconciled cash balances were not available to support general ledger cash account balances and transactions recorded in the internal accounting records.

**Cause** – Bank reconciliations were not completed monthly, throughout the year.

**Recommendation** – Monthly bank reconciliations for all the Borough accounts be completed accurately and in a timely manner. In addition, reconciling items and old outstanding checks be reviewed 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 2016 to address this finding.

**BOROUGH OF PARK RIDGE  
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)  
FOR THE YEAR ENDED DECEMBER 31, 2015**

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 2015-003** – We noted the following overexpenditures at December 31, 2015:

- Four (4) budgetary line accounts in the 2015 Current Fund budget were overexpended for a total of \$87,733 at year end.
- Five (5) improvement authorization accounts in the General Capital Fund were overexpended for a total of \$73,001 at year end.

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

**Condition** – Purchases incurred and contract awards in the Current and General Capital Fund exceeded available balances.

**Context** – See Finding

**Effect** – Funds for purchases and contract awards may not be available resulting in overexpenditures at year end.

**Cause** – Available budget and ordinance account balances were not reviewed prior to the incurring of expenditures.

**Recommendation** – Internal control procedures be reviewed and revised to ensure sufficient funds are available in the Current and General Capital Funds prior to the purchase or awarding of contracts for goods and services.

**View of Responsible Official and Planned Corrective Action** – Management has reviewed this finding and has indicated corrective action will be developed and implemented in 2016 to address this finding.

**BOROUGH OF PARK RIDGE  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

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

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

**CURRENT YEAR FEDERAL AWARDS**

Not Applicable

**CURRENT YEAR STATE AWARDS**

Not Applicable.

**BOROUGH OF PARK RIDGE  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

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

**STATUS OF PRIOR YEAR FINDINGS**

• **Finding 2014-001**

**Condition** – 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.

**Current Status**

See Finding 2015-001

• **Finding 2014-002**

**Condition** – 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.

**Current Status**

See Finding 2015-002

• **Finding 2014-003**

**Condition** – 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.

**Current Status**

See Finding 2015-003

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

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**PART III**

**SUPPLEMENTARY DATA  
LETTER OF COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2015**

**BOROUGH OF PARK RIDGE  
SUPPLEMENTARY DATA**

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

	<u>Year 2015</u>		<u>Year 2014</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>				
Fund Balance Utilized	\$ 750,700	1.69 %	\$ 680,700	1.58 %
Miscellaneous - From Other Than Local				
Property Tax Levies	3,319,076	7.46	2,992,768	6.96
Collection of Delinquent Taxes and Tax Title Liens	243,328	0.55	199,996	0.46
Collection of Current Tax Levy	39,902,208	89.71	38,767,043	90.13
Other Credits to Income	<u>265,611</u>	<u>0.59</u>	<u>374,215</u>	<u>0.87</u>
 Total Income	 <u>44,480,923</u>	 <u>100.00 %</u>	 <u>43,014,722</u>	 <u>100.00 %</u>
 <b>EXPENDITURES</b>				
Budget Expenditures				
Municipal Purposes	12,447,517	28.35 %	12,069,518	28.43 %
County Taxes	4,261,969	9.71	4,034,495	9.50
Local District School Tax	26,852,461	61.15	25,952,544	61.12
Other Expenditures	<u>348,354</u>	<u>0.79</u>	<u>404,428</u>	<u>0.95</u>
 Total Expenditures	 <u>43,910,301</u>	 <u>100.00 %</u>	 <u>42,460,985</u>	 <u>100.00 %</u>
 Excess in Revenue	 570,622		 553,737	
 Adjustments to Income before Fund Balance:				
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year	87,733		62,400	
Expenditures Included Above Which were Funded by Capital Ordinances	<u>-</u>		<u>221,655</u>	
 Statutory Excess to Fund Balance	 658,355		 837,792	
 Fund Balance, January 1	 <u>1,963,603</u>		 <u>1,806,511</u>	
	2,621,958		2,644,303	
 Less Utilization as Anticipated Revenue	 <u>750,700</u>		 <u>680,700</u>	
 Fund Balance, December 31	 <u>\$ 1,871,258</u>		 <u>\$ 1,963,603</u>	

**BOROUGH OF PARK RIDGE  
SUPPLEMENTARY DATA**

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

	<u>Year 2015</u>		<u>Year 2014</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>				
Fund Balance Utilized	\$ 399,400	9.97 %	\$ 267,512	6.69 %
Water Usage Charges	3,011,809	75.19	2,871,721	71.83
Miscellaneous Charges and Fees	265,827	6.64	279,820	7.00
Reserve for Woodcliff Lake Improvements	89,102	2.22	441,665	11.05
Water Utility Capital Fund Balance	71,057	1.77		
Non-Budget Revenue	28,802	0.72	17,115	0.43
Other Credits to Income	139,657	3.49	119,881	3.00
	<u>4,005,654</u>	<u>100.00</u> %	<u>3,997,714</u>	<u>100.00</u> %
<b>EXPENDITURES</b>				
Operating	3,072,000	84.99 %	3,096,298	84.98 %
Capital Improvements	170,000	4.70	185,000	5.08
Debt Service	147,059	4.07	148,441	4.07
Deferred Charges and Statutory Expenditures	225,500	6.24	214,025	5.87
	<u>3,614,559</u>	<u>100.00</u> %	<u>3,643,764</u>	<u>100.00</u> %
Excess in Revenue	391,095		353,950	
Fund Balance, January 1	<u>626,759</u>		<u>540,321</u>	
	1,017,854		894,271	
Less Utilization as Anticipated Revenue	<u>399,400</u>		<u>267,512</u>	
Fund Balance, December 31	<u>\$ 618,454</u>		<u>\$ 626,759</u>	

**BOROUGH OF PARK RIDGE  
SUPPLEMENTARY DATA**

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

	<u>Year 2015</u>		<u>Year 2014</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>				
Fund Balance Utilized	\$ 514,598	4.74 %	\$ 945,480	8.50 %
Light and Power Charges	10,070,539	92.86	9,849,282	88.53
Miscellaneous Charges and Fees	37,443	0.35	22,074	0.20
FEMA Reimbursements			108,673	0.98
Reserve for Hurricane Sandy Emergency - Reimbursements			52,427	0.47
Insurance Proceeds			25,983	0.23
Electric Utility Capital Fund Balance	36,841	0.34		
Non-Budget Revenue	26,156	0.24	12,726	0.11
Other Credits to Income	159,162	1.47	108,645	0.98
	<u>10,844,739</u>	<u>100.00</u> %	<u>11,125,290</u>	<u>100.00</u> %
<b>EXPENDITURES</b>				
Operating	9,570,000	94.54 %	10,085,700	94.60 %
Capital Improvements	48,500	0.48	33,500	0.32
Debt Service	284,439	2.81	287,176	2.69
Deferred Charges and Statutory Expenditures	219,500	2.17	254,921	2.39
	<u>10,122,439</u>	<u>100.00</u> %	<u>10,661,297</u>	<u>100.00</u> %
Excess in Revenue	722,300		463,993	
Fund Balance, January 1	<u>608,177</u>		<u>1,089,664</u>	
	1,330,477		1,553,657	
Less Utilization as Anticipated Revenue	<u>514,598</u>		<u>945,480</u>	
Fund Balance, December 31	<u>\$ 815,879</u>		<u>\$ 608,177</u>	

**BOROUGH OF PARK RIDGE  
SUPPLEMENTARY DATA**

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

	<u>Year 2015</u>			<u>Year 2014</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>					
Fund Balance Utilized	\$ 46,100	15.53 %	\$	14,750	5.54 %
Membership Fees	202,670	68.25		201,970	75.90
Miscellaneous Fees	47,399	15.96		48,315	18.15
Other Credits to Income	<u>762</u>	<u>0.26</u>		<u>1,096</u>	<u>0.41</u>
 Total Income	 <u>296,931</u>	 <u>100.00</u> %		 <u>266,131</u>	 <u>100.00</u> %
 <b>EXPENDITURES</b>					
Operating	246,680	86.24 %		191,320	90.35 %
Deferred Charges and Statutory Expenditures	<u>39,356</u>	<u>13.76</u>		<u>20,430</u>	<u>9.65</u>
 Total Expenditures	 <u>286,036</u>	 <u>100.00</u> %		 <u>211,750</u>	 <u>100.00</u> %
 Excess in Revenue	 10,895			 54,381	
 Fund Balance, January 1	 <u>247,561</u>			 <u>207,930</u>	
	258,456			262,311	
 Less Utilization as Anticipated Revenue	 <u>46,100</u>			 <u>14,750</u>	
 Fund Balance, December 31	 <u>\$ 212,356</u>			 <u>\$ 247,561</u>	

**BOROUGH OF PARK RIDGE  
SUPPLEMENTARY DATA**

**Comparative Schedule of Tax Rate Information**

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Tax Rate</u>	<u>\$2.503</u>	<u>\$2.431</u>	<u>\$2.375</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.528	.525	.524
Library	.037	.035	.036
County	.263	.249	.247
County – Open Space	.003	.003	.003
Local District School	1.672	1.619	1.565

Assessed Valuation

2015	<u>\$1,605,592,569</u>	
2014		<u>\$1,603,281,538</u>
2013		<u>\$1,601,644,938</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>
2015	\$ 40,254,466	\$ 39,902,208	99.12%
2014	39,036,899	38,767,043	99.31%
2013	38,091,150	37,851,689	99.37%

**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>Year</u>	<u>Liens</u>	<u>Taxes</u>	<u>Delinquent</u>	<u>Tax Levy</u>
2015	-	\$ 327,052	\$ 327,052	0.81%
2014	-	242,089	242,089	0.62%
2013	-	199,746	199,746	0.52%

**Property Acquired by Tax Title Lien Liquidation**

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

<u>Year</u>	<u>Amount</u>
2015	\$100,650
2014	100,650
2013	100,650

**Comparison of Water Utility Levies**

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(*)</u>	<u>Percentage of Collection</u>
2015	\$3,092,920	\$3,011,809	978.37%
2014	2,835,145	2,871,721	101.29%
2013	2,858,537	2,808,918	98.26%

**Comparison of Electric Utility Levies**

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(*)</u>	<u>Percentage of Collection</u>
2015	\$10,106,215	\$10,070,539	99.64%
2014	9,886,349	9,849,282	99.63%
2013	9,824,277	9,859,919	100.36%

\*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	2015	\$1,871,258	\$750,700
	2014	1,963,603	750,700
	2013	1,806,511	680,700
	2012	1,237,303	650,000
	2011	1,079,370	650,000
Water Utility Fund	2015	\$618,454	\$407,266
	2014	626,759	399,400
	2013	540,321	267,512
	2012	751,781	541,644
	2011	422,300	335,648
Electric Utility Operating Fund	2015	\$815,879	\$575,870
	2014	608,177	514,598
	2013	1,089,664	945,480
	2012	1,301,558	1,118,760
	2011	1,114,969	796,335
Swim Pool Utility Operating Fund	2015	\$212,356	\$39,000
	2014	247,561	46,100
	2013	207,930	14,750
	2012	164,804	-0-
	2011	143,477	12,290

**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		
Steven Hopper	Councilman		
Keith Misciagna	Councilman		
Robert Oppelt	Councilman		
Kelley R. O'Donnell	Borough Administrator/Borough Clerk	(a)	
Colleen Ennis	Chief Financial Officer, Tax Collector – Treasurer (Jan 2015- Mar 2015)	\$1,000,000	MELJIF
Joseph Kolodziej	Chief Financial Officer/Treasurer (June 2015-Present)	(a)	
Jessica Mazzarella	Tax Collector (May 2015-Present)	(a)	
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 \$69,287 at December 31, 2015.

**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 reserve account deficit.

- **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.

- **Finding** – Our audit revealed numerous interfund balances existed between the various funds at December 31, 2015.

**Recommendation** – Efforts be made to clear interfund balances prior to year end.

- **Finding** – We noted certain encumbrances in the Current, Electric Utility Operating, Water Utility Operating and Water Utility Capital Funds that were not recorded at year end.

**Recommendation** – Internal control procedures be enhanced to ensure all encumbrances are properly recorded at year end.

**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.

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

**GENERAL COMMENTS**

**Prior Year Findings Unresolved (Continued)**

**Payroll (Continued)**

- **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 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.

**Current Year Findings**

**Finance**

- **Finding** – Our audit of the Payroll Agency Account revealed that the balance remaining at December 31, 2015 was not sufficient to pay the amounts due at year end. It appears the balance at December 31, 2015 was approximately \$86,000 less than required to pay the amounts due at year end.

**Recommendation** – A review be made and action be taken to address the insufficient balance in the Payroll Agency Account at year end.

- **Finding** – We noted checks issued from the various bank accounts contained only two (2) authorized check signatures. Three (3) authorized check signatures are required by N.J.S.A. 40A:5-17.

**Recommendation** – Checks issued from the Borough's bank accounts contain the three (3) required authorized signatures in accordance with N.J.S.A. 40A:5-17

**Swim Pool Utility**

- **Finding** – Our audit of the pool managers cash receipt journal and membership list analysis revealed it did not agree to the amounts reported in the Finance Department records..

**Recommendation** – Control procedures be enhanced to ensure revenues collected by the Swim Pool are reconciled to the Finance Department records on a monthly basis.

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

**GENERAL COMMENTS (Continued)**

**Current Year Findings (Continued)**

**Payroll**

- **Finding** – Our audit of manually issued payroll checks revealed documentation was not available to support certain checks issued during the year. In addition, we also noted certain manual checks were not adjusted and reflected in the payroll system.

**Recommendation** – Supporting documentation be on file and made available for all manual payroll checks issued and they be adjusted and reflected in the payroll system.

- **Finding** – We noted certain part-time employees appear eligible for enrollment in the Defined Contribution Retirement Program (“DCRP”) that were not enrolled as of the date of our audit.

**Recommendation** – A review be made of all part-time employees to determine their eligibility for enrollment in the Defined Contribution Retirement System (“DCRP”).

- **Finding** – Our audit of the health benefit opt-out payments revealed certain payments appeared to be calculated incorrectly for 2015.

**Recommendation** – A review be made of the health benefit opt-out payments to ensure their accuracy and compliance with existing policy.

**Departments**

- **Finding** – We noted from our audit of the Recreation Department that it appears not all amounts collected were recorded in the Department’s cash receipts ledger.

**Recommendation** – All amounts collected by the Recreation Department be recorded in their cash receipts journal.

**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 through June 30, 2015 and \$40,000 effective July 1, 2015 and has appointed the Director of Operations as qualified purchasing agent in accordance with regulations established by the Division of Local Government Services.

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

**GENERAL COMMENTS (Continued)**

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

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

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

Packed Tower Air Treatment System	Purchase of Senior Van
Purchase of Fire Hydrants	2015 Road Improvement Project
Circuit Breakers and Relaying Equipment	Electric Distribution Materials
Purchase of Dump Truck	Tree Trimming and Removal Services
Installation of Pool Slide	Water Distribution Materials

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

Our examination of expenditures did not reveal any payments, contracts or agreements in excess of \$40,000 "for the performance of any work, or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJS 40A:11-6.

**Collection of Interest of Delinquent Taxes**

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

The Governing Body on January 1, 2015 adopted the following resolution authorizing interest to be charged on delinquent taxes and water accounts:

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

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

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

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

**GENERAL COMMENTS (Continued)**

**Delinquent Taxes and Tax Title Liens**

The last tax sale was held on December 8, 2015.

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>
2015	0
2014	0
2013	0
2012	0
2011	0

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

**Suggestions to Management**

- A review be made of all 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.
- The establishment of new vendor account numbers in the financial accounting and reporting system be restricted to the appropriate Borough personnel.

**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. 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 and that transactions are accurately recorded during the year.
- \* 2. Monthly bank reconciliations for all Borough accounts be completed accurately and in a timely manner. In addition, reconciling items be reviewed and cleared of record.
- \* 3. Internal control procedures be revised to ensure sufficient funds are available in the Current and General Capital Funds prior to the purchase or awarding of contracts for goods or services.
- \* 4. 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 reserve account deficit.
- \* 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. Internal control procedures be enhanced to ensure all encumbrances are properly recorded at year end.
- 8. Checks issued from the Borough's bank accounts contain the three (3) required authorized signatures in accordance with N.J.S.A. 40A:5017.
- 9. A review be made and action be taken to address the insufficient balance in the Payroll Agency account at year end.

**Swim Pool Utility**

It is recommended that control procedures be enhanced to ensure revenues collected by the Swim Pool are reconciled to the Finance Department records on a monthly basis.

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

**RECOMMENDATIONS (Continued)**

**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.
  - 5. Supporting documentation be on file and available for all manual payroll checks issued and they be adjusted and reflected in the payroll system.
  - 6. A review be made of all part-time employees to determine their eligibility for enrollment in the Defined Contribution Retirement System ("DCRP").
  - 7. A review be made of the health benefit opt-out payments to ensure their accuracy and compliance with existing policy.

**Departments**

It is recommended that all amounts collected by the Recreation Department be recorded in their cash receipts journal.

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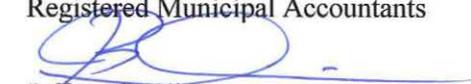
A review was performed on all prior year recommendations and corrective action was taken on all, except the recommendations denoted with an asterisk (\*).

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.

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