

BOROUGH OF PARK RIDGE
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2012

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

PART I

**REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2012**

LERCH, VINCI & HIGGINS, LLP

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Park Ridge, as of December 31, 2012 and 2011, 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, 2012, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the requirement that the Borough of Park Ridge prepare and present its financial statements on the regulatory basis of accounting as discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph above, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Park Ridge as of December 31, 2012 and 2011, 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 15 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, 2012 and 2011. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 31.8 percent and 29.7 percent of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2012 and 2011.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the 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, 2012 and 2011, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2012 in accordance with the basis of 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

Required Supplementary Information

The Borough has not presented a management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. A management discussion and analysis is not required by the financial accounting and reporting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to supplement the regulatory basis financial statements and therefore it has not been presented by management. Our opinion on the financial statements – regulatory basis is not affected by this missing information.

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 as required by NJ OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid and the 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 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 May 31, 2013 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
May 31, 2013

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2012 AND 2011**

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
ASSETS			
Cash and Investments	A-4	\$ 3,017,565	\$ 3,327,724
Cash - Change Funds	A-5	75	75
Cash - Petty Cash Fund	A-6	1,050	1,050
Due from State of New Jersey - Senior Citizens' and Veterans' Deductions	A-7		586
Grant Receivables	A-8	<u>129,566</u>	<u>-</u>
		<u>3,148,256</u>	<u>3,329,435</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-9	322,340	247,886
Property Acquired for Taxes - Assessed Valuation	A-10	100,650	100,650
Revenue Accounts Receivable	A-12	13,384	12,534
Due from Outside Lien Holder	A-11	5,404	
Due from Animal Control Fund	B-5	1,739	2,695
Due from Other Trust Fund	B-14	8,102	27,000
Due from Open Space Preservation Trust Fund	B-9		9,977
Due from Electric Utility Operating Fund	E-14		51,840
Due from Swim Pool Utility Operating Fund	G-10	13	1,200
Due from Public Assistance Fund	H-2	<u>2,345</u>	<u>2,345</u>
		<u>453,977</u>	<u>456,127</u>
Deferred Charges			
Emergency Authorizations	A-14	150,000	100,000
Special Emergency Authorizations	A-13	<u>426,000</u>	<u>546,000</u>
		<u>576,000</u>	<u>646,000</u>
Total Assets		<u>\$ 4,178,233</u>	<u>\$ 4,431,562</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2012 AND 2011**

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3,A-15	\$ 699,946	\$ 714,203
Encumbrances Payable	A-16	339,258	524,904
Accounts Payable	A-17	79,225	31,620
Prepaid Taxes	A-18	198,147	258,866
Tax Overpayments	A-19	12,194	
County Taxes Payable	A-20	6,324	5,629
Fees Payable	A-22	2,384	3,222
Emergency Notes	A-23	150,000	
Special Emergency Notes	A-24	426,000	538,000
Due to State of New Jersey - Senior Citizens' and Veterans' Deductions	A-7	726	
Due to General Capital Fund	C-6		554,891
Due to Water Utility Operating Fund	D-14	34,568	5,213
Due to Electric Utility Operating Fund	E-14	37,388	
Reserve for:			
Tax Appeals	A-25	282,300	158,950
Miscellaneous Reserves	A-26	64,593	6,396
Appropriated Grant Reserves	A-27	89,553	62,763
Unappropriated Grant Reserves	A-28	<u>64,347</u>	<u>31,408</u>
		2,486,953	2,896,065
Reserve for Receivables and Other Assets	A	453,977	456,127
Fund Balance	A-1	<u>1,237,303</u>	<u>1,079,370</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 4,178,233</u>	<u>\$ 4,431,562</u>

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 650,000	\$ 505,000
Miscellaneous Revenue Anticipated	A-2	2,754,266	2,546,158
Receipts from Delinquent Taxes	A-2	247,607	231,180
Receipts from Current Taxes	A-2	36,627,605	35,401,467
Non-Budget Revenue	A-2	229,650	232,758
Other Credits to Income			
Unexpended Balances of Appropriation Reserves	A-15	289,158	257,165
Statutory Excess - Animal Control Fund	B-5	1,739	2,695
Cancelled Accounts Payable	A-17	20,872	5,632
Cancelled Miscellaneous Reserves	A-1		776
Cancelled Other Trust Fund Reserves	A-1		4,168
Interfunds and Other Receivables Liquidated	A	82,858	-
		<u>40,903,755</u>	<u>39,186,999</u>
Total Revenue			
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries & Wages	A-3	3,738,267	3,630,251
Other Expenses	A-3	5,829,565	5,879,880
Capital Improvements	A-3	109,000	137,000
Debt Service	A-3	1,238,268	1,105,083
Deferred Charges and Statutory Expenditures	A-3	1,001,786	934,877
County Taxes	A-20	4,013,168	3,629,068
Local District School Tax	A-21	24,310,114	23,505,631
Senior Citizens Deductions Disallowed for Prior Year Taxes	A-7	250	
Interfunds and Other Receivables Created	A	5,404	22,164
		<u>40,245,822</u>	<u>38,843,954</u>
Total Expenditures			
Excess in Revenue		657,933	343,045
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-14	150,000	550,000
Statutory Excess to Fund Balance		807,933	893,045
FUND BALANCE, JANUARY 1	A	<u>1,079,370</u>	<u>691,325</u>
		1,887,303	1,584,370
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	650,000	505,000
FUND BALANCE, DECEMBER 31	A	<u>\$ 1,237,303</u>	<u>\$ 1,079,370</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, 2012**

	Reference	Budget	Added By: 40A:4-87	Realized	Excess or (Deficit)
FUND BALANCE ANTICIPATED	A-1	\$ 650,000	-	\$ 650,000	-
MISCELLANEOUS REVENUES					
Licenses					
Alcoholic Beverages	A-12	8,003		11,792	\$ 3,789
Fees and Permits					
Fire Code Department	A-12	40,000		38,590	(1,410)
Board of Health	A-12	25,000		17,983	(7,017)
Fines and Costs - Municipal Court	A-12	105,000		99,669	(5,331)
Interest and Costs on Taxes	A-12	42,000		66,450	24,450
Interest on Investments and Deposits	A-2	4,000		974	(3,026)
Joint Insurance Fund Dividend	A-12	8,000		12,800	4,800
Hotel Tax	A-12	245,000		236,469	(8,531)
Recycling Program	A-12	32,000		27,902	(4,098)
Cable Television Franchise Fee	A-12	110,000		123,217	13,217
Water Utility Rental Fees	A-12	105,000		105,000	
Electric Utility Rental Fees	A-12	30,000		60,000	30,000
Pistol Range Fee	A-12	8,500		15,000	6,500
Tri-Boro Safety Corps.	A-12	50,000		53,132	3,132
Consolidated Municipal Property Tax Relief Aid	A-12	45,005		31,676	(13,329)
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	A-12	337,593		350,922	13,329
Watershed Moratorium Offset Aid	A-12	1,598		1,598	
Uniform Construction Code Fees	A-12	185,000		219,186	34,186
BC Forfeiture Funds-Message Display Sign	A-8		\$ 5,000	5,000	
BC Forfeiture Funds-NJSACOP	A-8		19,000	19,000	
Hazard Mitigation Grant - Message Display Sign	A-8		14,396	14,396	
County of Bergen-Spring Valley/Mapleleaf Drainage	A-8		31,770	31,770	
CDBG Bathrooms - Sulak/Colony	A-8		55,000	55,000	
NJSL&PS Drive Sober or Get Pulled Over	A-8		4,400	4,400	
Clean Communities Program - Reserve	A-28	14,305		14,305	
Over the Limit Under Arrest - Reserve	A-28	2,806		2,806	
Mun. Alliance on Alcohol & Drug Abuse - Reserve	A-28	711		711	
Recycling Tonnage Program - Reserve	A-28	11,315		11,315	
Alcohol Education and Rehabilitation Fund - Reserve	A-28	323		323	
Body Armor Replacement Fund - Reserve	A-28	1,948		1,948	
Water Utility - Payments in Lieu of Taxes	A-12	100,000		100,000	
Electric Utility - Payments in Lieu of Taxes	A-12	155,000		155,000	
Electric Utility Payment in Lieu of Franchise and Gross Receipts Taxes	A-12	500,000		500,000	
Life Hazard Use Fees	A-12	14,000		13,560	(440)
Library Reimbursements	A-12	80,000		80,000	
Excess Sewer User Fees	A-12	70,000		72,033	2,033
Reserve for Payment of Debt	A-12	75,000		75,000	
Reserve for Outside Police Duty	A-12	19,000		35,920	16,920
Capital Surplus	A-12	18,000		18,000	
Sprint Cell Tower Rent	A-12	61,000	-	71,419	10,419
Total Miscellaneous Revenues	A-1	2,505,107	129,566	2,754,266	119,593
RECEIPTS FROM DELINQUENT TAXES	A-1,A-9	200,000	-	247,607	47,607
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET					
Local Tax For Municipal Purposes		8,189,474		8,209,197	19,723
Minimum Library Tax		605,126	-	605,126	-
Total Amount to be Raised by Taxes	A-2	8,794,600	-	8,814,323	19,723
	A-3	\$ 12,149,707	\$ 129,566	12,466,196	\$ 186,923
Non-Budget Revenue	A-1,A-2			229,650	
				\$ 12,695,846	

**BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Reference</u>	<u>Realized</u>
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenue from Collections	A-9	\$ 36,777,605
Less: Reserve for Tax Appeals	A-25	<u>150,000</u>
Revenue Realized	A-1	36,627,605
Less Allocated to School and County Taxes	A-20,A-21	<u>28,323,282</u>
		8,304,323
Add Appropriation Reserve for Uncollected Taxes	A-3	<u>510,000</u>
Amount for Support of Municipal Budget Appropriation	A-2	<u>\$ 8,814,323</u>
Interest on Investments		
Cash Receipts	A-12	\$ 132
Due from Other Trust Fund	B-14	518
Due from General Capital Fund	C-6	<u>324</u>
	A-2	<u>\$ 974</u>
Analysis of Non-Budget Revenue		
Sale of Equipment		\$ 43,152
Tax Search Printouts		973
Parking Permits		18,861
Police Fees		2,660
Smoke Detector Fees		3,445
Bid Specs		3,250
Housing Registration		12,775
Senior Citizen and Veterans Administration Fees		2,055
Zoning/Planning Board Fees		3,437
Prior Year Refunds		113,005
Parking Permits		7,871
Miscellaneous		<u>18,166</u>
	A-2, A-4	<u>\$ 229,650</u>

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
General Administration					
Salaries and Wages	\$ 31,575	\$ 31,575	\$ 28,668	\$ 2,907	
Other Expenses	15,850	15,850	9,278	6,572	
Mayor and Council					
Salaries and Wages	43,200	43,200	43,200		
Other Expenses	14,550	14,550	10,596	3,954	
Municipal Clerk					
Salaries and Wages	153,000	153,500	153,462	38	
Other Expenses	49,400	48,900	39,076	9,824	
Financial Administration					
Salaries and Wages	44,000	53,000	52,966	34	
Other Expenses	40,675	40,675	22,041	18,634	
Audit Services					
Other Expenses	30,000	30,000	21,416	8,584	
Revenue Administration					
Salaries and Wages	44,000	44,000	43,968	32	
Other Expenses	20,200	20,200	8,874	11,326	
Tax Assessment Administration					
Salaries and Wages	24,200	24,200	23,396	804	
Other Expenses	4,200	4,200	3,792	408	
Legal Services and Costs					
Other Expenses	135,000	135,000	101,264	33,736	
Engineering Services and Costs					
Other Expenses	20,000	30,000	29,427	573	
LAND USE ADMINISTRATION					
Planning Board					
Salaries and Wages	36,500	36,500	36,422	78	
Other Expenses	35,240	60,240	24,165	36,075	
Zoning Board of Adjustment					
Salaries and Wages	38,500	38,500	38,180	320	
Other Expenses	13,550	13,550	9,619	3,931	
Zoning Officer					
Salaries and Wages	12,000	12,000	12,000		
Other Expenses	3,750	3,750	1,017	2,733	
Housing Task Force					
Salaries and Wages	9,500	10,625	10,388	237	
Other Expenses	1,400	1,400	650	750	
INSURANCE					
General Liability	196,500	196,500	186,177	10,323	
Unemployment Insurance	30,000	30,000	30,000		
Employee Group Health	1,290,750	1,290,750	1,225,476	65,274	
Employee Group Health Waiver	29,750	29,750	29,750		
Tri-Boro Ambulance	5,000	5,000	4,838	162	

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Continued)					
PUBLIC SAFETY FUNCTIONS					
Police					
Salaries and Wages	\$ 2,168,955	\$ 2,188,955	\$ 2,184,636	\$ 4,319	
Other Expenses	152,815	147,815	146,888	927	
Pistol Range					
Other Expenses	15,000	10,000	6,778	3,222	
Police Reserves/EMC					
Salaries and Wages	17,500	17,500	16,657	843	
Other Expenses	16,600	16,600	15,387	1,213	
Tri-Borough Safety Corps					
Other Expenses	281,000	281,000	265,727	15,273	
Emergency Management Services					
Salaries and Wages	3,000	3,000	3,000		
Other Expenses	5,495	5,495	2,438	3,057	
First Aid Organization					
Other Expenses - Contribution	17,500	17,500	17,500		
Fire Department					
Salaries and Wages	46,885	46,885	46,885		
Other Expenses	82,395	82,395	75,241	7,154	
Fire Hydrant Services	13,500	13,500	12,425	1,075	
Fire Prevention					
Salaries and Wages	32,291	32,291	31,736	555	
Other Expenses	9,150	9,150	6,280	2,870	
PUBLIC WORKS FUNCTION					
Streets and Road Maintenance					
Salaries and Wages	584,800	584,800	539,324	45,476	
Other Expenses	142,200	142,200	117,544	24,656	
Sewer System					
Salaries and Wages	27,000	13,625	2,935	10,690	
Other Expenses	11,050	11,050	9,014	2,036	
Shade Tree	5,000	5,000	2,154	2,846	
Solid Waste Collection					
Other Expenses - Sanitation	325,000	325,000	323,434	1,566	
Other Expenses - Recycling	111,850	131,850	116,222	15,628	
Building and Grounds					
Salaries and Wages	78,500	78,500	76,093	2,407	
Other Expenses	58,450	65,950	64,688	1,262	
Vehicle Maintenance					
Salaries and Wages	83,500	83,500	81,061	2,439	
Other Expenses	46,900	41,900	35,642	6,258	

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Cont'd)					
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries and Wages	\$ 25,000	\$ 25,000	\$ 20,451	\$ 4,549	
Other Expenses	69,816	69,816	63,403	6,413	
Administration of Public Assistance					
Salaries and Wages	9,000	9,000	8,970	30	
Other Expenses	300	300		300	
Aid to Mental Health					
Other Expenses	8,000	8,000	8,000		
Contributions to Social Service Agencies					
Other Expenses	4,000	4,000	4,000		
Municipal Alliance					
Other Expenses	15,500	15,500	3,570	11,930	
PARKS AND RECREATION FUNCTIONS					
Recreation Services and Programs					
Other Expenses	18,350	18,350	16,574	1,776	
Senior Citizens					
Salaries and Wages	12,000	12,000	11,009	991	
Other Expenses	6,000	6,000	6,000		
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events	2,000	2,000	2,000		
Park Ridge Television					
Salaries and Wages	6,000	6,000	5,980	20	
Other Expenses	3,850	3,850	3,008	842	
Terminal Leave	63,000	24,000	23,927	73	
Municipal Services Act					
Other Expenses	15,000	15,000	4,550	10,450	
UNIFORM CONSTRUCTION CODE					
APPROPRIATIONS OFFSET BY DEDICATED					
REVENUES (N.J.A.C. 5:23-4-17)					
Construction Code Official					
Salaries and Wages	140,650	140,400	134,718	5,682	
Other Expenses	6,135	6,135	3,174	2,961	
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	86,500	86,500	79,510	6,990	
Telephone	36,000	36,000	33,501	2,499	
Water	16,000	16,000	12,788	3,212	
Gas and Oil	30,000	30,000	15,045	14,955	
Gasoline	105,000	105,000	89,409	15,591	

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Cont'd)					
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Dumping Fees	\$ 265,000	\$ 265,000	\$ 227,916	\$ 37,084	
Hurricane Sandy - Response and Recovery					
Salaries and Wages		25,000	4,027	20,973	
Other Expenses	-	125,000	72,744	52,256	-
Total Operations Within "CAPS"	<u>7,651,727</u>	<u>7,826,727</u>	<u>7,254,069</u>	<u>572,658</u>	<u>-</u>
Contingent	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
Total Operations Including Contingent Within "CAPS"	<u>7,656,727</u>	<u>7,831,727</u>	<u>7,254,069</u>	<u>577,658</u>	<u>-</u>
Detail:					
Salaries and Wages	3,734,556	3,737,556	3,634,059	103,497	-
Other Expenses	3,922,171	4,094,171	3,620,010	474,161	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Statutory Expenditures					
Contribution to					
Social Security System	225,000	200,000	173,198	26,802	
Defined Contribution Plan	1,116	1,116		1,116	
Police & Firemen Retirement System	408,420	408,420	408,420		
Public Employees Retirement System	172,250	172,250	172,250	-	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>806,786</u>	<u>781,786</u>	<u>753,868</u>	<u>27,918</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>8,463,513</u>	<u>8,613,513</u>	<u>8,007,937</u>	<u>605,576</u>	<u>-</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Recycling Tax	12,000	12,000	10,164	1,836	
SEWERAGE PROCESSING AND DISPOSAL					
Bergen County Utilities Authority-Sewer Fees	642,500	642,500	642,299	201	
OTHER COMMON OPERATING FUNCTIONS					
Tax Appeals	80,000	80,000	80,000		
INSURANCE					
Employee Group Health	73,005	73,005	40,055	32,950	
EDUCATION FUNCTIONS					
Maintenance of Free Public Library	605,126	605,126	586,037	19,089	

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, 2012

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS" (Cont'd)					
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS					
Municipal Court					
Other Expenses - Contractual	\$ 109,500	\$ 109,500	\$ 106,511	\$ 2,989	
PUBLIC SAFETY FUNCTION					
LOSAP					
Fire Department	40,000	40,000	40,000		
Tri-Borough Ambulance	13,000	13,000	13,000	-	-
Total Other Operations Excluded from "CAPS"	<u>1,575,131</u>	<u>1,575,131</u>	<u>1,518,066</u>	<u>57,065</u>	<u>-</u>
PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES					
Municipal Drug Alliance Program					
Salaries and Wages	711	711		711	
Clean Communities Program	14,305	14,305	4,650	9,655	
Body Armor Fund Grant	1,948	1,948		1,948	
Alcohol and Rehabilitation Fund	323	323		323	
Over the Limit	2,806	2,806		2,806	
Recycling Tonnage Grant	11,315	11,315	1,624	9,691	
Bergen County Forfeiture Funds		5,000	4,854	146	
Bergen County Forfeiture Funds-NJSACOP		19,000	9,750	9,250	
NJSL&PS - Drive Sober or Get Pulled Over		4,400	1,625	2,775	
CDBG - Handicapped Accessible Bathroom		55,000	55,000		
FEMA Emergency - Message Board		14,396	14,396		
Bergen County - Spring Valley Maple Leaf Drainage	-	31,770	31,770	-	-
Total Public and Private Programs Offset by Revenues	<u>31,408</u>	<u>160,974</u>	<u>123,669</u>	<u>37,305</u>	<u>-</u>
Total Operations Excluded from "CAPS"	<u>1,606,539</u>	<u>1,736,105</u>	<u>1,641,735</u>	<u>94,370</u>	<u>-</u>
Detail:					
Salaries and Wages	711	711	-	711	-
Other Expenses	1,605,828	1,735,394	1,641,735	93,659	-
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	<u>109,000</u>	<u>109,000</u>	<u>109,000</u>	<u>-</u>	<u>-</u>
Total Capital Improvements Excluded from "CAPS"	<u>109,000</u>	<u>109,000</u>	<u>109,000</u>	<u>-</u>	<u>-</u>

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Balance</u> <u>Cancelled</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	\$ 650,000	\$ 650,000	\$ 650,000		
Payment of Bond Anticipation Notes and Capital Notes	185,450	185,450	183,434		\$ 2,016
Interest on Bonds	275,800	275,800	275,761		39
Interest on Notes	95,400	95,400	95,069		331
Green Trust Loan Program: Loan Repayments for Principal and Interest	34,005	34,005	34,004	-	1
Total Municipal Debt Service Excluded from "CAPS"	1,240,655	1,240,655	1,238,268	-	2,387
DEFERRED CHARGES MUNICIPAL- EXCLUDED FROM "CAPS"					
DEFERRED CHARGES					
Emergency Authorizations	100,000	100,000	100,000		
Special Emergency Authorization	120,000	120,000	120,000	-	-
Total Deferred Charges Municipal Excluded from "CAPS"	220,000	220,000	220,000	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	3,176,194	3,305,760	3,209,003	\$ 94,370	\$ 2,387
Subtotal General Appropriations	11,639,707	11,919,273	11,216,940	699,946	2,387
Reserve for Uncollected Taxes	510,000	510,000	510,000	-	-
Total General Appropriations	\$ 12,149,707	\$ 12,429,273	\$ 11,726,940	\$ 699,946	\$ 2,387
	<u>Reference</u>	A-2	A-1	A, A-1	
Budget	A-3	\$ 12,149,707			
Emergency Appropriation	A-14	150,000			
Appropriation by 40A:4-87	A-2	129,566			
		\$ 12,429,273			
Cash Disbursed	A-4		\$ 10,425,982		
Encumbrances Payable	A-16		339,258		
Deferred Charges					
Special Emergency Authorization	A-13		120,000		
Emergency Authorization	A-14		100,000		
Due to General Capital Fund	C-6		151,203		
Due to Swim Pool Utility Operating Fund	G-10		497		
Reserve for Tax Appeals	A-25		80,000		
Reserve for Uncollected Taxes	A-2		510,000		
			\$ 11,726,940		

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2012 AND 2011**

ASSETS	<u>Reference</u>	<u>2012</u>	<u>2011</u>
ANIMAL CONTROL TRUST FUND			
Cash	B-3	\$ <u>11,896</u>	\$ <u>11,483</u>
OTHER TRUST FUND			
Cash	B-3	<u>974,183</u>	<u>793,747</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Cash	B-3	<u>111,412</u>	<u>58,890</u>
OPEN SPACE PRESERVATION TRUST FUND			
Cash	B-3	522,032	580,367
Due from General Capital Fund	C-11	<u>-</u>	<u>48,376</u>
		<u>522,032</u>	<u>628,743</u>
AFFORDABLE HOUSING TRUST FUND			
Cash	B-3	<u>637,946</u>	<u>636,292</u>
LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)			
Investments	B	969,836	812,839
Contributions Receivable	B	<u>84,996</u>	<u>86,084</u>
		<u>1,054,832</u>	<u>898,923</u>
Total Assets		<u>\$ 3,312,301</u>	<u>\$ 3,028,078</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2012 AND 2011**

LIABILITIES AND RESERVES	<u>Reference</u>	<u>2012</u>	<u>2011</u>
ANIMAL CONTROL TRUST FUND			
Due to State of New Jersey	B-4	\$ 131	\$ 113
Due to Current Fund	B-5	1,739	2,695
Reserve for Animal Control Expenditures	B-6	<u>10,026</u>	<u>8,675</u>
		<u>11,896</u>	<u>11,483</u>
OTHER TRUST FUND			
Due to Current Fund	B-14	8,102	27,000
Due to Water Utility Operating Fund	D-17	11,758	10,032
Due to Electric Utility Operating Fund	E-16	16,106	14,955
Developers Escrow Deposits	B-12	581,022	323,678
Payroll Deductions Payable	B-13	183,627	173,933
Miscellaneous Reserves & Deposits	B-15	<u>173,568</u>	<u>244,149</u>
		<u>974,183</u>	<u>793,747</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Due to State of New Jersey	B-7	5,692	387
Reserve for Unemployment Insurance Benefits	B-8	<u>105,720</u>	<u>58,503</u>
		<u>111,412</u>	<u>58,890</u>
OPEN SPACE PRESERVATION TRUST FUND			
Due to Current Fund	B-9	-	9,977
Due to General Capital Fund	C-11	137,670	
Reserve for Open Space Expenditures	B-10	<u>384,362</u>	<u>618,766</u>
		<u>522,032</u>	<u>628,743</u>
AFFORDABLE HOUSING TRUST FUND			
Reserve for Affordable Housing	B-11	<u>637,946</u>	<u>636,292</u>
LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)			
Reserve for LOSAP Benefits	B	<u>1,054,832</u>	<u>898,923</u>
Total Liabilities and Reserves		<u>\$ 3,312,301</u>	<u>\$ 3,028,078</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, 2012**

		<u>Anticipated (Memo)</u>			
	<u>Reference</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Realized</u>	<u>Excess or Deficit</u>
Trust Fund Reserve Balance Anticipated	B-10	-	\$ 234,404	\$ 234,404	-
	B-2	\$ -	\$ 234,404	\$ 234,404	\$ -

**STATEMENT OF APPROPRIATIONS-REGULATORY BASIS
OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

		<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			\$ 89,836	\$ 89,836	
Down Payments on Improvements		-	144,568	144,568	-
		\$ -	\$ 234,404	\$ 234,404	\$ -
	Reference	B-1	B-1	B-10	

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2012 AND 2011**

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
ASSETS			
Cash and Investments	C-2,C-3	\$ 255,009	\$ 778,869
Grants Receivable	C-4	151,401	419,241
Loan Receivable	C-5	23,120	
Due from Current Fund	C-6		554,891
Due from Open Space Preservation Trust Fund	C-11	137,670	
Due from Swim Pool Utility Operating Fund	G-11		1,800
Deferred Charges to Future Taxation			
Funded	C-7	11,926,424	8,230,778
Unfunded	C-8	<u>6,817,589</u>	<u>7,446,023</u>
 Total Assets		 <u>\$ 19,311,213</u>	 <u>\$ 17,431,602</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Serial Bonds	C-14	\$ 10,357,000	\$ 7,792,000
Green Trust Loan	C-15	1,569,424	438,778
Bond Anticipation Notes	C-13	2,497,350	6,389,648
Contracts Payable	C-9	226,410	931,976
Due to Open Space Preservation Trust Fund	C-11		48,376
Improvement Authorizations			
Funded	C-12	730,306	710,538
Unfunded	C-12	3,644,361	729,632
Capital Improvement Fund	C-10	18,023	16,743
Reserve for Payment of Debt	C-16	206,035	256,035
Fund Balance	C-1	<u>62,304</u>	<u>117,876</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 19,311,213</u>	 <u>\$ 17,431,602</u>

There were bonds and notes authorized but not issued on December 31, 2012 and 2011 of \$4,320,239 and \$1,157,660 respectively. (Exhibit C-17)

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Balance, January 1	C	\$ 117,876	\$ 71,213
Increased by:			
Premium on Sale of Bonds and Notes	C-2	61,428	
Funded Improvement Authorizations Cancelled	C-1		423,426
Cancelled Reserve for Grant Proceeds	C-1	<u>-</u>	<u>16,685</u>
		179,304	511,324
Decreased by:			
Appropriation to Finance Improvement Authorizations	C-12	99,000	
Anticipated as Current Fund Revenue	C-2	18,000	
Cancelled Grants Receivable	C-1		290,734
Cancelled Other Accounts Receivable	C-1	<u>-</u>	<u>102,714</u>
Balance, December 31	C	<u>\$ 62,304</u>	<u>\$ 117,876</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2012 AND 2011**

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
ASSETS			
OPERATING FUND			
Cash	D-5	\$ 3,659,849	\$ 3,453,926
Cash - Change Fund	D-7	25	25
Due from Current Fund	D-14	34,568	5,213
Due from Other Trust Fund	D-17	11,758	10,032
Due from Electric Utility Operating Fund	D-15	15,932	
Due from Utility Trust Fund	F-3	<u>24,973</u>	<u>836</u>
		<u>3,747,105</u>	<u>3,470,032</u>
Receivables With Full Reserves			
Water Rents Receivable	D-8	103,249	194,782
Other Accounts Receivable	D-9	40,667	37,838
Woodcliff Lake Surcharge Receivable	D-10	<u>22,950</u>	<u>26,052</u>
		<u>166,866</u>	<u>258,672</u>
Deferred Charges			
Emergency Authorizations	D-13	<u>25,000</u>	<u>-</u>
Total Operating Fund		<u>3,938,971</u>	<u>3,728,704</u>
CAPITAL FUND			
Due from Water Utility Operating Fund	D-16	545,639	35,563
Fixed Capital	D-11	12,059,438	11,184,134
Fixed Capital Authorized and Uncompleted	D-12	<u>1,171,386</u>	<u>827,149</u>
Total Capital Fund		<u>13,776,463</u>	<u>12,046,846</u>
		<u>\$ 17,715,434</u>	<u>\$ 15,775,550</u>

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2012 AND 2011
(Continued)

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	D-4,D-19	\$ 268,918	\$ 388,104
Encumbrances Payable	D-20	157,965	103,273
Accounts Payable	D-21	2,906	2,906
Overpayments	D-23	8,054	
Due to Water Utility Capital Fund	D-16	545,639	35,563
Due to Electric Utility Operating Fund	D-15	-	24,701
Emergency Notes Payable	D-18	25,000	
Miscellaneous Reserves	D-28	<u>2,011,842</u>	<u>2,493,185</u>
		3,020,324	3,047,732
Reserve for Receivables	D	166,866	258,672
Fund Balance	D-1	<u>751,781</u>	<u>422,300</u>
Total Operating Fund		<u>3,938,971</u>	<u>3,728,704</u>
CAPITAL FUND			
Serial Bonds Payable	D-25	1,250,000	
Contracts Payable	D-22	389,449	413,947
Improvement Authorization			
Funded	D-24	11,777	
Unfunded	D-24	491,284	170,975
Capital Improvement Fund	D-26	531,669	506,669
Reserve for Amortization	D-27	11,048,824	10,914,283
Fund Balance	D-2	<u>53,460</u>	<u>40,972</u>
Total Capital Fund		<u>13,776,463</u>	<u>12,046,846</u>
		<u>\$ 17,715,434</u>	<u>\$ 15,775,550</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2012 and 2011 of \$932,000 and \$1,097,000 respectively. (See Exhibit D-29)

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING FUND BALANCE
REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	D-3	\$ 335,648	\$ 762,800
Water Rents	D-3	2,528,722	2,383,345
Miscellaneous Fees	D-3	298,313	273,089
Reserve for Woodcliff Lake Improvements	D-3	588,452	
Other Credits			
Appropriation Reserves Lapsed	D-19	338,094	146,890
Cancellation of Accounts Payable	D-1		2,007
Prior Year Outstanding Checks Voided	D-1	-	29,928
		<u>4,089,229</u>	<u>3,598,059</u>
Total Income			
EXPENDITURES			
Operating	D-4	3,050,600	2,942,300
Capital Improvements	D-4	211,500	236,500
Deferred Charges and Statutory Expenditures	D-4	187,000	186,000
		<u>3,449,100</u>	<u>3,364,800</u>
Total Expenditures			
Excess in Revenue		640,129	233,259
Adjustments to Income before Fund Balance			
Deferred Charges to be Raised in Succeeding Year's Budget	D-13	25,000	-
Statutory Excess to Fund Balance		665,129	233,259
Fund Balance, January 1,	D	422,300	951,841
		1,087,429	1,185,100
Decreased by:			
Utilized as Anticipated Revenue	D-1,D-3	335,648	762,800
Balance, December 31,	D	<u>\$ 751,781</u>	<u>\$ 422,300</u>

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE- REGULATORY BASIS
WATER UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Balance, January 1	D	\$ 40,972	\$ 21,090
Increased by:			
Funded Improvement Authorizations Cancelled	D-2		19,882
Premium on Serial Bonds	D-16	<u>12,488</u>	<u>-</u>
Balance, December 31,	D	<u>\$ 53,460</u>	<u>\$ 40,972</u>

BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	D-1	\$ 335,648	\$ 335,648	
Water Rents	D-1,D-8	2,380,000	2,528,722	\$ 148,722
Miscellaneous Fees	D-1,D-3	270,000	298,313	28,313
Reserve for Woodcliff Lake Improvements	D-28	<u>588,452</u>	<u>588,452</u>	<u>-</u>
	D-4	<u>\$ 3,574,100</u>	<u>\$ 3,751,135</u>	<u>\$ 177,035</u>

Analysis of Realized Revenue

Miscellaneous Fees:

Fire Sprinkler	D-9	\$ 58,096
Hydrants	D-9	29,330
Mobile Antenna Rents	D-3	172,474
Insurance Reimbursements	D-3	28,567
FEMA Reimbursements	D-3	6,001
Miscellaneous Fees	D-3	<u>3,845</u>
	D-3	<u>\$ 298,313</u>
Cash Receipts	D-5	\$ 247,813
Due from Current Fund	D-14	34,568
Due from Electric Utility Operating Fund	D-15	<u>15,932</u>
		<u>\$ 298,313</u>

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries and Wages	\$ 1,176,000	\$ 1,176,000	\$ 1,067,237	\$ 58,763	\$ 50,000
Other Expenses	1,574,600	1,574,600	1,410,955	113,645	50,000
Group Health Insurance	375,000	375,000	355,859	19,141	
Hurricane Sandy - Response and Recovery					
Salaries		10,000	5,642	4,358	
Other Expenses	-	15,000	7,118	7,882	-
	<u>3,125,600</u>	<u>3,150,600</u>	<u>2,846,811</u>	<u>203,789</u>	<u>100,000</u>
CAPITAL IMPROVEMENTS					
Capital Improvement Fund	25,000	25,000	25,000		
Capital Outlay	236,500	236,500	131,332	55,168	50,000
	<u>261,500</u>	<u>261,500</u>	<u>156,332</u>	<u>55,168</u>	<u>50,000</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures					
Contribution to					
Public Employees Retirement System	97,000	97,000	97,000	-	
Social Security System (O.A.S.I.)	90,000	90,000	80,039	9,961	-
	<u>187,000</u>	<u>187,000</u>	<u>177,039</u>	<u>9,961</u>	<u>-</u>
Total Deferred Charges and Statutory Expenditures	<u>187,000</u>	<u>187,000</u>	<u>177,039</u>	<u>9,961</u>	<u>-</u>
	<u>\$ 3,574,100</u>	<u>\$ 3,599,100</u>	<u>\$ 3,180,182</u>	<u>\$ 268,918</u>	<u>\$ 150,000</u>
	<u>Reference</u>	D-3	D-1	D, D-1	
Budget Appropriations	D-3	\$ 3,574,100			
Emergency Appropriations	D-13	<u>25,000</u>			
		<u>\$ 3,599,100</u>			
Cash Disbursed	D-5		\$ 2,997,217		
Encumbrances Payable	D-20		157,965		
Due to Water Utility Capital Fund	D-16		<u>25,000</u>		
			<u>\$ 3,180,182</u>		

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
ELECTRIC UTILITY FUND
AS OF DECEMBER 31, 2012 AND 2011**

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
ASSETS			
OPERATING FUND			
Cash	E-5	\$ 2,949,485	\$ 2,037,859
Cash - Change Fund	E-7	50	50
Cash - Petty Cash	E-8	500	
Due from Current Fund	E-14	37,388	
Due from Other Trust Fund	E-16	16,106	14,955
Due from Water Utility Operating Fund	D-15		24,701
Due from Utility Trust Fund	F-4	<u>48,868</u>	<u>1,517</u>
		<u>3,052,397</u>	<u>2,079,082</u>
Receivables With Full Reserves			
Light and Power Charges Receivable	E-9	353,392	362,232
Other Accounts Receivable	E-10	<u>19,371</u>	<u>18,917</u>
		<u>372,763</u>	<u>381,149</u>
Deferred Charges:			
Special Emergency Authorizations	E-13	<u>225,000</u>	<u>-</u>
Total Operating Fund		<u>3,650,160</u>	<u>2,460,231</u>
CAPITAL FUND			
Due from Electric Utility Operating Fund	E-15	745,458	44,639
Fixed Capital	E-11	11,242,025	10,892,089
Fixed Capital Authorized and Uncompleted	E-12	<u>604,489</u>	<u>531,429</u>
Total Capital Fund		<u>12,591,972</u>	<u>11,468,157</u>
		<u>\$ 16,242,132</u>	<u>\$ 13,928,388</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
ELECTRIC UTILITY FUND
AS OF DECEMBER 31, 2012 AND 2011
(Continued)

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	E-4,E-17	\$ 425,934	\$ 314,379
Encumbrances Payable	E-18	538,424	541,017
Accounts Payable	E-20	2,001	2,001
Accrued Interest on Bonds	E-21	10,237	10,237
Overpayments	E-27	12,853	
Special Emergency Note Payable	E-28	225,000	
Due to Current Fund	E-14		51,840
Due to Water Utility Operating Fund	D-15	15,932	
Due to Electric Utility Capital Fund	E-15	<u>745,458</u>	<u>44,639</u>
		1,975,839	964,113
Reserve for Receivables	E	372,763	381,149
Fund Balance	E-1	<u>1,301,558</u>	<u>1,114,969</u>
Total Operating Fund		<u>3,650,160</u>	<u>2,460,231</u>
CAPITAL FUND			
Serial Bonds	E-23	1,838,000	1,268,000
Contracts Payable	E-19	199,181	36,782
Improvement Authorizations			
Funded	E-22	237,315	
Unfunded	E-22	100,000	300,840
Capital Improvement Fund	E-24	426,500	326,500
Reserve for Amortization	E-25	9,781,384	9,497,982
Deferred Reserve for Amortization	E-26	1,023	36,429
Fund Balance	E-2	<u>8,569</u>	<u>1,624</u>
Total Capital Fund		<u>12,591,972</u>	<u>11,468,157</u>
		<u>\$ 16,242,132</u>	<u>\$ 13,928,388</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2012 and 2011 of \$226,107 and \$621,107 respectively. (See Exhibit E-29)

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, 2012 AND 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	E-3	\$ 796,335	\$ 634,479
Light and Power Charges	E-3	9,580,812	10,031,244
Miscellaneous Fees	E-3	91,048	154,629
Other Credits to Income			
Appropriation Reserves Lapsed	E-17	261,064	277,315
Prior Year Outstanding Checks Voided	E-1		27,705
Cancellation of Accounts Payable	E-1	<u>-</u>	<u>661</u>
 Total Income		 <u>10,729,259</u>	 <u>11,126,033</u>
 EXPENDITURES			
Operating	E-4	9,323,700	9,503,000
Capital Improvements	E-4	293,500	258,500
Debt Service	E-4	174,135	177,971
Deferred Charges and Statutory Expenditures	E-4	<u>180,000</u>	<u>179,000</u>
 Total Expenditures		 <u>9,971,335</u>	 <u>10,118,471</u>
 Excess in Revenue		 757,924	 1,007,562
Adjustments to Income before Surplus:			
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	E-13	<u>225,000</u>	<u>-</u>
 Statutory Excess to Surplus		 982,924	 1,007,562
 Fund Balance, January 1,	E	 <u>1,114,969</u>	 <u>741,886</u>
		2,097,893	1,749,448
Decreased by:			
Utilized as Anticipated Revenue	E-1, E-3	<u>796,335</u>	<u>634,479</u>
 Balance, December 31,	E	 <u>\$ 1,301,558</u>	 <u>\$ 1,114,969</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
ELECTRIC UTILITY FUND
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Balance, January 1	E	\$ 1,624	\$ 475
Increased by:			
Premium on Serial Bonds Issued	E-15	6,945	
Funded Improvement Authorizations Cancelled	E-2	<u>-</u>	<u>1,149</u>
Balance, December 31,	E	<u>\$ 8,569</u>	<u>\$ 1,624</u>

BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
ELECTRIC UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	E-1	\$ 796,335	\$ 796,335	
Light and Power Charges	E-1,E-9	9,400,000	9,580,812	\$ 180,812
Miscellaneous	E-1,E-3	<u>50,000</u>	<u>91,048</u>	<u>41,048</u>
	E-4	<u>\$ 10,246,335</u>	<u>10,468,195</u>	<u>\$ 221,860</u>
 <u>Analysis of Realized Revenue</u>				
Miscellaneous:				
Dusk to Dawn Fees	E-10		\$ 18,174	
Miscellaneous Fees	E-3		17,354	
Insurance Reimbursements	E-3		40,744	
FEMA Reimbursements	E-3		12,230	
Voided Prior Year Checks	E-3		<u>2,546</u>	
	E-3		<u>\$ 91,048</u>	
Cash Receipts	E-5		\$ 53,660	
Due from Current Fund	E-14		<u>37,388</u>	
			<u>\$ 91,048</u>	

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
ELECTRIC UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries and Wages	\$ 1,012,000	\$ 1,012,000	\$ 952,953	\$ 9,047	\$ 50,000
Other Expenses	672,700	672,700	555,193	42,507	75,000
Group Health Insurance	363,000	363,000	342,845	20,155	
Purchase of Electric Current	6,846,000	6,846,000	6,387,383	133,617	325,000
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		
Hurricane Sandy Extraordinary Expense					
Salaries		25,000	25,000		
Other Expenses	-	200,000	58,894	141,106	-
		<u>9,548,700</u>	<u>8,977,268</u>	<u>346,432</u>	<u>450,000</u>
		<u>9,773,700</u>			
CAPITAL IMPROVEMENTS					
Capital Improvement Fund	100,000	100,000	100,000		
Capital Outlay	243,500	243,500	120,907	72,593	50,000
		<u>343,500</u>	<u>220,907</u>	<u>72,593</u>	<u>50,000</u>
MUNICIPAL DEBT SERVICE -					
Payment of Bond Principal	125,000	125,000	125,000	-	
Interest on Bonds	49,135	49,135	49,135	-	-
		<u>174,135</u>	<u>174,135</u>	<u>-</u>	<u>-</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures					
Contribution to					
Public Employees Retirement System	100,000	100,000	99,993	7	
Social Security System (O.A.S.I.)	80,000	80,000	73,098	6,902	-
		<u>180,000</u>	<u>173,091</u>	<u>6,909</u>	<u>-</u>
Total Deferred Charges and Statutory Expenditures		<u>180,000</u>	<u>173,091</u>	<u>6,909</u>	<u>-</u>
		<u>\$10,246,335</u>	<u>\$ 10,471,335</u>	<u>\$ 425,934</u>	<u>\$ 500,000</u>

	<u>Reference</u>	E-3	E-1	E, E-1
Budget Appropriations	E-3	\$ 10,246,335		
Special Emergency Appropriations	E-13	<u>225,000</u>		
		<u>\$ 10,471,335</u>		
Cash Disbursed	E-5		\$8,857,842	
Encumbrances Payable	E-18		538,424	
Accrued Interest on Bonds	E-21		49,135	
Due to Electric Utility Capital Fund	E-15		<u>100,000</u>	
			<u>\$9,545,401</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, 2012 AND 2011

ASSETS	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Cash	F-1	\$ 701,459	\$ 628,159
		<u>\$ 701,459</u>	<u>\$ 628,159</u>
 LIABILITIES AND RESERVES			
Deposits Payable			
Water Customers	F-2	\$ 414,477	\$ 413,974
Electric Customers	F-2	213,141	211,832
Due to Water Utility Operating Fund	F-3	24,973	836
Due to Electric Utility Operating Fund	F-4	<u>48,868</u>	<u>1,517</u>
 Total Liabilities and Reserves		 <u>\$ 701,459</u>	 <u>\$ 628,159</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SWIM POOL UTILITY FUND
AS OF DECEMBER 31, 2012 AND 2011**

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
ASSETS			
OPERATING FUND			
Cash	G-5	\$ 170,254	\$ 218,712
Petty Cash	G-7	250	250
Due from Swim Pool Utility Capital Fund	G-9	<u>5,196</u>	<u>-</u>
Total Operating Fund		<u>175,700</u>	<u>218,962</u>
CAPITAL FUND			
Grants Receivable	G-8	23,801	30,188
Due from Swimming Pool Utility Operating Fund	G-9		56,417
Fixed Capital	G-12	1,060,861	1,060,861
Fixed Capital Authorized and Uncompleted	G-13	<u>43,055</u>	<u>43,055</u>
Total Capital Fund		<u>1,127,717</u>	<u>1,190,521</u>
		<u>\$ 1,303,417</u>	<u>\$ 1,409,483</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SWIM POOL UTILITY FUND
AS OF DECEMBER 31, 2012 AND 2011
(Continued)**

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	G-4,G-14	\$ 7,561	\$ 416
Encumbrances Payable	G-15	3,002	15,022
Accounts Payable	G-16	320	
Accrued Interest on Notes	G-17		630
Due to Current Fund	G-10	13	1,200
Due to General Capital Fund	G-11		1,800
Due to Swim Pool Utility Capital Fund	G-9	-	56,417
		<u>10,896</u>	<u>75,485</u>
Fund Balance	G-1	<u>164,804</u>	<u>143,477</u>
Total Operating Fund		<u>175,700</u>	<u>218,962</u>
CAPITAL FUND			
Bond Anticipation Note	G-19	-	80,000
Due to Swim Pool Utility Operating Fund	G-9	5,196	
Improvement Authorizations			
Funded	G-18	18,615	18,615
Unfunded	G-18	24,440	24,440
Capital Improvement Fund	G-20	16,000	16,000
Reserve for Amortization	G-21	1,044,801	1,032,801
Deferred Reserve for Amortization	G-22	18,615	18,615
Fund Balance	G-2	<u>50</u>	<u>50</u>
Total Capital Fund		<u>1,127,717</u>	<u>1,190,521</u>
		<u>\$ 1,303,417</u>	<u>\$ 1,409,483</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2012 and 2011 of \$40,500 and \$52,500 respectively. (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, 2012 AND 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	G-3	\$ 12,290	\$ 18,800
Membership Fees	G-3	231,440	228,388
Miscellaneous Fees	G-3	37,182	31,389
Other Credits			
Cancelled Accounts Payable	G		526
Appropriation Reserves Lapsed	G-14	<u>1,391</u>	<u>17,828</u>
 Total Income		 <u>282,303</u>	 <u>296,931</u>
 EXPENDITURES			
Operating	G-4	228,618	213,375
Debt Service	G-4	58	1,580
Deferred Charges and Statutory Expenditures	G-4	<u>20,010</u>	<u>20,200</u>
 Total Expenditures		 <u>248,686</u>	 <u>235,155</u>
 Excess in Revenue		 33,617	 61,776
 Fund Balance, January 1,	 G	 <u>143,477</u>	 <u>100,501</u>
		177,094	162,277
Decreased by:			
Utilized as Anticipated Revenue	G-1,G-3	<u>12,290</u>	<u>18,800</u>
 Balance, December 31,	 G	 <u>\$ 164,804</u>	 <u>\$ 143,477</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, 2012 AND 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Balance, January 1	G	\$ 50	\$ 50
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, 2012**

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	G-1	\$ 12,290	\$ 12,290	
Membership Fees	G-1,G-5	228,388	231,440	\$ 3,052
Miscellaneous	G-1,G-3	<u>30,000</u>	<u>37,182</u>	<u>7,182</u>
	G-4	<u>\$ 270,678</u>	<u>\$ 280,912</u>	<u>\$ 10,234</u>

Analysis of Realized Revenue

Miscellaneous				
Pictures			\$ 405	
Swim Lessons			9,232	
Fines			4,498	
Guest Fees			17,417	
Snack Bar Concession Fee			3,400	
Miscellaneous			<u>2,230</u>	
	G-3,G-5		<u>\$ 37,182</u>	

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SWIM POOL UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries and Wages	\$ 107,000	\$ 107,000	\$ 106,932	\$ 68	
Other Expenses	<u>141,618</u>	<u>141,618</u>	<u>114,125</u>	<u>7,493</u>	<u>\$ 20,000</u>
Total Operating	<u>248,618</u>	<u>248,618</u>	<u>221,057</u>	<u>7,561</u>	<u>20,000</u>
DEBT SERVICE					
Interest on Notes	<u>2,050</u>	<u>2,050</u>	<u>58</u>	<u>-</u>	<u>1,992</u>
Total Debt Service	<u>2,050</u>	<u>2,050</u>	<u>58</u>	<u>-</u>	<u>1,992</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Deferred Charges					
Cost of Improvements-Ord. 6-10	12,000	12,000	12,000		-
Statutory Expenditures					
Contribution to Social Security System (O.A.S.I.)	<u>8,010</u>	<u>8,010</u>	<u>8,010</u>	<u>-</u>	<u>-</u>
Total Deferred Charges and Statutory Expenditures	<u>20,010</u>	<u>20,010</u>	<u>20,010</u>	<u>-</u>	<u>-</u>
	<u>\$ 270,678</u>	<u>\$ 270,678</u>	<u>\$ 241,125</u>	<u>\$ 7,561</u>	<u>\$ 21,992</u>
<u>Reference</u>	G-3	G-3	G-1	G,G-1	
	<u>Reference</u>				
Cash Disbursed	G-5		\$ 226,052		
Encumbrances Payable	G-15		3,002		
Due to Current Fund	G-10		13		
Due to Swim Pool Utility Capital Fund	G-9		12,000		
Accrued Interest on Notes	G-17		<u>58</u>		
	G-4		<u>\$ 241,125</u>		

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
PUBLIC ASSISTANCE FUND
AS OF DECEMBER 31, 2012 AND 2011**

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
ASSETS			
Cash	H-1	\$ 12,434	\$ 10,076
		<u>\$ 12,434</u>	<u>\$ 10,076</u>
LIABILITIES AND RESERVES			
Due to Current Fund	H-2	\$ 2,345	\$ 2,345
Reserve for Public Assistance	H-3	<u>10,089</u>	<u>7,731</u>
		<u>\$ 12,434</u>	<u>\$ 10,076</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2012 AND 2011**

	<u>2012</u>	<u>2011</u> (Restated)
Land	\$ 14,933,696	\$ 14,933,696
Buildings and Building Improvements	5,515,900	5,515,900
Machinery and Equipment	<u>5,347,790</u>	<u>5,111,289</u>
	<u>\$ 25,797,386</u>	<u>\$ 25,560,885</u>
 Investment in Fixed Assets	 <u>\$ 25,797,386</u>	 <u>\$ 25,560,885</u>

NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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.

B. Reporting Entity

The Borough of Park Ridge (the "Borough") was incorporated in 1894 and operates under an elected Mayor/Council form of government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, 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, volunteer fire department or volunteer ambulance squad, which are considered component units under GAAP. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The Borough has the following funds and account group:

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

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

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

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

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

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

Affordable Housing Trust Fund – This fund is used to account for the receipts and disbursements relating to redevelopment fees and expenditures which are regulated by NJAC 5:97-8.

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

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

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

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

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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.

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:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Borough also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11th day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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

Grant and Similar Award Revenues - 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.

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
General Capital Fund
Water Utility Capital Fund
Electric Utility Capital Fund
Swim Pool Utility Capital Fund
Public Assistance Fund

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2012 and 2011 the Borough Council increased the original budgets by \$529,566 and \$550,000, respectively. The increase in 2012 is attributable to an emergency resolution for Hurricane Sandy storm response and recovery costs in the amount of \$175,000, a special emergency resolution for Hurricane Sandy storm damage in the amount of \$225,000 and additional aid allotted to the Borough in the amount of \$129,566. The increase in 2011 was attributable to a special emergency resolution for Hurricane Irene storm damage in the amount of \$450,000 and an emergency resolution for the October 2011 Nor'easter storm response and clean-up costs in the amount of \$100,000. In addition, the governing body approved several budget transfers during 2012 and 2011.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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

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

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.

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

Property Acquired for Taxes – Property acquired for taxes is recorded in the Current Fund at the assessed valuation when such property was acquired, and is fully reserved. GAAP requires such property to be recorded as a capital asset in the government-wide financial statements at fair value on the date of acquisition.

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

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

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.

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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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.

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.

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

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

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

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

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

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

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

Reclassifications - Certain reclassifications have been made to the December 31, 2011 balances to conform to the December 31, 2012 presentation.

**BOROUGH OF PARK RIDGE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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.

D. 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.

NOTE 2 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.

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 for interest bearing accounts are insured up to \$250,000 in the aggregate by the FDIC for each bank. Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, temporary unlimited deposit insurance coverage was provided for non-interest bearing accounts from December 31, 2010 through December 31, 2012. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2012 and 2011, the book value of the Borough's deposits were \$13,020,239 and \$12,516,453 and bank and brokerage firm balances of the Borough's deposits amounted to \$13,600,965 and \$12,940,096, 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>2012</u>	<u>2011</u>
Insured	<u>\$ 13,600,965</u>	<u>\$ 12,940,096</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

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, 2012 and 2011, the Borough’s bank balances were not exposed to custodial credit risk.

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.

As of December 31, 2012 and 2011, the Borough had the following investments:

	<u>2012</u>		<u>2011</u>	
	Fair Value	Book	Fair Value	Book
	<u>(LOSAP Only)</u>	<u>Value</u>	<u>(LOSAP Only)</u>	<u>Value</u>
Investment:				
MBIA Assets Management Program				
Investment Fund (Government Securities)		\$ 5,235		\$ 21,101
Lincoln Financial Group				
LOSAP Investment Plans (Unaudited)	\$ 969,836	-	\$ 812,839	-
	<u>\$ 969,836</u>	<u>\$ 5,235</u>	<u>\$ 812,839</u>	<u>\$ 21,101</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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, 2012 and 2011, \$975,071 and \$833,940 of the Borough’s investments were exposed to custodial credit risk as follows:

	<u>2012</u>	<u>2011</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)	\$ 969,836	\$ 812,839
Book Value	<u>5,235</u>	<u>21,101</u>
	<u>\$ 975,071</u>	<u>\$ 833,940</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, 2012 and 2011, the Borough’s investment in Lincoln Financial Group was rated Baa2 in each year and MBIA Inc. was rated Caal and B2, respectively, by Moody’s Investor Services.

Concentration of Credit Risk – The Borough places no limit in the amount the Borough may invest in any one issuer. More than five (5) percent of the Borough’s investments are in Lincoln Financial Group. These investments are 99% and 98% of the Borough’s total investments as of December 31, 2012 and 2011, respectively.

The fair value of the above-listed investments 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 Fund is 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, 2012 AND 2011**

NOTE 3 TAXES AND UTILITY RENTS RECEIVABLE

Receivables at December 31, 2012 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Electric Utility</u>	<u>Total</u>
<u>2012</u>				
Property Taxes	\$ 322,340			\$ 322,340
Utility Rents and Charges	<u>-</u>	<u>\$ 166,866</u>	<u>\$ 372,763</u>	<u>539,629</u>
	<u>\$ 322,340</u>	<u>\$ 166,866</u>	<u>\$ 372,763</u>	<u>\$ 861,969</u>

In 2012, the Borough collected \$247,607, \$258,672 and \$381,149 from delinquent taxes, water utility rents, and electric utility charges, which represented 100%, 100% and 100%, respectively, of the delinquent tax, water and electric charges receivable at December 31, 2011.

Receivables at December 31, 2011 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Electric Utility</u>	<u>Total</u>
<u>2011</u>				
Property Taxes	\$ 247,886			\$ 247,886
Utility Rents and Charges	<u>-</u>	<u>\$ 258,672</u>	<u>\$ 381,149</u>	<u>639,821</u>
	<u>\$ 247,886</u>	<u>\$ 258,672</u>	<u>\$ 381,149</u>	<u>\$ 887,707</u>

In 2011, the Borough collected \$231,180, \$273,005 and \$555,035 from delinquent taxes, water utility rents and electric utility charges which represented 100%, 100% and 100%, respectively, of the delinquent tax, water and electric charges receivable at December 31, 2010.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 4 MUNICIPAL DEBT

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

The Borough's debt is summarized as follows:

	<u>2012</u>	<u>2011</u>
Issued		
General		
Bonds, Notes and Loans	\$ 14,423,774	\$ 14,620,426
Water Utility		
Bonds	1,250,000	
Electric Utility		
Bonds	1,838,000	1,268,000
Swim Pool Utility		
Notes	-	80,000
	<hr/>	<hr/>
	17,511,774	15,968,426
Less Funds Temporarily Held to Pay Bonds, Notes and Loans	<u>206,035</u>	<u>437,320</u>
Net Debt Issued	17,305,739	15,531,106
Authorized But Not Issued		
General		
Bonds and Notes	4,320,239	1,157,660
Water Utility		
Bonds and Notes	932,000	1,097,000
Electric Utility		
Bonds and Notes	226,107	621,107
Swim Pool Utility		
Bonds and Notes	<u>40,500</u>	<u>52,500</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 22,824,585</u>	<u>\$ 18,459,373</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 4 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 .83% and .81% at December 31, 2012 and 2011, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2012</u>			
General Debt	\$ 18,744,013	\$ 3,446,035	\$ 15,297,978
School Debt	13,420,000	13,420,000	-
Utility Debt	<u>4,286,607</u>	<u>4,286,607</u>	<u>-</u>
Total	<u>\$ 36,450,620</u>	<u>\$ 21,152,642</u>	<u>\$ 15,297,978</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2011</u>			
General Debt	\$ 15,778,086	\$ 357,320	\$ 15,420,766
School Debt	12,655,000	12,655,000	-
Utility Debt	<u>3,118,607</u>	<u>3,118,607</u>	<u>-</u>
Total	<u>\$ 31,551,693</u>	<u>\$ 16,130,927</u>	<u>\$ 15,420,766</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>2012</u>	<u>2011</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 63,841,947	\$ 66,008,087
Net Debt	<u>15,297,978</u>	<u>15,420,766</u>
Remaining Borrowing Power	<u>\$ 48,543,969</u>	<u>\$ 50,587,321</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 4 MUNICIPAL DEBT (Continued)

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>2012</u>	<u>2011</u>
\$5,970,000, 2003 Bonds, due in annual installments of \$350,000 to \$375,000 through June 2022, interest at 3.25% to 3.50%	\$ 3,590,000	\$ 3,940,000
\$4,827,000, 2007 Bonds, due in annual installments of \$300,000 to \$350,000 through October, 2023, interest at 3.875 to 4.00%	3,552,000	3,852,000
\$3,215,000, 2012 Bonds, due in annual installments of \$150,000 to \$300,000 through August 2026, interest at 1.00% to 2.00%	<u>3,215,000</u>	<u>-</u>
	<u>\$ 10,357,000</u>	<u>\$ 7,792,000</u>

General Intergovernmental Loans Payable

The Borough has entered into loan agreements 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>2012</u>	<u>2011</u>
\$500,000, 2008 Loans, due in semi - annual installments of \$12,614 to \$16,833 through July, 2026, interest at 2.00%	\$ 413,424	\$ 438,778
\$1,156,000, 2012 Loans, due in semi - annual installments of \$24,382 to \$35,586 through July, 2032, interest at 2.00%	<u>1,156,000</u>	<u>-</u>
	<u>\$ 1,569,424</u>	<u>\$ 438,778</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 4 MUNICIPAL 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>2012</u>	<u>2011</u>
\$1,250,000, 2012 Bonds, due in annual installments of \$70,000 to \$95,000 through August, 2027, interest at 1.00% to 2.20%	\$ 1,250,000	\$ -
	<u>\$ 1,250,000</u>	<u>\$ -</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%	\$ 1,143,000	\$ 1,268,000
\$695,000, 2012 Bonds, due in annual installments of \$95,000 to \$105,000 through August, 2019, interest at 1.00% to 2.00%	<u>695,000</u>	<u>-</u>
	<u>\$ 1,838,000</u>	<u>\$ 1,268,000</u>

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2012 is as follows:

Calendar Year	General		Water Utility		Electric Utility		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2013	\$ 850,246	\$ 334,061	\$ 70,000	\$ 23,835	\$ 220,000	\$ 56,291	\$ 1,554,433
2014	875,882	319,868	75,000	23,135	220,000	50,498	1,564,383
2015	902,407	293,843	75,000	22,385	225,000	44,704	1,563,339
2016	963,962	265,317	75,000	20,885	225,000	37,860	1,588,024
2017	965,550	235,562	80,000	19,385	250,000	31,016	1,581,513
2018-2022	5,062,692	715,106	415,000	72,625	698,000	45,105	7,008,528
2023-2027	1,965,269	131,444	460,000	29,230			2,585,943
2028-2032	<u>340,416</u>	<u>19,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>359,417</u>
	<u>\$ 11,926,424</u>	<u>\$ 2,314,202</u>	<u>\$ 1,250,000</u>	<u>\$ 211,480</u>	<u>\$ 1,838,000</u>	<u>\$ 265,474</u>	<u>\$ 17,805,580</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 4 MUNICIPAL DEBT (Continued)

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years ended December 31, 2012 and 2011 were as follows:

	Balance, December 31, <u>2011</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2012</u>	Due Within <u>One Year</u>
<u>2012</u>					
<u>General Capital Fund</u>					
Bonds Payable	\$ 7,792,000	\$ 3,215,000	\$ 650,000	\$ 10,357,000	\$ 800,000
Intergovernmental Loans Payable	<u>438,778</u>	<u>1,156,000</u>	<u>25,354</u>	<u>1,569,424</u>	<u>50,246</u>
General Capital Fund Long-Term Liabilities	<u>\$ 8,230,778</u>	<u>\$ 4,371,000</u>	<u>\$ 675,354</u>	<u>\$ 11,926,424</u>	<u>\$ 850,246</u>
<u>Water Capital Fund</u>					
Bonds Payable	\$ -	\$ 1,250,000	\$ -	\$ 1,250,000	\$ 70,000
Water Capital Fund Long-Term Liabilities	<u>\$ -</u>	<u>\$ 1,250,000</u>	<u>\$ -</u>	<u>\$ 1,250,000</u>	<u>\$ 70,000</u>
<u>Electric Capital Fund</u>					
Bonds Payable	\$ 1,268,000	\$ 695,000	\$ 125,000	\$ 1,838,000	\$ 220,000
Electric Capital Fund Long-Term Liabilities	<u>\$ 1,268,000</u>	<u>\$ 695,000</u>	<u>\$ 125,000</u>	<u>\$ 1,838,000</u>	<u>\$ 220,000</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 4 MUNICIPAL DEBT (Continued)

Changes in Long-Term Municipal Debt (Continued)

	Balance, December 31, <u>2010</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2011</u>	Due Within <u>One Year</u>
<u>2011</u>					
<u>General Capital Fund</u>					
Bonds Payable	\$ 8,417,000		\$ 625,000	\$ 7,792,000	\$ 650,000
Intergovernmental Loans Payable	463,633	-	24,855	438,778	25,354
General Capital Fund Long-Term Liabilities	<u>\$ 8,880,633</u>	<u>\$ -</u>	<u>\$ 649,855</u>	<u>\$ 8,230,778</u>	<u>\$ 675,354</u>
<u>Electric Capital Fund</u>					
Bonds Payable	\$ 1,393,000	-	\$ 125,000	\$ 1,268,000	\$ 125,000
Electric Capital Fund Long-Term Liabilities	<u>\$ 1,393,000</u>	<u>\$ -</u>	<u>\$ 125,000</u>	<u>\$ 1,268,000</u>	<u>\$ 125,000</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 4 MUNICIPAL DEBT (Continued)

Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2012 and 2011 was as follows:

Bond Anticipation Notes

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	Balance	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	Balance,
			January 1, <u>2012</u>			December 31, <u>2012</u>
<u>2012</u>						
<u>General Capital Fund</u>						
Acquisition of New Ladder Truck	1.25%	8/16/2013	\$ 900,000	\$ 784,135	\$ 1,684,135	
Impvts. to Roads, Curbs and Sidewalks	1.25%	8/16/2013	1,404,750	1,698,745	2,771,320	\$ 332,175
Acquisition of Post Office Property	1.25%	8/16/2013	1,145,316	1,127,463	2,272,779	
Road Resurfacing/Road Impvts.	1.25%	8/16/2013	641,900	960,290	1,270,015	332,175
Various Impvts. & Acq. of Equip.	1.25%	8/16/2013	1,842,300	3,360,335	3,659,635	1,543,000
Renovation of High School	1.25%	8/16/2013	33,541	33,541	67,082	
Site Remediation	1.25%	8/16/2013	23,750	23,750	47,500	
Multi Purpose Artificial Turf Install.	1.25%	8/16/2013	38,091	38,091	76,182	
Payments of Amounts Owing to Others for Taxes Levied	1.50%	8/16/2013	<u>360,000</u>	<u>290,000</u>	<u>360,000</u>	<u>290,000</u>
Total General Capital Fund			<u>\$ 6,389,648</u>	<u>\$ 8,316,350</u>	<u>\$ 12,208,648</u>	<u>\$ 2,497,350</u>
<u>Swim Pool Utility Capital Fund</u>						
Handicap Bathroom			<u>\$ 80,000</u>	<u>\$ -</u>	<u>\$ 80,000</u>	<u>-</u>
Total Water Capital Fund			<u>\$ 80,000</u>	<u>\$ -</u>	<u>\$ 80,000</u>	<u>\$ -</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 4 MUNICIPAL DEBT (Continued)

Short-Term Debt (Continued)

Bond Anticipation Notes

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance January 1, 2011</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2011</u>
<u>2011</u>						
<u>General Capital Fund</u>						
Acquisition of New Ladder Truck	0.86%	2/3/2012	\$ 950,000	\$ 900,000	\$ 950,000	\$ 900,000
Impvts. to Roads, Curbs and Sidewalks	0.86%	2/3/2012	1,034,750	1,024,750	1,034,750	1,024,750
Impvts. to Roads, Curbs and Sidewalks	1.17%	2/2/2012	380,000	380,000	380,000	380,000
Acquisition of Post Office Property	0.86%	2/3/2012	1,160,000	1,145,316	1,160,000	1,145,316
Road Resurfacing/Road Impvts.	0.86%	2/3/2012	261,900	261,900	261,900	261,900
Road Resurfacing/Road Impvts.	1.17%	2/3/2012		380,000		380,000
Various Impvts. & Acq. of Equip.	0.86%	2/3/2012	1,240,000	1,240,000	1,240,000	1,240,000
Various Impvts. & Acq. of Equip.	1.17%	2/3/2012		602,300		602,300
Renovation of High School	1.17%	2/3/2012	33,541	33,541	33,541	33,541
Site Remediation	1.17%	2/3/2012	23,750	23,750	23,750	23,750
Multi Purpose Artificial Turf Instal.	1.17%	2/3/2012	38,091	38,091	38,091	38,091
Payments of Amounts Owing to Others for Taxes Levied	1.35%	9/28/2012	-	360,000	-	360,000
Total General Capital Fund			<u>\$ 5,122,032</u>	<u>\$ 6,389,648</u>	<u>\$ 5,122,032</u>	<u>\$ 6,389,648</u>
<u>Swim Pool Utility Capital Fund</u>						
Handicap Bathroom	0.86%	2/3/2012	<u>\$ 80,000</u>	<u>\$ 80,000</u>	<u>\$ 80,000</u>	<u>\$ 80,000</u>
Total Water Capital Fund			<u>\$ 80,000</u>	<u>\$ 80,000</u>	<u>\$ 80,000</u>	<u>\$ 80,000</u>

**BOROUGH OF PARK RIDGE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 4 MUNICIPAL DEBT (Continued)

Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

The purpose of these short-time 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 government activities are accounted for in the General Capital Fund. The amounts issued for the specific utility activities are accounted for in the Water, Electric and Swim Pool Utility Capital Funds.

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

In addition to the debt shown in the above schedule, municipalities may issue debt to finance emergency or special emergency appropriations to temporarily finance operating expenditures. This debt which is not included in the Borough's statutory debt limit calculation is reported in the Current Fund and Water and Electric Utility Operating Funds for the years 2012 and 2011 as follows:

Emergency Notes

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

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance, December 31, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, December 31, 2012</u>
<u>2012</u>						
<u>Current Fund</u>						
Hurricane Sandy Response & Recovery	1.75%	8/16/2013	\$ -	\$ 150,000	\$ -	\$ 150,000
Total Current Fund			\$ -	\$ 150,000	\$ -	\$ 150,000
<u>Water Utility Operating Fund</u>						
Hurricane Sandy Response & Recovery	1.75%	8/16/2013	\$ -	\$ 25,000	\$ -	\$ 25,000
Total Water Utility Operating Fund			\$ -	\$ 25,000	\$ -	\$ 25,000

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 4 MUNICIPAL DEBT (Continued)

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, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, December 31, 2012</u>
<u>2012</u>						
<u>Current Fund</u>						
Reassessment of Real Property	1.50%	8/16/2013	\$ 88,000	\$ 66,000	\$ 88,000	\$ 66,000
Hurricane Irene Storm Damage	1.50%	8/16/2013	450,000	360,000	450,000	360,000
Total			<u>\$ 538,000</u>	<u>\$ 426,000</u>	<u>\$ 538,000</u>	<u>\$ 426,000</u>
<u>Electric Utility Operating Fund</u>						
Hurricane Sandy Storm Damage	1.75%	8/16/2013	\$ -	\$ 225,000	\$ -	\$ 225,000
Total Electric Utility Operating Fund			<u>\$ -</u>	<u>\$ 225,000</u>	<u>\$ -</u>	<u>\$ 225,000</u>
			<u>Balance, December 31, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, December 31, 2011</u>
<u>2011</u>						
<u>Current Fund</u>						
Reassessment of Real Property	3.00%	9/28/2012	\$ 110,000	\$ 88,000	\$ 110,000	\$ 88,000
Hurricane Irene Storm Damage	1.35%	9/28/2012	-	450,000	-	450,000
Total			<u>\$ 110,000</u>	<u>\$ 538,000</u>	<u>\$ 110,000</u>	<u>\$ 538,000</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 5 FIXED ASSETS

General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2012 and 2011.

	Balance, December 31, <u>2011</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2012</u>
<u>2012</u>				
Land	\$ 14,933,696			\$ 14,933,696
Buildings and Building Improvements	5,515,900			5,515,900
Machinery and Equipment	<u>5,111,289</u>	<u>\$ 432,638</u>	<u>\$ 196,137</u>	<u>5,347,790</u>
	<u>\$ 25,560,885</u>	<u>\$ 432,638</u>	<u>\$ 196,137</u>	<u>\$ 25,797,386</u>
	Balance, December 31, <u>2010</u>	<u>Additions</u>	<u>Retirements</u>	Prior Year <u>Adjustment</u>
				Balance, December 31, <u>2011</u> (Restated)
<u>2011</u>				
Land	\$ 14,838,300	\$ 221,396	\$ 126,000	\$ 14,933,696
Buildings and Building Improvements	5,515,900			5,515,900
Machinery and Equipment	<u>6,740,644</u>	<u>904,688</u>	<u>493,677</u>	<u>\$ (2,040,366)</u>
	<u>\$ 27,094,844</u>	<u>\$ 1,126,084</u>	<u>\$ 619,677</u>	<u>\$ (2,040,366)</u>
				<u>\$ 25,560,885</u>

Prior Year Restatement – The December 31, 2011 General Fixed Assets were restated to reflect the removal of Water Utility, Electric Utility and Swim Pool Utility Machinery and Equipment Fixed Assets included in the General Fixed Assets in the amount of \$2,040,366.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 5 FIXED ASSETS (Continued)

Utility Funds Fixed Assets

The following is a summary of changes in the water, electric and swim pool utility funds fixed assets for the years ended December 31, 2012 and 2011.

<u>Water Utility Fund</u>	Balance December 31, <u>2011</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2012</u>
<u>2012</u>				
Fixed Capital				
Land and Land Rights	\$ 12,887			\$ 12,887
Structures and System Improvements	8,145,172	\$ 741,925		8,887,097
Vehicles and Equipment	3,026,075	133,379	-	3,159,454
	<u>\$ 11,184,134</u>	<u>\$ 875,304</u>	<u>\$ -</u>	<u>\$ 12,059,438</u>
	Balance December 31, <u>2010</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2011</u>
<u>2011</u>				
Fixed Capital				
Land and Land Rights	\$ 12,887			\$ 12,887
Structures and System Improvements	8,091,590	\$ 53,582		8,145,172
Vehicles and Equipment	2,966,453	59,622	-	3,026,075
	<u>\$ 11,070,930</u>	<u>\$ 113,204</u>	<u>\$ -</u>	<u>\$ 11,184,134</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 5 FIXED ASSETS (Continued)

Utility Funds Fixed Assets (Continued)

<u>Electric Utility Fund</u>	Balance December 31, <u>2011</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2012</u>
<u>2012</u>				
Fixed Capital				
Structures and System Improvements	\$ 8,766,981	\$ 133,611		\$ 8,900,592
Vehicles and Equipment	<u>2,125,108</u>	<u>216,325</u>	<u>-</u>	<u>2,341,433</u>
	<u>\$ 10,892,089</u>	<u>\$ 349,936</u>	<u>\$ -</u>	<u>\$ 11,242,025</u>
	Balance December 31, <u>2010</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2011</u>
<u>2011</u>				
Fixed Capital				
Structures and System Improvements	\$ 8,651,172	\$ 115,809		\$ 8,766,981
Vehicles and Equipment	<u>2,046,958</u>	<u>78,150</u>	<u>-</u>	<u>2,125,108</u>
	<u>\$ 10,698,130</u>	<u>\$ 193,959</u>	<u>\$ -</u>	<u>\$ 10,892,089</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 5 FIXED ASSETS (Continued)

Utility Funds Fixed Assets (Continued)

<u>Swim Pool Utility Fund</u>	Balance December 31, <u>2011</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2012</u>
<u>2012</u>				
Fixed Capital				
Land and Land Improvements	\$ 43,376			\$ 43,376
Pool Facilities and Improvements	957,089			957,089
Furniture & Equipment	<u>60,396</u>	<u>-</u>	<u>-</u>	<u>60,396</u>
	<u>\$ 1,060,861</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,060,861</u>
	Balance December 31, <u>2010</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2011</u>
<u>2011</u>				
Fixed Capital				
Land and Land Improvements	\$ 43,376			\$ 43,376
Pool Facilities and Improvements	876,476	\$ 80,613		957,089
Furniture & Equipment	<u>60,396</u>	<u>-</u>	<u>-</u>	<u>60,396</u>
	<u>\$ 980,248</u>	<u>\$ 80,613</u>	<u>\$ -</u>	<u>\$ 1,060,861</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 6 DUE TO/FROM OTHER FUNDS

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

	<u>2012</u>		<u>2011</u>	
	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>
Current Fund	\$ 12,199	\$ 71,956	\$ 95,057	\$ 560,104
Trust Fund:				
Animal Control		1,739		2,695
Other Trust		35,966		51,987
Open Space Preservation		137,670	48,376	9,977
General Capital Fund	137,670		556,691	48,376
Water Utility:				
Operating	87,231	545,639	16,081	60,264
Capital	545,639		35,563	
Electric Utility:				
Operating	102,362	761,390	41,173	96,479
Capital	745,458		44,639	
Utility Trust Fund		73,841		2,353
Swim Pool Utility:				
Operating	5,196	13		59,417
Capital		5,196	56,417	
Public Assistance Fund	-	2,345	-	2,345
Total	<u>\$ 1,635,755</u>	<u>\$ 1,635,755</u>	<u>\$ 893,997</u>	<u>\$ 893,997</u>

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

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

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:

	Fund Balance December 31, 2012	Utilized in Subsequent Year's Budget	Fund Balance December 31, 2011	Utilized in Subsequent Year's Budget
Current Fund				
Cash Surplus	\$ 1,107,737	\$ 650,000	\$ 970,784	\$ 650,000
Non-Cash Surplus	<u>129,566</u>	<u>-</u>	<u>108,586</u>	<u>-</u>
	<u>\$ 1,237,303</u>	<u>\$ 650,000</u>	<u>\$ 1,079,370</u>	<u>\$ 650,000</u>
Water Utility Operating Fund				
Cash Surplus	\$ 751,781	\$ 541,644	\$ 422,300	\$ 335,648
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 751,781</u>	<u>\$ 541,644</u>	<u>\$ 422,300</u>	<u>\$ 335,648</u>
Electric Utility Operating Fund				
Cash Surplus	\$ 1,301,558	\$ 1,118,760	\$ 1,114,969	\$ 796,335
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,301,558</u>	<u>\$ 1,118,760</u>	<u>\$ 1,114,969</u>	<u>\$ 796,335</u>
Swim Pool Utility Operating Fund				
Cash Surplus	\$ 164,804		\$ 143,477	\$ 12,290
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 164,804</u>	<u>\$ -</u>	<u>\$ 143,477</u>	<u>\$ 12,290</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 8 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

	<u>Balance</u> <u>December 31,</u>	<u>Subsequent Year</u> <u>Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Budgets</u>
<u>2012</u>			
Current Fund			
Emergency Appropriation	\$ 150,000	\$ 150,000	
Special Emergency Authorizations (40A:4-55)	426,000	154,246	\$ 271,754
Water Utility Operating Fund			
Emergency Appropriation	25,000	25,000	
Sewer Utility Operating Fund			
Special Emergency Authorizations (40A:4-55)	225,000	45,000	180,000
<u>2011</u>			
Current Fund			
Emergency Appropriation	\$ 100,000	\$ 100,000	
Special Emergency Authorizations (40A:4-55)	546,000	120,000	426,000

NOTE 9 COMPENSATED ABSENCES

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

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$643,007 and \$883,188 at December 31, 2012 and 2011, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those 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.

Other Pension Funds

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

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

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

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

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 or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Significant Legislation

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

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

- For new members of PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65.
- The eligibility age to qualify for a service retirement in the PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the active member contribution rates as follows: PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years; PFRS active member rates increase from 8.5 percent to 10 percent. For Fiscal Year 2012, the member contribution rates increase in October 2011. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

Investment Valuation

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

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

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS, is 67.5 percent with an unfunded actuarial accrued liability of \$41.7 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 60.8 percent and \$30.1 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 77.5 percent and \$11.6 billion, respectively.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Funded Status and Funding Progress (Continued)

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

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

Actuarial Methods and Assumptions

In the July 1, 2011 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included: (a) a revised investment rate of return for all the retirement systems from 8.25 percent to 7.95 percent and (b) revised projected salary increases which vary by fund (6.32% for PFRS and 4.52% for PERS).

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 6.50% for PERS, 10.0% for PFRS and 5.50% for DCRP of employees' annual compensation.

Annual Pension Cost (APC)

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2012 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, 2012, 2011 and 2010, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions, deferred pension obligation contributions, and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2012	\$ 408,420	\$ 369,243	-
2011	508,245	355,416	\$ 180
2010	403,406	297,858	None

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Annual Pension Cost (APC) (Continued)

During the year ended December 31, 2009 the Borough elected to contribute 50% of its normal and accrued liability components of the 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 pay off the deferred PERS pension obligations at any time. It is estimated that the total deferred liability including accrued interest (at 8.25%) at December 31, 2012 and 2011 is \$151,482 and \$144,517, respectively.

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS

Plan Description

The Borough provides a post employment healthcare plan for its eligible retirees and their dependents. The plan is a single-employer defined benefit healthcare plan administered by the Borough. In accordance with Borough employment contracts and personnel policies, the Borough provides post-retirement health coverage to its eligible retired employees and their dependents at the time of retirement at the same cost to the retiree as there would be, if any, if they remained an employee. Coverage for a retiree's surviving spouse and/or dependents are eligible for subsidized coverage upon the death of the retiree. Police who have at least twenty-five (25) years of service with the Borough at the time of retirement are eligible for employer provided post-retirement health coverage. Non uniformed employees who have retired and reached the age of 62 years or older with at least fifteen (15) years of service with the Borough at the time of retirement are eligible for employer provided post-retirement health coverage.

Funding Policy

The required contribution is funded on a pay-as-you-go basis. For the years 2012, 2011 and 2010, the Borough paid \$886,638, \$819,828 and \$682,936, respectively for post-retirement health coverage premiums for eligible retirees and their dependents.

Annual OPEB Cost and Net OPEB Obligation

The Borough's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (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) over a period not to exceed thirty years. The following table shows the components of the Borough's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Borough's net OPEB obligation to the plan.

Annual Required Contribution	\$ 2,136,400
Interest on Net OPEB Obligation	178,802
Total Annual OPEB Cost (Expense)	2,315,202
Contributions Made	886,638
Increase in Net OPEB Obligation	1,428,564
Net OPEB Obligation - Beginning of Year	4,470,043
Net OPEB Obligation - End of Year	<u>\$ 5,898,607</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)

The Borough's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years 2012, 2011 and 2010 were as follows:

<u>Year Ended December 31,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligations</u>
2012	\$ 2,315,202	38.30%	\$ 5,898,607
2011	2,257,687	36.31%	4,470,043
2010	2,197,120	31.08%	3,032,184

Funded Status and Funding Progress

As of January 1, 2009, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$23,502,900, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of \$23,502,900.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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

In the January 1, 2009 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4 percent investment rate of return (net of administrative expense) which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 10 percent initially, reduced by decrements to an ultimate rate of 5 percent after ten years. Both rates included a 4 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2012 was twenty six (26) years.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 12 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>Budget Appropriation</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012	\$ 48,421	\$ 7,399	\$ 8,603	\$ 105,720
2011	39,000	43,010	45,874	58,503
2010	39,000	None	43,111	2,217

NOTE 13 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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 13 CONTINGENT LIABILITIES (Continued)

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2012 and 2011. 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, 2012 and 2011, the Borough reserved \$282,300 and \$158,950, 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, 2012 and 2011, 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 14 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, 2012 and 2011, the Borough has not determined its estimated arbitrage earnings due to the IRS, if any.

NOTE 15 LENGTH OF SERVICE AWARDS 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 Tri-Boro Ambulance Corp, come from contributions made solely by the Borough on behalf of those volunteers who meet the criteria of a plan created by the governing body.

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 15 LENGTH OF SERVICE AWARDS PROGRAM (LOSAP)-UNAUDITED (Continued)

The Borough of Park Ridge has contributed \$1,491 and \$1,459 for 2012 and 2011, respectively, for each eligible volunteer fire department member into the Plan. The Borough also contributed a one-third (1/3) share of \$1,491 and \$1,459 for 2012 and 2011, respectively for each eligible volunteer Tri-Boro Ambulance Corp member into the Plan. In addition, the Boroughs of Montvale and Woodcliff Lake also contributed one-third (1/3) share each of \$1,491 and \$1,459 for 2012 and 2011, respectively, for each Tri-Boro Ambulance Corp. member into the plan.

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 16 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>
<u>2012</u>		
Holly Court Water Storage Tank Rehabilitation	\$372,000	2013
<u>2011</u>		
Mill Pond Dam Rehabilitation	\$ 89,000	2012
6 th St. and Leroy Place Improvements	168,000	2012
Restoration at Mill Brook and Pascack Brook at Sulak Lane	197,000	2012
Arsenic Treatment System Well #13	416,000	2012

**BOROUGH OF PARK RIDGE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 16 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (Continued)

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

<u>Purpose</u>	<u>Remaining Commitment</u>
<u>2012</u>	
Aerial Bucket Truck	\$175,500
<u>2011</u>	
Self Contained Breathing Apparatus	225,000
2011 Roll Off Container Truck	170,000

NOTE 17 HURRICANE SANDY

On October 29, 2012 Hurricane Sandy, the largest Atlantic hurricane on record made landfall in New Jersey and resulted in severe damage in numerous communities and a federal disaster was declared throughout the State. The Borough has incurred significant costs in the clean up and recovery from this federal disaster. The Federal Emergency Management Agency (“FEMA”) provides emergency grant assistance (voluntary nonexchange transaction) to help government’s cope with losses. Although the Borough has applied for reimbursement from FEMA, the total amount to be received in conjunction with this event is not considered to be measurable with sufficient reliability and therefore has not been recognized in the financial statements as of December 31, 2012. As of December 31, 2012, the Borough has not received any FEMA reimbursements relating to Hurricane Sandy.

NOTE 18 SUBSEQUENT EVENTS

Serial Bonds

On January 22, 2013 the Borough adopted a resolution for the issuance of \$3,035,000 General Improvement Refunding Bonds for the purpose of currently refunding \$3,240,000 of the 2003 General Improvement Bonds maturing in the years from 2014 to 2022. On February 15, 2013 the Borough awarded the sale of said bonds to Janney at interest rates ranging from 2.00% to 4.00%. These bonds dated February 15, 2013 will mature over 9 years with the first maturity due February 15, 2014.

Debt Authorized

On March 26, 2013 the Borough adopted two bond ordinances authorizing the issuance of \$1,975,000 in bonds or bond anticipation notes to fund certain capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

SUPPLEMENTARY SCHEDULES

CURRENT FUND

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

Balance, December 31, 2011		\$ 3,327,724
Increased by:		
Non-Budget Revenue	\$ 229,650	
Taxes Receivable	36,664,658	
Revenue Accounts Receivable	2,592,450	
NJ Senior Citizen and Veteran's Deductions.	102,750	
Prepaid Taxes	198,147	
Fees Payable	10,669	
Emergency Notes	150,000	
Special Emergency Notes	426,000	
Tax Overpayments	12,194	
Miscellaneous Reserves	58,342	
Reserve for Grants - Unappropriated	61,347	
Received from Animal Control Fund	2,695	
Received from Other Trust Fund	12,416	
Received from Open Space Preservation Trust Fund	9,977	
Received for General Capital Fund	129,923	
Received for Water Utility Operating Fund	59,568	
Received from Electric Utility Operating Fund	51,840	
Received for Electric Utility Operating Fund	37,388	
Received from Swim Pool Utility Operating Fund	1,391	
	<u>40,811,405</u>	
		44,139,129
Decreased by Disbursements:		
2012 Budget Appropriations	10,425,982	
2011 Appropriation Reserves	428,828	
Encumbrances Payable	401,989	
Accounts Payable	10,748	
County Taxes Payable	4,012,473	
Local District School Tax Payable	24,310,114	
Fees Payable	11,507	
Payments to Outside Lien Holders	5,404	
Reserve for Tax Appeals	106,650	
Miscellaneous Reserves	145	
Reserve for Grants- Appropriated	3,117	
Special Emergency Notes	538,000	
Payments made to General Capital Fund	835,693	
Payments made to Water Utility Operating Fund	30,213	
Payments made for Swim Pool Utility Operating Fund	701	
	<u>41,121,564</u>	
Balance, December 31, 2012		<u>\$ 3,017,565</u>

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

Balance, December 31, 2011	<u>\$ 75</u>
Balance, December 31, 2012	<u>\$ 75</u>

Analysis of Balance

Tax Office	<u>\$ 75</u>
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STATEMENT OF PETTY CASH FUNDS

Balance, December 31, 2011	<u>\$ 1,050</u>
Balance, December 31, 2012	<u>\$ 1,050</u>

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

Balance, December 31, 2011 (Due from)		\$ 586
Increased by:		
Senior Citizens' Deductions per Tax Duplicate 2012	\$ 11,250	
Veterans' Deductions per Tax Duplicate 2012	91,500	
Senior Citizens/Veterans Deductions Allowed By Tax Collector-2012	<u>250</u>	
		<u>103,000</u>
		103,586
Decreased by:		
Receipts from State of New Jersey	102,750	
Veterans' Deductions Disallowed by Tax Collector-2011	250	
Veterans' Deductions Disallowed by Tax Collector-2012	<u>1,312</u>	
		<u>104,312</u>
Balance, December 31, 2012 (Due to)		<u>\$ 726</u>

EXHIBIT A-8

STATEMENT OF GRANT RECEIVABLES

	<u>Accrued in 2012</u>	<u>Balance, December 31, 2012</u>
Hazard Mitigation Grant - Message Display Sign	\$ 14,396	\$ 14,396
BC Shared Services - Drainage Improvements	31,770	31,770
CDBG - Handicap Bathroom	55,000	55,000
Drive Sober or Get Pulled Over	4,400	4,400
BC Forfeiture - Message Display Sign	5,000	5,000
BC Forfeiture - NJSACOP	<u>19,000</u>	<u>19,000</u>
	<u>\$ 129,566</u>	<u>\$ 129,566</u>

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

Year	Balance, December 31, 2011	2012 Levy	Senior Citizens' and Veterans' Deductions Disallowed	Cash Collections 2011	2012	Senior Citizens' and Veterans' Deductions Allowed	Remitted, Abated or Cancelled	Balance, December 31, 2012
2011	\$ 247,886	-	250	-	\$ 247,607	-	-	\$ 529
	247,886	-	250	-	247,607	-	-	529
2012	-	\$ 37,181,486	1,312	\$ 258,866	36,417,051	\$ 103,000	\$ 82,070	\$ 321,811
	\$ 247,886	\$ 37,181,486	\$ 1,562	\$ 258,866	\$ 36,664,658	\$ 103,000	\$ 82,070	\$ 322,340

Analysis of 2012 Property Tax Levy

TAX YIELD	
General Purpose Tax	\$ 37,122,898
Added and Omitted Taxes (54:4-63.10 et seq.)	58,588
	<u>\$ 37,181,486</u>
TAX LEVY	
Local District School Taxes	\$ 24,310,114
County Taxes - General	\$ 3,961,290
County Open Space Preservation Tax	45,554
Due County for Added and Omitted Taxes (54:4-63.10 et seq.)	<u>6,324</u>
	4,013,168
Local Tax for Municipal Purposes	8,189,474
Minimum Library Tax	605,126
Add Additional Tax Levies	<u>8,858,204</u>
	<u>\$ 37,181,486</u>

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

Balance, December 31, 2011	<u>\$ 100,650</u>
Balance, December 31, 2012	<u>\$ 100,650</u>

STATEMENT OF DUE FROM OUTSIDE LIENHOLDERS

Increased by:	
Cash Disbursements	<u>\$ 5,404</u>
Balance, December 31, 2012	<u>\$ 5,404</u>

BOROUGH OF PARK RIDGE
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, December 31, <u>2011</u>	Accrued in <u>2012</u>	Collected in <u>2012</u>	Balance, December 31, <u>2012</u>
Borough Clerk				
Licenses				
Alcoholic Beverages		\$ 11,792	\$ 11,792	
Fire Code Department				
Fees and Permits		38,590	38,590	
Health Officer and Registrar				
Fees and Permits		17,983	17,983	
Municipal Court				
Fines and Costs	\$ 12,534	93,707	99,669	\$ 6,572
Interest and Cost on Taxes		66,450	66,450	
Interest on Investments		132	132	
Joint Insurance Fund Dividend		12,800	12,800	
Hotel Tax		236,469	236,469	
Recycling Program		27,902	27,902	
Cable Television Franchise Fee		123,217	123,217	
Water Utility Rental Fees		105,000	105,000	
Electric Utility Rental Fees		60,000	60,000	
Pistol Range Fee		15,000	15,000	
Tri-Boro Safety Corps		53,132	53,132	
Consolidated Municipal Property Tax Relief Aid		31,676	31,676	
Energy Receipts Tax		350,922	350,922	
Watershed Moratorium Offset Aid		1,598	1,598	
Uniform Construction Code Fees		219,186	219,186	
Electric Utility Payment in Lieu of Franchise & Gross Receipts Taxes		500,000	500,000	
Life Hazard Use Fees		13,560	13,560	
Library Reimbursements		80,000	80,000	
Other Trust Fund - Outside Police Duty		35,920	35,920	
General Capital Fund - Reserve for Payment of Debt		75,000	75,000	
General Capital Fund - Fund Balance		18,000	18,000	
Water Utility - Payments in Lieu of Taxes		100,000	100,000	
Electric Utility - Payments in Lieu of Taxes		155,000	155,000	
Excess Sewer User Fees		78,845	72,033	6,812
Sprint Cell Tower Rent	-	71,419	71,419	-
	<u>\$ 12,534</u>	<u>\$ 2,593,300</u>	<u>\$ 2,592,450</u>	<u>\$ 13,384</u>
Cash Receipts			<u>\$ 2,592,450</u>	

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

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance, December 31, 2011</u>	<u>Added in 2012</u>	<u>Raised in 2012 Budget</u>	<u>Balance, December 31, 2012</u>
2007	Revision & Codification of Ordinance	\$ 20,000	\$ 4,000	\$ 4,000		\$ 4,000	
2007	Preparation of Tax Map	20,000	4,000	4,000		4,000	
2010	Reassessment of Real Property	110,000	22,000	88,000		22,000	\$ 66,000
2011	Hurricane Irene Storm Damage	450,000	90,000	450,000	-	90,000	360,000
				<u>\$ 546,000</u>	<u>\$ -</u>	<u>\$ 120,000</u>	<u>\$ 426,000</u>

STATEMENT OF DEFERRED CHARGES - EMERGENCY AUTHORIZATION

	<u>Balance, December 31, 2011</u>	<u>Amount Resulting from 2012</u>	<u>Raised in 2012 Budget</u>	<u>Balance, December 31, 2012</u>
Emergency Authorization	<u>\$ 100,000</u>	<u>\$ 150,000</u>	<u>\$ 100,000</u>	<u>\$ 150,000</u>
	<u>\$ 100,000</u>	<u>\$ 150,000</u>	<u>\$ 100,000</u>	<u>\$ 150,000</u>

BOROUGH OF PARK RIDGE
STATEMENT OF 2011 APPROPRIATION RESERVES

	Balance, December 31, 2011	Transfers	Encumbrance Payable Cancelled	Balance After Modification	Expended	Balance Lapsed
Salaries and Wages						
General Administration	\$ 2,309	\$ (2,000)	\$ 2,000	\$ 2,309		\$ 2,309
Municipal Court	34			34		34
Financial Administration	99			99		99
Revenue Administration	10,027	(15,050)	15,050	10,027		10,027
Tax Assessment Administration	16			16		16
Planning Board	103			103		103
Zoning Board Adjustment	1,337			1,337		1,337
Uniform Construction Code	23,666	(20,000)		3,666		3,666
Zoning Official	71			71		71
Housing Task Force	1,607			1,607		1,607
Police	5,461	(2,000)	2,613	6,074		6,074
Police Reserve	233			233		233
Emergency Management Services	500			500		500
Fire Department	1,585			1,585		1,585
Welfare/Administration of Public Service	6			6		6
Fire Prevention/Uniform Fire Code	384			384		384
Road Repairs and Maintenance	1,620			1,620		1,620
Public Buildings & Grounds	1,305			1,305		1,305
Maintenance of Vehicles	87			87		87
Board of Health	5,283	(5,000)		283		283
Senior Citizen	1,040			1,040		1,040
Park Ridge Television	60			60		60
Sewer System	36,748	(35,455)		1,293		1,293
Public Defender	1	-	-	1	-	1
	<u>93,582</u>	<u>(79,505)</u>	<u>19,663</u>	<u>33,740</u>	<u>-</u>	<u>33,740</u>
Total Salaries & Wages						
Other Expenses						
General Administration	1,747	(1,500)	1,500	1,747		1,747
Municipal Clerk	563			563	508	55
Mayor and Council	1,167			1,167		1,167
Financial Administration	18,040	10,000		28,040	16,541	11,499
Revenue Administration	1,781	5,300		7,081	4,414	2,667
Tax Assessment Administration						
Other Expenses	272		2	274		274
Audit Services	500		6,125	6,625		6,625
Legal Services & Costs	4,411	16,900		21,311	21,311	
Engineering Services & Costs	5,607	925		6,532	6,520	12
Planning Board	21,541	20,000		41,541	41,541	
Zoning Board of Adjustment	370			370		370
Uniform Construction Code	3,262			3,262	180	3,082
Zoning Officer	6,152	(3,400)	3,400	6,152		6,152
Housing Task Force	749			749		749
Insurance						
Liability Insurance	48,581			48,581	47,833	748
Group Insurance for Employees	30,419			30,419		30,419
Unemployment Insurance	22,650			22,650		22,650

BOROUGH OF PARK RIDGE
STATEMENT OF 2011 APPROPRIATION RESERVES

	Balance, December 31, <u>2011</u>	<u>Transfers</u>	Encumbrance Payable <u>Cancelled</u>	Balance After <u>Modification</u>	<u>Expended</u>	Balance <u>Lapsed</u>
Tri-Boro Ambulance	\$ 7			\$ 7		\$ 7
Police		\$ 15,600		15,600	\$ 15,291	309
Police Reserve	1,841			1,841	300	1,541
Pistol Range	4,703		\$ 126	4,829		4,829
Emergency Management Services	1,237			1,237	590	647
Fire						
Other Expenses	4,000			4,000	3,922	78
Fire Hydrant Services	75			75		75
TriBoro Safety Corps	35		44	79		79
Fire Prevention/Uniform Fire Codes	270		199	469		469
Municipal Court	28,661	1,200		29,861	29,830	31
Road Repairs and Maintenance	108,626			108,626	48,689	59,937
Solid Waste Collection - Sanitation	786			786		786
Solid Waste Collection - Recycling	5,609		7,568	13,177		13,177
Municipal Services Act	12,000			12,000	11,800	200
Public Buildings & Grounds	2,576			2,576	697	1,879
Maintenance of Vehicles	9,331	(9,000)	156	487		487
Board of Health	3,016			3,016	593	2,423
Welfare/Administration of Public Service	330			330		330
Park Ridge Television	700			700		700
Recreation	4,472		482	4,954		4,954
Terminal Leave	2,894			2,894		2,894
Electric	10,650			10,650	291	10,359
Telephone/Communication	986			986		986
Water	6,051			6,051		6,051
Gas and Oil	5,104		4,421	9,525		9,525
Gasoline	8,247			8,247		8,247
Sewer System	6,374			6,374		6,374
Landfill Dumping Fees	18,159			18,159		18,159
Hurricane Irene	112,454			112,454	112,454	
Recycling Tax	3,666			3,666		3,666
Contingent	5,000			5,000		5,000
Social Security System	80			80		80
Deferred Compensation Retirement Plan	320			320		320
Bergen County Utilities Authority-Sewer Fees	2,595		4	2,599		2,599
Tri Boro Ambulance LOSAP	13,000	23,480		36,480	36,476	4
Fire Department LOSAP	40,000			40,000	40,000	
Clean Communities Program	6,845			6,845	6,845	
Alcohol and Rehabilitation Fund	704			704	704	
Body Armor Fund Grant	2,009			2,009	2,009	
Recycling Tonnage Grant	19,396	-	-	19,396	19,396	-
Total Other Expenses	<u>620,621</u>	<u>79,505</u>	<u>24,027</u>	<u>724,153</u>	<u>468,735</u>	<u>255,418</u>
Total	<u>\$ 714,203</u>	<u>\$ -</u>	<u>\$ 43,690</u>	<u>\$ 757,893</u>	<u>\$ 468,735</u>	<u>\$ 289,158</u>
					\$ 428,828	
					10,000	
					<u>29,907</u>	
					<u>\$ 468,735</u>	

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

Balance, December 31, 2011		\$	524,904
Increased by:			
Charges to 2012 Appropriations			<u>339,258</u>
			864,162
Decreased by:			
Payments	\$	401,989	
Cancelled Encumbrances Restored to Appropriation Reserves		43,690	
Transferred to Accounts Payable		<u>79,225</u>	
			<u>524,904</u>
Balance, December 31, 2012		\$	<u>339,258</u>

EXHIBIT A-17

STATEMENT OF ACCOUNTS PAYABLE

Balance, December 31, 2011		\$	31,620
Increased by:			
Transferred from Encumbrances Payable			<u>79,225</u>
			110,845
Decreased by:			
Cash Disbursements	\$	10,748	
Cancelled to Operations		<u>20,872</u>	
			<u>31,620</u>
Balance, December 31, 2012		\$	<u>79,225</u>

EXHIBIT A-18

STATEMENT OF PREPAID TAXES

Balance, December 31, 2011		\$	258,866
Increased by:			
Collection of 2013 Taxes			<u>198,147</u>
			457,013
Decreased by:			
Applied to 2012 Taxes Receivable			<u>258,866</u>
Balance, December 31, 2012		\$	<u>198,147</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF TAX OVERPAYMENTS**

Increased by:	
Overpayments in 2012	\$ 12,194
Balance, December 31, 2012	<u>\$ 12,194</u>

EXHIBIT A-20

STATEMENT OF COUNTY TAXES PAYABLE

Balance, December 31, 2011	\$ 5,629
Increased by:	
2012 Levy	
General County	\$ 3,961,290
County Open Space Preservation	45,554
Added and Omitted Taxes (RS 54:4-63.1 et seq.)	<u>6,324</u>
	4,013,168
	4,018,797
Decreased by:	
Payments	<u>4,012,473</u>
Balance, December 31, 2012	<u>\$ 6,324</u>

EXHIBIT A-21

STATEMENT OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Increased by:	
2012 Calendar Year Levy	\$ 24,310,114
Decreased by:	
Payments	<u>\$ 24,310,114</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF FEES PAYABLE**

	Balance, December 31, 2011	Fees Collected	Payments	Balance, December 31, 2012
Due State of New Jersey				
Marriage License Fees	\$ 200	\$ 780	\$ 955	\$ 25
State Construction Fees	<u>3,022</u>	<u>9,889</u>	<u>10,552</u>	<u>2,359</u>
	<u>\$ 3,222</u>	<u>\$ 10,669</u>	<u>\$ 11,507</u>	<u>\$ 2,384</u>

EXHIBIT A-23

STATEMENT OF EMERGENCY NOTES

<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	Balance, December 31, 2011	Increases	Decreases	Balance, December 31, 2012
Hurricane Sandy	12/28/2012	8/16/2013	1.75%	-	\$ 150,000	-	\$ 150,000
				<u>\$ -</u>	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ 150,000</u>

EXHIBIT A-24

STATEMENT OF SPECIAL EMERGENCY NOTES

<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	Balance, December 31, 2011	Increases	Decreases	Balance, December 31, 2012
Reassessment of Real Prop.		9/28/2012	3.00%	\$ 88,000		\$ 88,000	
Reassessment of Real Prop.	9/28/2012	8/1/2013	1.50%		\$ 66,000		\$ 66,000
Hurricane Irene		9/28/2012	1.35%	450,000		450,000	
Hurricane Irene	9/28/2012	8/16/2013	1.50%	-	360,000	-	360,000
				<u>\$ 538,000</u>	<u>\$ 426,000</u>	<u>\$ 538,000</u>	<u>\$ 426,000</u>

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

Balance, December 31, 2011		\$ 158,950
Increased by:		
2012 Budget Appropriation	\$ 80,000	
Transfer from 2012 Tax Collections	<u>150,000</u>	
		<u>230,000</u>
		388,950
Decreased by:		
Judgements Refunded		<u>106,650</u>
Balance, December 31, 2012		<u>\$ 282,300</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF MISCELLANEOUS RESERVES**

	Balance, December 31, <u>2011</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2012</u>
Planning Consultant	\$ 6,396		\$ 145	\$ 6,251
Hurricane Irene - FEMA Reimbursement		\$ 56,246		56,246
Outside Lien Holders	<u>-</u>	<u>2,096</u>	<u>-</u>	<u>2,096</u>
	<u>\$ 6,396</u>	<u>\$ 58,342</u>	<u>\$ 145</u>	<u>\$ 64,593</u>
Cash Receipts		<u>\$ 58,342</u>		
Cash Disbursements			<u>\$ 145</u>	

EXHIBIT A-27

STATEMENT OF RESERVE FOR APPROPRIATED GRANTS

	Balance, December 31, <u>2011</u>	Transferred from 2011 Appropriation <u>Reserves</u>	Cash <u>Disbursements</u>	Balance, December 31, <u>2012</u>
DWI Enforcement	\$ 181			\$ 181
Click It or Ticket	3,659			3,659
Recycling Tonnage Grant	8,807	\$ 19,395		28,202
Alcohol Education and Rehab.-DWI Court	1,059	704		1,763
Domestic Violence Grant	2,178			2,178
Bergen County Recycling	5,909			5,909
Clean Communities	14,112	7,799		21,911
Body Armor Replacement Fund	484	2,009		2,493
Storm Water Planning	3,117		\$ 3,117	-
Police Hazardous Replacement Fund	2,406			2,406
Municipal Alliance on Alcoholism & Drug Abuse	16,451			16,451
State of New Jersey - Over the Limit Under Arrest	<u>4,400</u>	<u>-</u>	<u>-</u>	<u>4,400</u>
	<u>\$ 62,763</u>	<u>\$ 29,907</u>	<u>\$ 3,117</u>	<u>\$ 89,553</u>

BOROUGH OF PARK RIDGE
STATEMENT OF RESERVE FOR GRANTS - UNAPPROPRIATED

	Balance, December 31, <u>2011</u>	<u>Received</u>	Realized in 2012 <u>Budget</u>	Balance, December 31, <u>2012</u>
Alcohol Ed & Rehabilitation	\$ 323	\$ 540	\$ 323	\$ 540
Body Armor Grant	1,948	1,989	1,948	1,989
Clean Communities	14,305	14,110	14,305	14,110
Recycling Tonnage Grant	11,315	11,252	11,315	11,252
Municipal Alliance	711	5,681	711	5,681
Over the Limit Under Arrest	2,806	2,175	2,806	2,175
Bergen County Green Team Cleanup		25,600		25,600
CDBG - Senior Programs	-	3,000	-	3,000
	<u>\$ 31,408</u>	<u>\$ 64,347</u>	<u>\$ 31,408</u>	<u>\$ 64,347</u>
Cash Receipts		\$ 61,347		
Due from Other Trust Fund		<u>3,000</u>		
		<u>\$ 64,347</u>		

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TRUST FUNDS

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

	<u>Animal Control</u>	<u>Other Trust</u>	<u>Unemployment Insurance</u>	<u>Open Space</u>	<u>Affordable Housing</u>
Balance, December 31, 2011	\$ 11,483	\$ 793,747	\$ 58,890	\$ 580,367	\$ 636,292
Increased by Receipts:					
Interest on Deposits		\$ 518			
Developers Escrow		336,239			
Receipts for Current Fund		3,000	\$ 3,808		
Receipts from General Capital Fund			137,670		
Receipts for General Capital Fund					
2012 Budget Appropriation			\$ 30,000		
Library Contribution			18,421		
Employee Contributions		6,441,864	7,399		
Payroll Deductions Payable	\$ 799				
Due to State of NJ - Registration Fees	5,862				
Dog License Fees		538,509			
Miscellaneous Reserves					
Reserve for Affordable Housing	<u>6,661</u>	<u>7,320,130</u>	<u>55,820</u>	<u>141,478</u>	<u>9,013</u>
	18,144	8,113,877	114,710	721,845	645,305
Decreased by Disbursements:					
Developers Escrow		90,947			
Payroll Deductions Payable		6,429,293			
Payments to Current Fund	2,695	12,416		9,977	
Payments to General Capital				100,000	
Dog License Fees Paid to State of NJ	781				
Reserve for Annual Expenditures	2,772		3,298		
Due to State - Unemployment Claims					
Miscellaneous Reserves		607,038			
Reserve for Open Space Expenditures					
Reserve for Affordable Housing Expenditures					
	<u>6,248</u>	<u>7,139,694</u>	<u>3,298</u>	<u>199,813</u>	<u>7,359</u>
Balance, December 31, 2012	<u>\$ 11,896</u>	<u>\$ 974,183</u>	<u>\$ 111,412</u>	<u>\$ 522,032</u>	<u>\$ 637,946</u>

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

Balance, December 31, 2011	\$	113
Increased by:		
State Fees Collected		799
		912
Decreased by:		
Payments to State		781
Balance, December 31, 2012	\$	131

EXHIBIT B-5

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

Balance, December 31, 2011	\$	2,695
Increased by:		
Statutory Excess in Reserve for Animal Control Fund		1,739
		4,434
Decreased by:		
Payments to Current Fund		2,695
Balance, December 31, 2012	\$	1,739

EXHIBIT B-6

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

Balance, December 31, 2011	\$	8,675
Increased by:		
Dog License Fees		5,862
		14,537
Decreased by:		
Disbursements for Expenditures Under R.S. 4:19-15.11:	\$	2,772
Statutory Excess - Due to Current Fund		1,739
		4,511
Balance, December 31, 2012	\$	10,026

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

Balance, December 31, 2011	\$	387
Increased by:		
Unemployment Claims		8,603
		8,990
Decreased by:		
Payments to State		3,298
Balance, December 31, 2012	\$	5,692

EXHIBIT B-8

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

Balance, December 31, 2011	\$	58,503
Increased by:		
Budget Appropriation		
2012 Budget Appropriation - Current Fund	\$30,000	
Library Contribution	18,421	
	\$	48,421
Employee Contributions		7,399
		55,820
		114,323
Decrease by:		
Unemployment Claims Due to State		8,603
Balance, December 31, 2012	\$	105,720

EXHIBIT B-9

**STATEMENT OF DUE TO CURRENT FUND
OPEN SPACE PRESERVATION TRUST FUND**

Balance, December 31, 2011	\$	9,977
Decreased by:		
Payments to Current Fund		9,977

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

Balance, December 31, 2011		\$ 618,766
Decreased by:		
Due to General Capital Fund - Down Payments on Improvement Authorizations	\$ 144,568	
Disbursements for Open Space Expenditures	<u>89,836</u>	
		<u>234,404</u>
Balance, December 31, 2012		<u>\$ 384,362</u>

EXHIBIT B-11

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

Balance, December 31, 2011		\$ 636,292
Increased by:		
Developers Fees		<u>9,013</u>
		645,305
Decreased by:		
Disbursements for Affordable Housing Expenditures		<u>7,359</u>
Balance, December 31, 2012		<u>\$ 637,946</u>

EXHIBIT B-12

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

Balance, December 31, 2011		\$ 323,678
Increased by:		
Deposits Collected	\$ 336,239	
Adjustments from Miscellaneous Reserves	<u>12,052</u>	
		<u>348,291</u>
		671,969
Decreased by:		
Cash Disbursements		<u>90,947</u>
Balance, December 31, 2012		<u>\$ 581,022</u>

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

Balance, December 31, 2011		\$ 173,933
Increased by:		
Payroll Deposits		<u>6,441,864</u>
		6,615,797
Decreased by:		
Payroll Disbursements	\$ 6,429,293	
Due to Water Utility Operating Fund	1,726	
Due to Electric Utility Operating Fund	<u>1,151</u>	
		<u>6,432,170</u>
Balance, December 31, 2012		<u>\$ 183,627</u>

EXHIBIT B-14

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

Balance, December 31, 2011		\$ 27,000
Increased by:		
Interest on Deposit	\$ 518	
Grant Proceeds Due Current Fund (CDBG)	<u>3,000</u>	
		<u>3,518</u>
		30,518
Decreased by:		
Payments to Current Fund	\$ 12,416	
Miscellaneous Reserves Transferred from Current Fund	<u>10,000</u>	
		<u>22,416</u>
Balance, December 31, 2012		<u>\$ 8,102</u>

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

	Balance, December 31, <u>2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	Balance, December 31, <u>2012</u>
Fire Prevention Penalty Fees	\$ 21,816	\$ 1,630	\$ 13,464	\$ (2,316)	\$ 7,666
DARE Donations	26,645	9,120	26,811	175	9,129
Recreation Fees	31,801	76,814	115,095	30,330	23,850
POAA Fees	892	142	321		713
Tax Sale Premiums	41,280	43,000	33,400		50,880
Legal Advertising Escrow Deposits	7,291	640	340	52	7,643
Fuel Depot Fees (Community Resale)	10,459	329,633	294,848	(12,418)	32,826
Open Bail Account	-		584	815	231
UCC Penalties	4,000				4,000
Outside Police Duty Fees	19,074	64,610	100,041	20,187	3,830
Sprint Security Deposit	7,200		7,200		-
Snow Removal	-	10,000			10,000
Miscellaneous Fees and Deposits	<u>73,691</u>	<u>12,920</u>	<u>14,934</u>	<u>(48,877)</u>	<u>22,800</u>
	<u>\$ 244,149</u>	<u>\$ 548,509</u>	<u>\$ 607,038</u>	<u>\$ (12,052)</u>	<u>\$ 173,568</u>
Cash Receipts		\$ 538,509			
Cash Disbursements			\$ 607,038		
Due from/to Current Fund		10,000			
Developer Escrow Deposits		<u>-</u>	<u>-</u>	\$ (12,052)	
		<u>\$ 548,509</u>	<u>\$ 607,038</u>	<u>\$ (12,052)</u>	

Analysis of Miscellaneous Fees and Deposits - December 31, 2012

Recreation Fees - First Friends	\$ 8,692
Recreation Fees - Mayor's Golf Outing	7,546
Municipal Alliance - Teen Center Donations	2,838
Park Ridge TV Donations	110
Other Deposits	<u>3,614</u>
	<u>\$ 22,800</u>

GENERAL CAPITAL

BOROUGH OF PARK RIDGE
STATEMENT OF GENERAL CAPITAL CASH AND INVESTMENTS

Balance, December 31, 2011		\$ 778,869
Increased by Receipts:		
Grants Receivable	\$ 131,102	
Interest on Investments and Deposits	324	
Loans Received	1,132,880	
Receipts from Current Fund	835,693	
Receipts from Open Space Trust Fund	100,000	
Receipts from Swim Pool Utility Operating Fund	1,800	
Premium on Sale of Bonds	61,428	
Reserve for Payment of Debt Service	25,000	
Bond Anticipation Notes	526,000	
Serial Bond Proceeds	<u>3,215,000</u>	
		<u>6,029,227</u>
		6,808,096
Decreased by Disbursements:		
2012 Anticipated Current Fund Revenue		
Fund Balance	18,000	
Reserve for Payment of Debt Service	75,000	
Improvement Authorizations	1,269,102	
Contracts Payable	910,110	
Bond Anticipation Notes	4,234,864	
Payments Made for Current Fund	42,203	
Payments to Open Space Trust Fund	<u>3,808</u>	
		<u>6,553,087</u>
Balance, December 31, 2012		<u>\$ 255,009</u>

BOROUGH OF PARK RIDGE
ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

	Balance, December 31, <u>2012</u>
Fund Balance	\$ 62,304
Capital Improvement Fund	18,023
Reserve for Payment of Debt	206,035
Contracts Payable	226,410
Grants Receivable	(151,401)
Loan Receivable	(23,120)
Due from Open Space Trust Fund	(137,670)

Improvement Authorizations:

<u>Ord. No.</u>	<u>Description</u>	
02-6B/04-08	Removal of Gasoline Tank	\$ 637
04-5C-06-7E	Mill Pond Park	66,822
05-02	Tax Refunding	4,030
06-7A	Rehabilitation of Tennis Courts	1,661
07-07A	Improvements to Mill Pond Dam & Engineering Dredging	69,041
07-7B	Engineering & Design for Dredging Mill Pond	118,402
07-9A	Acquisition of New Automotive Vehicle	63,000
07-9B	Various Improvements	(390)
07-9D	Improvement of Firehouse Building & Lighting	23,787
07-9F	Improvement of Leroy Place & Sixth Street	24,012
07-10	Acquisition of New Ladder Truck & Equipment	1,560
07-23	Installation of Handicapped Lift	(1,270)
07-24	Acquisition of Real Property - Post Office	(805,129)
08-08	Various Improvements	52,471
09-03	Improvement of Various Roads, Curbs & Sidewalks	14,319
09-06	Improvement of Various Roads, Curbs & Sidewalks	42,456
09-11	Pedestrian Improvements to Train Station	44,945
09-16	Various Improvements & Acquisitions	95,526
10-08	2010 Roads, Curbs & Sidewalks	(17,586)
10-25	NJDOT North 5th Street Section I	4,594
10-26	Impvts. To 85 Fairview Ave - Install. Of Trail Sys.	63,569
10-32	Various Capital Improvements	4,982
11-07	2011 Various Road Improvements	(26,425)
11-12	Various Equipment and Improvements	10,396
11-20	Acquisition of New Additional or Replacement Equipment and Machinery and a New Automotive Vehicle	39,347
11-24	Acquisition of Certain Real Property - Albanis	6
12-07	Various Public Improvements and Acquisition of New or Replacement Equip.	40,049
12-08	Various Improvements & Acquisitions of Equipment	43,174
12-13	Improvement to Mill Pond Park and Davies (Memorial Field) Trailway	76,442
		<u>\$ 255,009</u>

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

Ord. No.	Agency	Balance, December 31 <u>2011</u>	Grant Awards	Grant Proceeds	Balance, December 31, <u>2012</u>	Balance, Pledged to Improvement Authorization
09-11	DOT Pedestrian Train State of New Jersey	\$ 53,459			\$ 53,459	\$ 53,459
10-09	DOT 5th Street Sec II State of New Jersey	79,788		\$ 62,571	17,217	17,217
10-25	DOT 5th Street Sec I State of New Jersey	75,449		67,351	8,098	8,098
✓10-26	County of Bergen Open Space - Improvements to Fairview	43,742		31,763	11,979	11,979
11-24	State of New Jersey - Green Acres - Albanis Property	110,701		105,908	4,793	4,793
✓11-33	County of Bergen Open Space - Mill Pond Park	56,102		56,102	-	-
✓12-03	County of Bergen Open Space - Mill Pond Park & Davies Field		\$ 75,000	75,000	-	
12-013	County of Bergen Open Space - Mill Pond Park & Davies Field	-	55,855	-	55,855	55,855
		<u>\$419,241</u>	<u>\$130,855</u>	<u>\$ 398,695</u>	<u>\$ 151,401</u>	<u>\$ 151,401</u>
	Cash Receipts			\$ 131,102		
	Due from Current Fund			129,923		
	Due from Open Space Trust Fund			<u>137,670</u>		
				<u>\$ 398,695</u>		

STATEMENT OF NEW JERSEY GREEN ACRES LOAN RECEIVABLE

Increased by:	
Accrued in 2012	\$ 1,156,000
Decreased by:	
Cash Receipts	<u>1,132,880</u>
Balance, December 31, 2012	<u>\$ 23,120</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF DUE FROM CURRENT FUND**

Balance, December 31, 2011		\$	554,891
Increased by:			
2012 Budget Appropriation :			
Capital Improvement Fund	\$		109,000
Payments Made for Current Fund			42,203
Grant Proceeds Deposited in Current Fund			<u>129,923</u>
			<u>281,126</u>
			836,017
Decreased by:			
Interest on Investments			324
Cash Received from Current Fund			<u>835,693</u>
			<u>\$ 836,017</u>

EXHIBIT C-7

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2011		\$	8,230,778
Increased by:			
2012 Serial Bonds Issued	\$		3,215,000
2012 Loans Issued			<u>1,156,000</u>
			<u>4,371,000</u>
			12,601,778
Decreased by:			
2012 Budget Appropriations			
General Serial Bonds			650,000
Green Trust Loan			<u>25,354</u>
			<u>675,354</u>
Balance, December 31, 2012			<u>\$ 11,926,424</u>

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

Balance, December 31, 2011		\$ 931,976
Increased by:		
2012 Improvement Authorization Charges		<u>226,410</u>
		1,158,386
Decreased by:		
Cash Disbursements	\$ 910,110	
Cancelled Contracts Restored to Improvement Authorizations	<u>21,866</u>	
		<u>931,976</u>
Balance, December 31, 2012		<u>\$ 226,410</u>

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2011		\$ 16,743
Increased by:		
2012 Budget Appropriation Due from Current Fund		<u>109,000</u>
		125,743
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>107,720</u>
Balance, December 31, 2012		<u>\$ 18,023</u>

STATEMENT OF DUE TO/FROM OPEN SPACE PRESERVATION TRUST FUND

Balance, December 31, 2011 (Due to)		\$ 48,376
Increased by:		
Cash Received from Open Space Trust Fund		<u>100,000</u>
		148,376
Decreased by:		
Improvement Authorizations Funded by Open Space Trust Fund	\$ 144,568	
Grant Proceeds Deposited in Open Space Trust Fund	137,670	
Payments to Open Space Trust Fund	<u>3,808</u>	
		<u>286,046</u>
Balance, December 31, 2012 (Due from)		<u>\$ 137,670</u>

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

Ord. No.	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, 2011	Balance, December 31, 2012	
							Increased	Decreased
07-10	Acquisition of New Ladder Truck	2/8/08	2/4/11 2/3/12	2/3/12 8/16/12	0.86 1.25	\$ 900,000	\$ 784,135	\$ 900,000 784,135
07-22	Improvements to Roads & Sidewalks	2/8/08	2/4/11 2/3/12	2/3/12 8/16/12	0.86 1.25	180,000	141,820	180,000 141,820
07-24	Acquisition of Post Office Property	2/8/08	2/4/11 2/3/12	2/3/12 8/16/12	0.86 1.25	1,145,316	1,127,463	1,145,316 1,127,463
08-06	2008 Road Resurfacing	2/6/09	2/4/11 2/3/12	2/3/12 8/16/12	0.86 1.25	261,900	248,115	261,900 248,115
08-08	Various Improvements & Acquisitions	2/6/09	2/4/11 2/3/12	2/3/12 8/16/12	0.86 1.25	807,500	782,535	807,500 782,535
09-06	2009 Road, Curb, Drainage and Sidewalks	2/5/10	2/4/11 2/3/12	2/3/12 8/16/12	0.86 1.25	844,750	844,750	844,750 844,750
09-16	Various Improvements & Acquisitions	2/5/10	2/4/11 2/3/12 8/16/2012	2/3/12 8/16/12 8/16/2013	0.86 1.25 1.25	432,500	432,500 414,700	432,500 432,500 414,700
00-13	Renovation of High School	12/30/10	9/30/11 2/3/12	2/3/12 8/16/12	1.17 1.25	33,541	33,541	33,541 33,541
01-19	Site Remediation	12/30/10	9/30/11 2/3/12	2/3/12 8/16/12	1.17 1.25	23,750	23,750	23,750 23,750
04-13	Multi Purpose Artificial Turf Installation	12/30/10	9/30/11 2/3/12	2/3/12 8/16/12	1.17 1.25	38,091	38,091	38,091 38,091
10-08	2010 Road, Curb, Drainage and Sidewalks	12/30/10	9/30/11 2/3/12 8/16/2012	2/3/12 8/16/12 8/16/2013	1.17 1.25 1.25	380,000	380,000 332,175	380,000 380,000 332,175
11-07	2011 Various Road Improvements	9/30/11	9/30/11 2/3/12 8/16/2012	2/3/12 8/16/12 8/16/2013	1.17 1.25 1.25	380,000	380,000 332,175	380,000 380,000 332,175

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

Ord. No.	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, 2011	Balance, December 31, 2012		
							Increased	Decreased	
11-20	Acquisition of New Additional or Replacement Equipment and Machinery and a New Automotive Vehicle	9/30/11	9/30/11	2/3/12	1.17 %	\$ 602,300	\$ 602,300	\$ 602,300	
			2/3/12	8/16/12	1.25	\$ 602,300	602,300	\$ 602,300	
			8/16/2012	8/16/2013	1.25		602,300	\$ 602,300	
11-30	Payments of Amounts Owing to Others for Taxes Levied	12/21/11	12/21/2011	9/28/2012	1.35 %	360,000	360,000	290,000	
			9/28/2012	8/16/2013	1.50		290,000		
12-07	Various Public Improvements & Acquisition of New or Replacement Equipment and Machinery	8/16/2012	8/16/2012	8/16/2013	1.25 %	-	526,000	526,000	
						\$ 6,389,648	\$ 8,316,350	\$ 12,208,648	\$ 2,497,350
							\$ 526,000	\$ 183,434	
								3,215,000	
								1,019,864	
							7,790,350	7,790,350	
						\$ 8,316,350	\$ 12,208,648	\$ 12,208,648	

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

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturity of Bonds Outstanding at December 31, 2012</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2012</u>
General Improvements	6/15/2003	\$ 5,970,000	2013-2018 \$ 350,000	3.25				
			2019-2021 375,000	3.50	\$ 3,940,000		\$ 350,000	\$ 3,590,000
			2022 365,000	3.50				
General Improvements	10/15/2007	4,827,000	2013-2014 300,000	3.875				
			2015-2021 325,000	3.875				
			2022 350,000	3.875				
			2023 327,000	4.000	3,852,000		300,000	3,552,000
General Improvements	8/15/2012	3,215,000	2013-2014 150,000	1.000				
			2015 150,000	2.000				
			2016-2019 210,000	2.000				
			2020 225,000	2.000				
			2021-2022 250,000	2.000				
			2023-2026 300,000	2.000				
						\$ 3,215,000	-	3,215,000
					\$ 7,792,000	\$ 3,215,000	\$ 650,000	\$ 10,357,000
						\$ 3,215,000	\$ 650,000	\$ 10,357,000

Issued for Cash
Paid by Budget Appropriation

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

Purpose	Date of Issue	Amount of Original Issue	Maturity of Loans		Interest Rate	Balance, December 31, 2011	Increased	Decreased	Balance, December 31, 2012
			Date	Outstanding at December 31, 2012					
Memorial Field Improvements	10/20/2008	\$ 500,000	2013	\$ 25,864	2.00				
			2014	26,383	2.00				
			2015	26,914	2.00				
			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		\$ 438,778	\$ 25,354	\$ 413,424
Mill Pond Dam Improvements	7/9/2012	1,156,000	2013	24,382	2.00				
			2014	49,498	2.00				
			2015	50,493	2.00				
			2016	51,508	2.00				
			2017	52,543	2.00				
			2018	53,599	2.00				
			2019	54,676	2.00				
			2020	55,775	2.00				
			2021	56,897	2.00				
			2022	58,039	2.00				
			2023	59,206	2.00				
			2024	60,396	2.00				
			2025	61,610	2.00				
			2026	62,849	2.00				
		2027	64,112	2.00					
		2028	65,401	2.00					
		2029	66,716	2.00					
		2030	68,056	2.00					
		2031	69,424	2.00					
		2032	70,820	2.00					
						\$ 1,156,000		\$ 1,156,000	
						\$ 438,778	\$ 1,156,000	\$ 25,354	\$ 1,569,424
							\$ 1,156,000		\$ 1,156,000
								\$ 25,354	\$ 25,354
									\$ 1,156,000
									\$ 25,354

Loan Receivable
Paid by Open Space Preservation Trust Fund

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

Balance, December 31, 2011	\$ 256,035
Increased by:	
Grant Proceeds on Fully Funded Ordinance	<u>25,000</u>
	281,035
Decreased by:	
Cash Disbursements	
2012 Anticipated Current Fund Revenue	<u>75,000</u>
Balance, December 31, 2012	<u>\$ 206,035</u>

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

Ord. No.	<u>Description</u>	Balance December 31, 2011	2012 Authorizations	Notes Paid by Capital Cash	Bond Anticipation Notes Issued	Green Acres Loan Issued	Balance December 31, 2012
07-07	Improvements to Mill Pond Dam & Engineering Dredging	\$ 1,156,000				\$ 1,156,000	
07-09	Various Improvements	390					390
07-23	Installation of Handicapped Lift	1,270					1,270
07-24	Acquisition of Post Office Property			\$ 805,129			805,129
09-16	Various Improvements and Acquisitions			17,800			17,800
10-08	2010 Road, Curb, Drainage and Sidewalks			47,825			47,825
11-07	2011 Various Road Improvements			47,825			47,825
12-07	Various Public Improvements and Acquisition of New or Replacement Equipment and Machinery		\$ 526,000		\$ 526,000		3,400,000
12-16	Refunding Outstanding Bonds	-	3,400,000	-	-	-	-
		<u>\$ 1,157,660</u>	<u>\$ 3,926,000</u>	<u>\$ 918,579</u>	<u>\$ 526,000</u>	<u>\$ 1,156,000</u>	<u>\$ 4,320,239</u>

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WATER UTILITY FUND

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

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2011	\$ 3,453,926	\$ -
Increased by Receipts:		
Water Rents	\$ 2,528,722	
Miscellaneous Fees	247,813	
Overpayments	8,054	
Received from Current Fund	30,213	
Received for Water Utility Capital Fund	1,262,488	
Received from Utility Trust Fund	700	
Woodcliff Lake Surcharge	<u>107,109</u>	
	4,185,099	-
	7,639,025	-
Decreased by Disbursements:		
2012 Appropriations	2,997,217	
2011 Appropriation Reserves	50,010	
Encumbrances Payable	103,273	
Payments to Electric Utility Operating Fund	24,701	
Payments made for Other Trust Fund	1,726	
Payments made for Utility Trust Fund	24,837	
Payments made for Water Utility Capital Fund	<u>777,412</u>	
	3,979,176	-
Balance, December 31, 2012	<u>\$ 3,659,849</u>	<u>\$ -</u>

EXHIBIT D-6

**ANALYSIS OF CASH
WATER UTILITY CAPITAL FUND**

	Balance, December 31, <u>2012</u>
Fund Balance	\$ 53,460
Capital Improvement Fund	531,669
Contracts Payable	389,449
Due from Water Utility Operating Fund	(545,639)
Improvement Authorizations: <u>Description</u>	
Ord. <u>No.</u>	
96-08/98-11.1 Construction of Well # 20	(69,851)
98-11.1 Construction of Well #20	(100,000)
04-07 Replacement of Water Mains	(105,540)
2010-16 Various Public Improvements/Acquisitions	10,218
2011-22 Various Public Improvements/Acquisitions	1,559
2012-9 Various Public Improvements/Acquisitions	<u>(165,325)</u>
	<u>\$ -</u>

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

Balance, December 31, 2011		\$ <u>25</u>
Balance, December 31, 2012		\$ <u><u>25</u></u>

**STATEMENT OF WATER RENTS RECEIVABLE
WATER UTILITY OPERATING FUND**

Balance, December 31, 2011		\$ 194,782
Increased by:		
Water Rents Levied		<u>2,437,189</u>
		2,631,971
Decreased by:		
Water Rents Collected:		
Cash Receipts		<u>2,528,722</u>
Balance, December 31, 2012		\$ <u><u>103,249</u></u>

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

Balance, December 31, 2011		\$ 37,838
Increased by:		
Other Water Charges Levied		
Fire Sprinklers	\$ 60,755	
Hydrants	<u>29,500</u>	
		<u>90,255</u>
		128,093
Decreased by:		
Other Water Charges Collected:		
Fire Sprinklers	58,096	
Hydrants	<u>29,330</u>	
		<u>87,426</u>
Balance, December 31, 2012		\$ <u><u>40,667</u></u>

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

Balance, December 31, 2011	\$ 26,052
Increased by:	
Surcharges Levied	<u>104,007</u>
	130,059
Decreased by:	
Surcharges Collected	<u>107,109</u>
Balance, December 31, 2012	<u>\$ 22,950</u>

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

	Balance, December 31, <u>2011</u>	Additions by		Balance, December 31, <u>2012</u>
		Operating Budget Capital <u>Outlay</u>	<u>Ordinance</u>	
Source of Supply Plant:				
Structures and Improvements	\$ 249,656	\$ 27,011		\$ 276,667
Wells and Springs	3,628,869	14,800	\$ 528,751	4,172,420
Pumping Plant:				
Land and Land Rights	12,887			12,887
Structures and Improvements	564,373			564,373
Electric Pumping Equipment	708,832	7,364		716,196
Water Treatment Plant - Water				
Treatment Equipment	980,755	9,510		990,265
Computer Hardware/Software-Equipment	89,530	3,241		92,771
Transmission and Distribution Plant:				
Structures and Improvements	17,682			17,682
Distribution Reservoirs and Standpipes	908,091			908,091
Transmission and Distribution Mains	1,282,822	3,846	105,540	1,392,208
Services	220,934	6,353		227,287
Meters	742,347	10,113		752,460
Hydrants	270,854	33,974		304,828
Well Communication System-Equipment	4,047			4,047
General Plant:				
Structures and Improvements	156,775	11,537		168,312
Improvements to Utility Garage	102,218			102,218
Office Furniture and Equipment	191,151	328		191,479
Transportation Equipment	356,788			356,788
Other General Equipment	311,589			311,589
Tools-Equipment	105,514	6,464		111,978
Other Utility Assets:				
Other Tangible Property-Equipment	242,936			242,936
Water Diversion Rights	551			551
Meter Reading System	6,763			6,763
Pickup Truck	3,447			3,447
New Hybrid Vehicle	24,723			24,723
Backhoe Loader			86,031	86,031
Valve Box Vacuum	-	-	20,441	20,441
	<u>\$ 11,184,134</u>	<u>\$ 134,541</u>	<u>\$ 740,763</u>	<u>\$ 12,059,438</u>

2012 Budget Appropriations \$ 131,332
2011 Appropriation Reserve 3,209

\$ 134,541

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

<u>Ord. No.</u>	<u>Improvement Description</u>	Balance, December 31, <u>2011</u>	2012 <u>Authorizations</u>	Costs to Fixed <u>Capital</u>	Balance, December 31, <u>2012</u>
96-8/98-11.1	Construction of Well #20	\$ 30,149			\$ 30,149
2004-07	Replacement of Water Mains	150,000		\$ 105,540	44,460
2010-16	Various Public Improvements & Acq.	625,000		614,782	10,218
2011-22	Acquisition of Valve Box	22,000		20,441	1,559
2012-9	Various Public Improvements & Acq.	-	\$ 1,085,000	-	1,085,000
		<u>\$ 827,149</u>	<u>\$ 1,085,000</u>	<u>\$ 740,763</u>	<u>\$ 1,171,386</u>

EXHIBIT D-13

STATEMENT OF DEFERRED CHARGES - EMERGENCY AUTHORIZATION
WATER UTILITY OPERATING FUND

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	Net Amount <u>Authorized</u>	Added in <u>2012</u>	Balance December 31, <u>2012</u>
12/11/12	Hurricane Sandy	\$ 25,000	\$ 25,000	\$ 25,000
			<u>\$ 25,000</u>	<u>\$ 25,000</u>

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

Balance, December 31, 2011		\$ 5,213
Increased by:		
Cash Received by Current Fund		
Emergency Note Payable	\$ 25,000	
Miscellaneous Revenue	<u>34,568</u>	
		<u>59,568</u>
		64,781
Decreased by:		
Cash Received from Current Fund		<u>30,213</u>
Balance, December 31, 2012		<u>\$ 34,568</u>

EXHIBIT D-15

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

Balance, December 31, 2011 (Due to)		\$ 24,701
Decreased by:		
Cash Received by Electric Utility Operating Fund - Miscellaneous Fees	\$ 15,932	
Payments to Electric Utility Operating Fund	<u>24,701</u>	
		<u>40,633</u>
Balance, December 31, 2012 (Due from)		<u>\$ 15,932</u>

EXHIBIT D-16

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

Balance, December 31, 2011		\$ 35,563
Increased by:		
2012 Budget Appropriation - Capital Improvement Fund	\$ 25,000	
Cash Received by Water Utility Operating Fund		
Premium on Serial Bonds	\$ 12,488	
Serial Bonds	<u>1,250,000</u>	
		<u>1,262,488</u>
		<u>1,287,488</u>
		1,323,051
Decreased by:		
Payments Made by Water Utility Operating Fund		
Improvement Authorizations	\$ 364,714	
Contracts Payable	<u>412,698</u>	
		<u>777,412</u>
Balance, December 31, 2012		<u>\$ 545,639</u>

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

Balance, December 31, 2011	\$ 10,032
Increased by:	
Payments made for Other Trust Fund - Payroll Deductions Payable	1,726
Balance, December 31, 2012	\$ 11,758

EXHIBIT D-18

**STATEMENT OF EMERGENCY NOTES PAYABLE
WATER UTILITY OPERATING FUND**

<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Int. Rate</u>	<u>Increased by:</u>	<u>Balance December 31, 2012</u>
Emergency - Hurricane Sandy	12/28/2012	8/16/2013	1.75%	\$ 25,000	\$ 25,000
		Due from Current Fund		\$ 25,000	

**BOROUGH OF PARK RIDGE
STATEMENT OF 2011 APPROPRIATION RESERVES
WATER UTILITY OPERATING FUND**

	Balance, December 31, <u>2011</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING				
Salaries and Wages	\$ 109,037	\$ 109,037	\$ 2,345	\$ 106,692
Other Expenses	175,071	175,071	44,456	130,615
Group Insurance	<u>4,603</u>	<u>4,603</u>	<u>-</u>	<u>4,603</u>
 Total Operating	 <u>288,711</u>	 <u>288,711</u>	 <u>46,801</u>	 <u>241,910</u>
 CAPITAL IMPROVEMENTS				
Capital Outlay	<u>98,194</u>	<u>98,194</u>	<u>3,209</u>	<u>94,985</u>
 Total Capital Improvements	 <u>98,194</u>	 <u>98,194</u>	 <u>3,209</u>	 <u>94,985</u>
 DEFERRED CHARGES AND STATUTORY EXPENDITURES				
Statutory Expenditures				
Contribution to				
Public Employees Retirement System	921	921	-	921
Social Security System (O.A.S.I.)	<u>278</u>	<u>278</u>	<u>-</u>	<u>278</u>
 Total Deferred Charges and Statutory Expenditures	 <u>1,199</u>	 <u>1,199</u>	 <u>-</u>	 <u>1,199</u>
	 <u>\$ 388,104</u>	 <u>\$ 388,104</u>	 <u>\$ 50,010</u>	 <u>\$ 338,094</u>

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

Balance, December 31, 2011	\$ 103,273
Increased by:	
Charges to 2012 Budget Appropriations	<u>157,965</u>
	261,238
Decreased by:	
Cash Disbursements	<u>103,273</u>
Balance, December 31, 2012	<u>\$ 157,965</u>

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

Balance, December 31, 2011	<u>\$ 2,906</u>
Balance, December 31, 2012	<u>\$ 2,906</u>

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

Balance, December 31, 2011	\$ 413,947
Increased by:	
Charges to Improvement Authorizations	<u>389,449</u>
	803,396
Decreased by:	
Payments Made by Water Utility Operating Fund	\$ 412,698
Cancelled Contracts Restored to Improvement Authorizations	<u>1,249</u>
	<u>413,947</u>
Balance, December 31, 2012	<u>\$ 389,449</u>

**STATEMENT OF OVERPAYMENTS
WATER UTILITY OPERATING FUND**

Increased by:	
Overpayments in 2012	<u>\$ 8,054</u>
Balance, December 31, 2012	<u>\$ 8,054</u>

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

Ord. No.	Improvement Description	Ordinance Date	Amount	2012 Authorizations		Balance, December 31, 2011	Paid or Charged	Cancelled Contracts Payable	Balance, December 31, 2012	
				Deferred Charges to Future Revenue	Unfunded				Funded	Unfunded
96-8/98-11.1	Construction of Well #20	4/96 / 5/98	\$ 425,000	\$ 30,149		\$ 30,149			\$ 30,149	
2004-07	Replacement of Water Mains	5/11/04	150,000	130,298		130,298	\$ 85,838		\$ 44,460	
2010-16	Various Public Improvements and Acq.	5/11/10	625,000	8,969		8,969		\$ 1,249	\$ 10,218	
2011-22	Acquisition of Valve Box	7/12/2011	22,000	1,559		1,559			1,559	
2012-9	Various Public Improvements and Acq.	6/26/2012	1,085,000	-		-	668,325		-	416,675
				<u>\$ -</u>	<u>\$ 170,975</u>	<u>\$ 1,085,000</u>	<u>\$ 754,163</u>	<u>\$ 1,249</u>	<u>\$ 11,777</u>	<u>\$ 491,284</u>
	Due to Water Utility Operating Fund						\$ 364,714			
	Contracts Payable						<u>389,449</u>			
							<u>\$ 754,163</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</u>			<u>Balance, December 31, 2012</u>	
			<u>December 31, 2011</u>	<u>Interest Rate</u>	<u>December 31, 2011</u>		
			<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Increased</u>	<u>Decreased</u>
Water Utility Bonds	8/15/2012	\$ 1,250,000	2013	\$ 70,000	1.00%		
			2014	75,000	1.00%		
			2015-16	75,000	2.00%		
			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%	\$ 1,250,000	-
						\$ 1,250,000	\$ -
						\$ 1,250,000	\$ -
						\$ 1,250,000	\$ 1,250,000
<u>Proceeds Deposited in Water Utility Operating Fund</u>						<u>\$ 1,250,000</u>	<u>\$ 1,250,000</u>

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

Balance, December 31, 2011	\$ 506,669
Increased by:	
2012 Budget Appropriation - Due from Water Operating Fund	<u>25,000</u>
Balance, December 31, 2012	<u>\$ 531,669</u>

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

Balance, December 31, 2011	\$ 10,914,283
Increased by:	
Capital Outlay Operating Budgets:	
2012 Budget Appropriations	\$ 131,332
2011 Appropriation Reserves	<u>3,209</u>
	<u>134,541</u>
Balance, December 31, 2012	<u>\$ 11,048,824</u>

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

	Balance, December 31, <u>2011</u>	<u>Increase</u>	<u>Decrease</u>	Balance, December 31, <u>2012</u>
Payment of Water Tank	\$ 9,201			\$ 9,201
Construction of Water Line	1,500			1,500
Woodcliff Lake Improvements	976,416	\$ 107,109	\$ 588,452	495,073
Handy Harmon Settlement	<u>1,506,068</u>	<u>-</u>	<u>-</u>	<u>1,506,068</u>
	<u>\$ 2,493,185</u>	<u>\$ 107,109</u>	<u>\$ 588,452</u>	<u>\$ 2,011,842</u>
Woodcliff Lake Surcharge Collected		\$ 107,109		
2012 Anticipated Revenue - Water Operating		<u>-</u>	<u>\$ 588,452</u>	
		<u>\$ 107,109</u>	<u>\$ 588,452</u>	

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

Ord. No.	Purpose	Balance, December 31, 2011	2012 Authorizations	Serial Bonds Issued	Balance, December 31, 2012
96-8/98-11.1	Construction of Well #20	\$ 100,000			\$ 100,000
98-11.1	Construction of Well #20	100,000			100,000
2004-07	Replacement of Water Mains	150,000			150,000
2006-19B	Generator Booster	100,000		\$ 100,000	
2010-16	Various Public Improvements & Acq.	625,000		625,000	
2011-22	Various Public Improvements & Acq.	22,000		22,000	
2012-9	Various Public Improvements & Acq.	-	\$ 1,085,000	503,000	582,000
		<u>\$ 1,097,000</u>	<u>\$ 1,085,000</u>	<u>\$ 1,250,000</u>	<u>\$ 932,000</u>

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ELECTRIC UTILITY FUND

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

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2011	\$ 2,037,859	\$ -
Increased by Receipts:		
Light and Power Charges	\$ 9,580,812	
Special Emergency Note	225,000	
Miscellaneous Fees	53,660	
Overpayments	12,853	
Receipts for Water Utility Operating Fund	15,932	
Receipts for Electric Utility Capital Fund	701,945	
Received from Utility Trust Fund	600	
Received from Water Utility Operating Fund	<u>24,701</u>	<u>-</u>
	<u>10,615,503</u>	<u>-</u>
	12,653,362	-
Decreased by Disbursements:		
2012 Appropriations	8,857,842	
2011 Appropriation Reserves	53,732	
Petty Cash	500	
Encumbrances Payable	540,600	
Interest on Bonds	49,135	
Payments made to Current Fund	51,840	
Payments for Other Trust Fund	1,151	
Payments made for Electric Utility Capital Fund	101,126	
Payments made for Utility Trust Fund	<u>47,951</u>	<u>-</u>
	<u>9,703,877</u>	<u>-</u>
Balance, December 31, 2012	<u>\$ 2,949,485</u>	<u>\$ -</u>

EXHIBIT E-6

**ANALYSIS OF CASH
ELECTRIC UTILITY CAPITAL FUND**

	Balance, December 31, <u>2012</u>
Fund Balance	\$ 8,569
Capital Improvement Fund	426,500
Contracts Payable	199,181
Due from Electric Utility Operating Fund	(745,458)
Improvement Authorizations:	
Ord.	
<u>No.</u>	<u>Description</u>
1996-05	Installation of Underground Electric - Bear's Nest II
2003-05	Improvements to Electric System
2010-15	Acquisition of Aerial Bucket Truck
2011-21	Various Public Impvts./Acqu. of Vehicle
2012-04	Acquisition of Aerial Bucket Truck
	<u>(126,107)</u>
	1,023
	26,248
	191,164
	<u>18,880</u>
	<u>\$ -</u>

EXHIBIT E-7

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

Balance, December 31, 2011	\$ <u>50</u>
Balance, December 31, 2012	\$ <u><u>50</u></u>

EXHIBIT E-8

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

Increased by:	
Received from Treasurer	\$ <u>500</u>
Balance, December 31, 2012	\$ <u><u>500</u></u>

EXHIBIT E-9

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

Balance, December 31, 2011	\$ 362,232
Increased by:	
Electric Rents Levied	<u>9,571,972</u>
	9,934,204
Decreased by:	
Electric Rents Collected	<u>9,580,812</u>
Balance, December 31, 2012	\$ <u><u>353,392</u></u>

EXHIBIT E-10

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

Balance, December 31, 2011	\$ 18,917
Increased by:	
Other Electric Rents Levied - Dusk to Dawn	<u>18,628</u>
	37,545
Decreased by:	
Other Electric Rents Collected - Dusk to Dawn	<u>18,174</u>
Balance, December 31, 2012	\$ <u><u>19,371</u></u>

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

	Balance, December 31, <u>2011</u>	Additions By:		Balance, December 31, <u>2012</u>
		Budget Capital <u>Outlay</u>	<u>Ordinance</u>	
Structures and Improvements	\$ 756,231	\$ 5,059		\$ 761,290
Computer Hardware/Software-Equipment	140,236	4,029		144,265
Regulating Station	6,102			6,102
Hydro Generator-Equipment	7,732			7,732
Mill Road Substation	566,470	13,525		579,995
Brae Boulevard Substation	1,676,650	10,237		1,686,887
Poles, Towers and Fixtures	431,799	12,022		443,821
Cable & Wires	1,015,319	2,057		1,017,376
Underground Conduit	103,635	3,949		107,584
Underground Conductors & Devices	189,982	5,429		195,411
Line Transformers	576,942	14,956		591,898
Services	328,925	495		329,420
Installation of Customers' Services	8,817			8,817
Office Furniture, Etc.-Equipment	222,760	328		223,088
Vehicles/Equipment	1,108,517	237		1,108,754
Meters & Current Transformers	300,837	3,436		304,273
Street Lighting & Signal System	304,171	13,579		317,750
Tools, Shop & Garage Equipment	223,261	9,090		232,351
Computer Hardware/Software-Equipment	78,779			78,779
Meter Reading System-Equipment	12,660			12,660
Smoke Detectors-Equipment	149,897			149,897
Municipal Improvement	75,000			75,000
Holiday Decorations-Equipment	47,615	1,665		49,280
Store Equipment	12,880			12,880
Laboratory Equipment	6,397			6,397
Miscellaneous Equipment	80,493	9,442		89,935
Bear's Nest Village- Regulating Station	713,408			713,408
Construction of Additional Voltage Regulator	149,395			149,395
Construction of Mini-Substation	349,860			349,860
Recreational Lighting-Equipment	7,550			7,550
Scada System	103,267	13,461		116,728
Construction Services	200,757			200,757
Improvement to Utility Garage	225,962			225,962
Improvement to Electric System	188,571		\$ 35,406	223,977
Conversion Mill Road Substation & Museum	250,000			250,000
Replace Brae Road Transformer	244,881			244,881
Pick-up Trucks	26,331		37,782	64,113
Aerial Bucket Truck	-	-	153,752	153,752
	<u>\$ 10,892,089</u>	<u>\$ 122,996</u>	<u>\$ 226,940</u>	<u>\$ 11,242,025</u>

2012 Budget Appropriations \$ 120,907

2011 Appropriation Reserves 2,089

\$ 122,996

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

Ord. No.	Improvement Description	Balance, December 31, 2011	2012 Authorizations		Balance, December 31, 2012
			Deferred Charges to Future Revenue	Costs to Fixed Capital	
2003-05	Improvement to Electric System	\$ 36,429		\$ 35,406	\$ 1,023
2010-15	Acquisition of Aerial Bucket Truck	180,000		153,752	26,248
2011-21/ 2012-10	Various Public Impvts./Acqu. of Vehicle	315,000	\$ 100,000	37,782	377,218
2012-04	Acquisition of Aerial Bucket Truck	-	200,000	-	200,000
		<u>\$ 531,429</u>	<u>\$ 300,000</u>	<u>\$ 226,940</u>	<u>\$ 604,489</u>

EXHIBIT E-13

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

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Added in 2012</u>	<u>Balance December 31, 2012</u>
12/11/2012	Hurricane Sandy	\$ 225,000	\$ 45,000	\$ 225,000	\$ 225,000
				<u>\$ 225,000</u>	<u>\$ 225,000</u>

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

Balance, December 31, 2011 (Due to)		\$ 51,840	
Decreased by:			
Payments to Current Fund	\$ 51,840		
Electric Utility Operating Fund Revenues Deposited in Current Fund	<u>37,388</u>		
			<u>89,228</u>
Balance, December 31, 2012(Due from)			<u>\$ 37,388</u>

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

Balance, December 31, 2011		\$ 44,639	
Increased by:			
2012 Budget Appropriation - Capital Improvement Fund	\$ 100,000		
Cash Received by Electric Utility Operating Fund			
Serial Bonds	\$ 695,000		
Premium on Serial Bonds	<u>6,945</u>		
			<u>701,945</u>
			<u>801,945</u>
			846,584
Decreased by:			
Payments made by Electric Utility Operating Fund			
Improvement Authorizations	65,367		
Contracts Payable	<u>35,759</u>		
			<u>101,126</u>
Balance, December 31, 2012			<u>\$ 745,458</u>

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

Balance, December 31, 2011		\$ 14,955	
Increased by:			
Payments Made for Other Trust Fund - Payroll Deductions Payable			<u>1,151</u>
Balance, December 31, 2012			<u>\$ 16,106</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF 2011 APPROPRIATION RESERVES
ELECTRIC UTILITY OPERATING FUND**

	Balance, December 31, <u>2011</u>	Encumbrances Cancelled	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING					
Salaries and Wages	\$ 162,872		\$ 162,872	\$ 51,563	\$ 111,309
Other Expenses	204		204	80	124
Group Health Insurance	5,300		5,300		5,300
Purchase of Electric Current	<u>93,359</u>	<u>\$ 417</u>	<u>93,776</u>	<u>-</u>	<u>93,776</u>
 Total Operating	 <u>261,735</u>	 <u>417</u>	 <u>262,152</u>	 <u>51,643</u>	 <u>210,509</u>
 CAPITAL IMPROVEMENTS					
Capital Improvement Fund					
Capital Outlay	<u>45,410</u>	<u>-</u>	<u>45,410</u>	<u>2,089</u>	<u>43,321</u>
 Total Capital Improvements	 <u>45,410</u>	 <u>-</u>	 <u>45,410</u>	 <u>2,089</u>	 <u>43,321</u>
 DEFERRED CHARGES AND STATUTORY					
Statutory Expenditures					
Contribution to					
Public Employees Retirement System	417		417	-	417
Social Security System (O.A.S.I.)	<u>6,817</u>	<u>-</u>	<u>6,817</u>	<u>-</u>	<u>6,817</u>
 Total Deferred Charges and Statutory Expenditures	 <u>7,234</u>	 <u>-</u>	 <u>7,234</u>	 <u>-</u>	 <u>7,234</u>
	<u>\$ 314,379</u>	<u>\$ 417</u>	<u>\$ 314,796</u>	<u>\$ 53,732</u>	<u>\$ 261,064</u>

EXHIBIT E-18

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

Balance, December 31, 2011	\$ 541,017
Increased by:	
Charges to 2012 Budget Appropriations	<u>538,424</u>
	1,079,441
Decreased by:	
Cash Disbursements	\$ 540,600
Cancelled Encumbrances Restored to Appropriation Reserves	<u>417</u>
	<u>541,017</u>
Balance, December 31, 2012	<u>\$ 538,424</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF CONTRACTS PAYABLE
ELECTRIC UTILITY CAPITAL FUND**

Balance, December 31, 2011		\$ 36,782
Increased by:		
Charges to Improvement Authorizations		<u>199,181</u>
		235,963
Decreased by:		
Payments made by Electric Utility Operating Fund	\$ 35,759	
Cancelled Contracts Payable Restored to Improvement Authorizations	<u>1,023</u>	
		<u>36,782</u>
Balance, December 31, 2012		<u>\$ 199,181</u>

EXHIBIT E-20

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

Balance, December 31, 2011		<u>\$ 2,001</u>
Balance, December 31, 2012		<u>\$ 2,001</u>

EXHIBIT E-21

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

Balance, December 31, 2011		\$ 10,237
Increased by:		
Budget Appropriation for Interest on Bonds		<u>49,135</u>
		59,372
Decreased by:		
Interest Paid		<u>49,135</u>
Balance, December 31, 2012		<u>\$ 10,237</u>

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

Ord. No.	Improvement Description	Ordinance Amount	Balance, December 31, 2011		2012 Authorizations		Cancelled Contracts Payables	Paid or Charged	Balance, December 31, 2012	
			Funded	Unfunded	Deferred Charges to Future Revenue	Unfunded			Funded	Unfunded
2003-05	Improvements to Electric System	\$ 250,000				\$ 1,023	\$ 483	\$ 1,023	\$ 1,023	
2010-15	Acquisition of Aerial Bucket Truck	180,000	\$ 26,731					26,248		
2011-21/										
2012-10	Var Pub. Impvts./Acqu. of Vehicle	315,000	274,109	\$ 100,000			82,945	191,164	\$ 100,000	
2012-04	Acquisition of Aerial Bucket Truck	200,000	-	200,000			181,120	18,880		
			\$ -	\$ 300,840	\$ 300,000	\$ 1,023	\$ 264,548	\$ 237,315	\$ 100,000	

Payments made by Electric Utility Operating Fund
Contracts Payable

\$ 65,367
199,181
\$ 264,548

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

Purpose	Date of Issue	Amount of Original Issue	Maturity of Bonds Outstanding at December 31, 2012	Date	Amount	Interest Rate	Balance, December 31,		
							2011	2012	
Electric Utility Bonds	10/15/2007	\$ 1,693,000	2013-16	\$ 125,000	3.875%				
			2017-18	150,000	3.875%				
			2019	175,000	3.875%				
			2020	168,000	4.000%	\$ 1,268,000	\$ 125,000		
Electric Utility Bonds	8/15/2012	695,000	2013-14	95,000	1.000%				
			2015-18	100,000	2.000%				
			2019	105,000	2.000%	\$ -	\$ 695,000		
						\$ 1,268,000	\$ 125,000	\$ 1,838,000	
						\$ -	\$ 695,000	\$ 695,000	\$ 125,000
							\$ 695,000	\$ 695,000	\$ 125,000

Due from Electric Utility Operating Fund
Paid by Budget Appropriation

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

Balance, December 31, 2011	\$ 326,500
Increased by:	
2012 Budget Appropriation	<u>100,000</u>
Balance, December 31, 2012	<u>\$ 426,500</u>

EXHIBIT E-25

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

Balance, December 31, 2011	\$ 9,497,982
Increased by:	
Serial Bonds Paid by Operating Budget	\$ 125,000
Capital Outlay Operating Budget:	
2012 Budget Appropriations	\$ 120,907
2011 Appropriation Reserves	<u>2,089</u>
	122,996
Transfer from Deferred Reserve for Amortization	<u>35,406</u>
	<u>283,402</u>
Balance, December 31, 2012	<u>\$ 9,781,384</u>

EXHIBIT E-26

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

Ord. No. <u>Improvement Description</u>	Balance, December 31, <u>2011</u>	To Reserve for Amortization <u>Fixed Capital</u>	Balance, December 31, <u>2012</u>
03-05 Improvement of Electric System	<u>\$ 36,429</u>	<u>\$ 35,406</u>	<u>\$ 1,023</u>

EXHIBIT E-27

**STATEMENT OF OVERPAYMENTS
ELECTRIC UTILITY OPERATING FUND**

Increased by:	
Overpayments in 2012	<u>\$ 12,853</u>
Balance, December 31, 2012	<u>\$ 12,853</u>

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Int. Rate</u>	<u>Increases</u>	<u>Balance December 31, 2012</u>
Hurricane Sandy	12/28/2012	8/16/2013	1.75%	\$ 225,000	\$ 225,000

EXHIBIT E-29

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

<u>Ord. No.</u>	<u>Purpose</u>	<u>Balance, December 31, 2011</u>	<u>2012 Authorizations</u>	<u>Serial Bonds Issued</u>	<u>Balance, December 31, 2012</u>
1996-05	Installation of Underground Electric - Bear's Nest II	\$ 126,107			\$ 126,107
2010-15	Acquisition of Aerial Bucket Truck	180,000		\$ 180,000	-
2011-21/2012-10	Various Public Impvts. and Acquisition of Vehicle	315,000	\$ 100,000	315,000	100,000
2012-04	Acquisition of Aerial Bucket Truck	-	200,000	200,000	-
		<u>\$ 621,107</u>	<u>\$ 300,000</u>	<u>\$ 695,000</u>	<u>\$ 226,107</u>

UTILITY TRUST FUND

BOROUGH OF PARK RIDGE
STATEMENT OF CASH - UTILITY TRUST FUND

Balance, December 31, 2011		\$ 628,159
Increased by Receipts:		
Water Utility Deposits	\$ 25,340	
Electric Utility Deposits	<u>49,260</u>	
		<u>74,600</u>
		702,759
Decreased by Disbursements:		
Payments to Water Utility Operating Fund	700	
Payments to Electric Utility Operating Fund	<u>600</u>	
		<u>1,300</u>
Balance, December 31, 2012		<u>\$ 701,459</u>

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

	Balance, December 31, <u>2011</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2012</u>
Water Utility	\$ 413,974	\$ 25,340	\$ 24,837	\$ 414,477
Electric Utility	<u>211,832</u>	<u>49,260</u>	<u>47,951</u>	<u>213,141</u>
	<u>\$ 625,806</u>	<u>\$ 74,600</u>	<u>\$ 72,788</u>	<u>\$ 627,618</u>
Cash Receipts		\$ 74,600		
Due to Water Utility Operating Fund			\$ 24,837	
Due to Electric Utility Operating Fund		<u>-</u>	<u>47,951</u>	
		<u>\$ 74,600</u>	<u>\$ 72,788</u>	

EXHIBIT F-3

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

Balance, December 31, 2011	\$ 836
Increased by:	
Payments made by Water Utility Operating Fund	<u>24,837</u>
	25,673
Decreased by:	
Payments to Water Utility Operating Fund	<u>700</u>
Balance, December 31, 2012	<u>\$ 24,973</u>

EXHIBIT F-4

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

Balance, December 31, 2011	\$ 1,517
Increased by:	
Payments made by Electric Utility Operating Fund	<u>47,951</u>
	49,468
Decreased by:	
Payments to Electric Utility Operating Fund	<u>600</u>
Balance, December 31, 2012	<u>\$ 48,868</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, 2011	\$ 218,712	\$ -
Increased by Receipts:		
Membership Fees	\$ 231,440	
Miscellaneous Revenue	37,182	
Grants Receipts for Swim Pool Capital Fund	<u>6,387</u>	<u>-</u>
	<u>275,009</u>	<u>-</u>
	493,721	-
Decreased by Disbursements:		
2012 Appropriations	226,052	
Encumbrances Payable	13,727	
Payments Made to General Capital Fund	1,800	
Payments Made to Current Fund	1,391	
Payments Made for Current Fund	497	
Payments Made for Swim Pool Utility Capital Fund	<u>80,000</u>	<u>-</u>
	<u>323,467</u>	<u>-</u>
Balance, December 31, 2012	<u>\$ 170,254</u>	<u>\$ -</u>

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

	Balance, December 31, <u>2012</u>
Fund Balance	\$ 50
Capital Improvement Fund	16,000
Due to Swim Pool Utility Operating Fund	5,196
Grants Receivable	(23,801)
Improvement Authorizations:	
Ord.	
<u>No.</u> <u>Description</u>	
92 Improvement to Swim Pool	(500)
06-10 Pool Rehabilitation	(15,560)
10-06 ADA Improvements - Bathrooms	<u>18,615</u>
	<u>\$ -</u>

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

Balance, December 31, 2011	\$ <u>250</u>
Balance, December 31, 2012	\$ <u>250</u>

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

Ord. No.	Grantor	Balance December 31, 2011	Received	Balance December 31, 2012	<u>Balance Pledged to Improvement Authorizations</u>
10-06	Community Development Block Grant	\$ 30,188	\$ 6,387	\$ 23,801	\$ 23,801
		<u>\$ 30,188</u>	<u>\$ 6,387</u>	<u>\$ 23,801</u>	<u>\$ 23,801</u>
	Due from Swim Pool Utility Operating		<u>\$ 6,387</u>		

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

Balance, December 31, 2011 (Due To)	\$ 56,417
Increased by:	
Grant Receipts for Swim Pool Utility Capital Fund	\$ 6,387
2012 Budget Appropriation - Cost of Improvement Ord. 6-10	<u>12,000</u>
	<u>18,387</u>
	74,804
Decreased by:	
Payment of Bond Anticipation Note	<u>80,000</u>
Balance, December 31, 2012 (Due From)	<u>\$ 5,196</u>

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

Balance, December 31, 2011		\$	1,200
Increased by:			
Payments made by Current Fund -2012 Budget Appropriation		\$	13
Payments made by Current Fund -Interest on Notes			<u>688</u>
			<u>701</u>
			1,901
Decreased by:			
Payments made for Current Fund			497
Payments to Current Fund			<u>1,391</u>
			<u>1,888</u>
Balance, December 31, 2012		\$	<u>13</u>

**STATEMENT OF DUE TO GENERAL CAPITAL FUND
SWIM POOL UTILITY OPERATING FUND**

Balance, December 31, 2011		\$	1,800
Decreased by:			
Payments to General Capital Fund			<u>\$ 1,800</u>

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

	Balance, December 31, <u>2011</u>	Balance, December 31, <u>2012</u>
Municipal Pool	\$ 841,996	\$ 841,996
Sanitary Sewer Reconstruction	5,075	5,075
Painting & Sandblasting	10,000	10,000
Handicapped Improvements	87,238	87,238
Bridge	8,260	8,260
Electrical Work	4,520	4,520
Furniture	20,493	20,493
Recreation Equipment	5,023	5,023
Other Equipment	32,984	32,984
Landscaping	5,223	5,223
Land Improvements	7,642	7,642
Water Sprinklers	8,785	8,785
Parking Lot Improvement	21,726	21,726
Security Lock	750	750
Small Tools	1,146	1,146
	<u>1,060,861</u>	<u>1,060,861</u>
	\$ 1,060,861	\$ 1,060,861

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

<u>Ord #</u>	<u>Improvement Description</u>	<u>Ordinance</u>		Balance,	Balance,
		<u>Date</u>	<u>Amount</u>	December 31, <u>2011</u>	December 31, <u>2012</u>
06-10	Pool Rehabilitation	09/05/06	\$ 120,000	\$ 24,440	\$ 24,440
10-06	ADA Improvements to Bathrooms	3/15/2010	99,228	<u>18,615</u>	<u>18,615</u>
				<u>\$ 43,055</u>	<u>\$ 43,055</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF 2011 APPROPRIATION RESERVES
SWIM POOL UTILITY OPERATING FUND**

	Balance, December 31, <u>2011</u>	Cancelled <u>Encumbrances</u>	Balance After <u>Modification</u>	Balance <u>Lapsed</u>
OPERATING				
Salaries and Wages	\$ 5		\$ 5	\$ 5
Other Expenses	<u>156</u>	<u>\$ 975</u>	<u>1,131</u>	<u>1,131</u>
 Total Operating	 <u>161</u>	 <u>975</u>	 <u>1,136</u>	 <u>1,136</u>
 DEFERRED CHARGES AND STATUTORY EXPENDITURES				
Statutory Expenditures				
Contribution to Social Security System (O.A.S.I.)	<u>255</u>	<u>-</u>	<u>255</u>	<u>255</u>
 Total Deferred Charges and Statutory Expenditures	 <u>255</u>	 <u>-</u>	 <u>255</u>	 <u>255</u>
	<u>\$ 416</u>	<u>\$ 975</u>	<u>\$ 1,391</u>	<u>\$ 1,391</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF ENCUMBRANCES PAYABLE
SWIM POOL UTILITY OPERATING FUND**

Balance, December 31, 2011		\$ 15,022
Increased by:		
Charges to 2012 Budget Appropriations		<u>3,002</u>
		18,024
Decreased by:		
Cash Disbursements	\$ 13,727	
Cancelled Encumbrances Restored to Appropriation Reserves	975	
Transferred to Accounts Payable	<u>320</u>	
		<u>15,022</u>
Balance, December 31, 2012		<u>\$ 3,002</u>

EXHIBIT G-16

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

Increased by:		
Transferred from Encumbrances Payable		<u>\$ 320</u>
Balance, December 31, 2012		<u>\$ 320</u>

EXHIBIT G-17

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

Balance, December 31, 2011		\$ 630
Increased by:		
Charges to Budget for Interest on Notes		<u>58</u>
		688
Decreased by:		
Interest Paid by Current Fund		<u>\$ 688</u>

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

Balance, December 31, 2011	\$ <u>16,000</u>
Balance, December 31, 2012	\$ <u>16,000</u>

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

Balance, December 31, 2011	\$ 1,032,801
Increased by:	
2012 Budget Appropriation - Cost of Improvement Ord. 6-10	<u>12,000</u>
Balance, December 31, 2012	\$ <u>1,044,801</u>

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

<u>Ord.</u>	<u>Improvement Description</u>	Balance December 31, <u>2011</u>	Balance, December 31, <u>2012</u>
10-06	ADA Improvements to Bathrooms	\$ <u>18,615</u>	\$ <u>18,615</u>
		\$ <u>18,615</u>	\$ <u>18,615</u>

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

<u>Ord. No.</u>	<u>Purpose</u>	Balance, December 31, <u>2011</u>	Funded by Budget <u>Appropriation</u>	Balance, December 31, <u>2012</u>
92	Improvement to Swim Pool	\$ 500		\$ 500
06-10	Pool Rehabilitation	<u>52,000</u>	<u>\$ 12,000</u>	<u>40,000</u>
		<u>\$ 52,500</u>	<u>\$ 12,000</u>	<u>\$ 40,500</u>

PUBLIC ASSISTANCE FUND

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

	<u>Total</u>	<u>Account #1</u>	<u>Account #2</u>
Balance, December 31, 2011	\$ 10,076	\$ 1,902	\$ 8,174
Increased by:			
State Aid	28,800	-	28,800
Refund of Assistance	<u>678</u>	<u>-</u>	<u>678</u>
	39,554	1,902	37,652
Decreased by:			
Public Assistance Expenditures Eligible for State Aid	<u>27,120</u>	<u>-</u>	<u>27,120</u>
Balance, December 31, 2012	<u>\$ 12,434</u>	<u>\$ 1,902</u>	<u>\$ 10,532</u>

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

Balance, December 31, 2011	<u>\$ 2,345</u>
Balance, December 31, 2012	<u>\$ 2,345</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, 2011	\$ 7,731	\$ 1,902	\$ 5,829
Increased by:			
Revenues	<u>29,478</u>	<u>-</u>	<u>29,478</u>
Decreased by:			
Expenditures	<u>37,209</u>	<u>1,902</u>	<u>35,307</u>
	<u>27,120</u>	<u>-</u>	<u>27,120</u>
Balance, December 31, 2012	<u>\$ 10,089</u>	<u>\$ 1,902</u>	<u>\$ 8,187</u>

STATEMENT OF PUBLIC ASSISTANCE REVENUES

	<u>Total</u>	<u>Account #1</u>	<u>Account #2</u>
State Aid Payments	\$ 28,800		\$ 28,800
Refunds of Assistance Eligible for State Aid	<u>678</u>	<u>-</u>	<u>678</u>
Total Revenues/Receipts	<u>\$ 29,478</u>	<u>\$ -</u>	<u>\$ 29,478</u>

STATEMENT OF PUBLIC ASSISTANCE EXPENDITURES

	<u>Total</u>	<u>Account #1</u>	<u>Account #2</u>
Current Year Assistance Reported			
Maintenance	\$ 10,687		\$ 10,687
Temporary Rental Assistance	15,843		15,843
Emergency Assistance - Rent	500		500
Transportation	<u>90</u>	<u>-</u>	<u>90</u>
Total Payments Reported	<u>27,120</u>	<u>-</u>	<u>27,120</u>
Total Expenditures/Disbursements	<u>\$ 27,120</u>	<u>\$ -</u>	<u>\$ 27,120</u>

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

PART II

GOVERNMENT AUDITING STANDARDS

AND

SINGLE AUDIT SECTION

YEAR ENDED DECEMBER 31, 2012

LERCH, VINCI & HIGGINS, LLP

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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, 2012, and the related notes to the financial statements, and have issued our report thereon dated May 31, 2013. Our report on the financial statements – regulatory basis indicated that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was qualified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund financial statements.

Internal Control over Financial Reporting

Management of the Borough of Park Ridge is responsible for establishing and maintaining effective 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 to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Borough of Park Ridge's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Park Ridge's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2012-1 that we consider to be a significant deficiency in internal control over financial reporting.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Park Ridge's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is 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 is described in the accompanying schedule of findings and questioned costs as item 2012-1.

We also noted certain matters 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

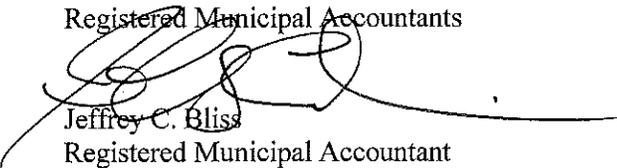
The Borough of Park Ridge's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Borough of Park Ridge's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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


Jeffrey C. Bliss
Registered Municipal Accountant
RMA Number CR00429

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REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 04-04

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Borough of Park Ridge's compliance with the types of compliance requirements described in the New Jersey OMB Circular 04-04 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Park Ridge's major state programs for the year ended December 31, 2012. The Borough of Park Ridge's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough of Park Ridge's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of State Grants and State Aid. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Park Ridge's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Borough of Park Ridge's compliance.

Opinion on Each Major State Program

In our opinion, the Borough of Park Ridge complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of the Borough of Park Ridge is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Park Ridge's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Park Ridge's internal control over compliance.

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

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

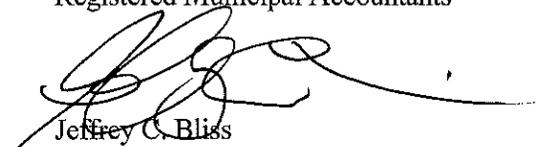
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 04-04

We have audited the financial statements - regulatory basis of the Borough of Park Ridge as of and for the year ended December 31, 2012, and the related notes to the financial statements and have issued our report thereon dated May 31, 2013, which contained a modified opinion on those financial statements because they were not prepared and presented in accordance with accounting principles generally accepted in the United States of America and also contained a modified opinion on those financial statements prepared and presented in accordance with the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 04-04 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

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
May 31, 2013

**BOROUGH OF PARK RIDGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Federal Program	State Account Number	CFDA Number	Grant Year	Award Amount	2012 Grant Receipts	Balance January 1, 2012	Revenue Realized	Cancelled	Expended	Balance December 31, 2012	Cumulative Expended
U.S. Department of Transportation (Passed through State Department of Law and Public Safety)											
Click it or Ticket	066-1160-100-113	20.602	2009	\$ 4,292	\$ 2,175	\$ 3,659	\$ 4,400	\$ -	\$ 1,625	\$ 3,659	633
Drive Sober or Get Pulled Over	066-1160-100-057	20.601	2012	4,400	2,175	3,659	4,400	-	1,625	2,775	1,625
Over the Limit Under Arrest	066-1160-100-057	20.601	2011	2,806			2,806			2,806	-
Over the Limit Under Arrest	066-1160-100-057	20.601	2010	4,400		4,400				4,400	-
U.S. Department of Transportation (Passed Through State Department of Transportation Highway Planning and Construction Program: Imprvts to 5th Street Section II (Ord. 10-09) Imprvts to 5th Street Section I (Ord 2010-25) Pedestrian Train Station Impvts (Ord. 2009-11)											
	078-6320-480-AKN	20.205	2010	200,000	62,571						200,000
	078-6320-480-AKE		2010	200,000	67,351	4,594			28,103	4,594	195,406
	078-6320-480-AKC		2009	79,000		73,048				44,945	34,055
U.S. Department of Homeland Security Disaster Grants - Public Assistance (Passed through the State Department of Law and Public Safety)											
		97.036	2012	14,396			14,396			-	14,396
FEMA - Hazard Mitigat. Grant - Message Board	1200-100-A77-2012		2011	97,013	97,013		97,013			-	97,013
FEMA - Hurricane Irene	1200-100-A70-2012		2011	57,494	57,494		57,494			-	57,494
U.S. Department of Housing and Urban Development Community Development Block Grant Program (Passed through County of Bergen Community Development Agency)											
Handicap Bathrooms - Colony & Sulak Fields	N/A	14.218	2012	55,000			55,000			-	55,000
Handicap Bathrooms - Swim Pool (Ord. 08-15)		14.218	2008	42,252		42,252		\$ (42,252)		-	-
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		14.218	2012	3,000	3,000					-	-
						\$ 146,568	\$ 231,109	\$ (42,252)	\$ 253,631	\$ 81,794	

Note: This schedule was not subject to a single audit in accordance with OMB-A133.

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, 2012**

State Grant Program	Account Number	Grant Year	Grant Award	2012 Grant/Loan Receipts	Balance, January 1, 2012	Revenue Realized	Expended	Adjustment	Balance, December 31, 2012	Cumulative Expended
Drug and Alcohol Municipal Alliance	N/A	2012	\$ 5,681	\$ 5,681		\$ 711			\$ 711	-
		2011	711						10,952	-
		2010	10,952		\$ 10,952				5,499	\$ 18,001
		2008	23,500		5,499					
Clean Communities Grant Program	4900-765-178900	2012	14,110	14,110			\$ 4,650	\$ 954	9,655	4,650
		2011	14,305		6,845				7,799	6,909
		2010	14,708		14,112				14,112	-
		2009	14,112							
Drunk Driving Enforcement Fund	1110-448-031020-22	2008	2,893		181			181	2,712	
Alcohol Education and Rehabilitation	760-046-4240-001	2012	540	540					323	-
		2011	323			323			704	-
		2010	704		704				1,059	130
		2008	1,189		1,059					
Department of Community Affairs Domestic Violence Grant	N/A	Prior	2,178		2,178			2,178	-	
Body Armour Replacement Fund	066-1020-718-001	2012	1,989	1,989					1,948	-
		2011	1,948			1,948			2,009	850
		2010	2,859		2,009				484	1,430
		2007	1,914		484					
Recycling Tonnage Grant	4830-752-050550-50	2012	11,252	11,252			1,624		-	1,624
		2011	11,315		19,396		1		19,395	263
		2010	19,658		8,807				8,807	2,106
		2009	10,913							
NJEDA Hazardous - Discharge Site	N/A	Prior	2,406		2,406			2,406	-	
Department of Environmental Protection Stormwater Grant	WQ05-475	2009	3,000		3,000		3,000		-	3,000
		2008	2,117		117		117		-	2,117
		2011	110,701	105,908						110,201
Green Acres - Garden St. - Pres. Trust (Ord. 2011-24)	042-4800-727-002	2011		105,908						
Green Acres Loan Payable										
Mill Pond DAM Restoration (Ord. 07-7A/08-8F)	042-4895-574-801		1,156,000	1,132,880		1,156,000			1,156,000	
Department of Human Services General Assistance	7500-150-158010-60	2012	28,800		5,829	28,800	27,120	678	8,187	27,120
<hr/>										
<p>\$ 83,578 \$ 1,213,402 \$ 1,192,512 \$ 1,632 \$ 106,100</p>										

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

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**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, 2012**

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 schedule 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	\$ 212,878	\$ 28,602	\$ 241,480
General Capital Fund		1,156,000	1,156,000
Water Utility Operating Fund	6,001		6,001
Electric Utility Operating Fund	12,230		12,230
Public Assistance Fund	-	28,800	28,800
	<u>\$ 231,109</u>	<u>\$ 1,213,402</u>	<u>\$ 1,444,511</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, 2012**

NOTE 5 STATE LOANS OUTSTANDING

The Borough's state loans outstanding at December 31, 2012, which are not required to be reported on the schedule of expenditures of 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	0247-04-062	<u>\$ 413,424</u>

**BOROUGH OF PARK RIDGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Part I – Summary of Auditor's Results

Financial Statements

Type of auditors' report issued on financial statements

Qualified for Unaudited LOSAP Fund

Internal control over financial reporting:

1) Material weakness(es) identified

_____ yes X no

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

 X yes _____ none reported

Noncompliance material to the financial statements noted?

 X yes _____ no

Federal Awards Section

Not Applicable

**BOROUGH OF PARK RIDGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2012**

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 2012-1 – Our review of the footnote disclosure for other post-employment retirement benefits (OPEB) liability revealed that the actuarially determined calculations were not updated as required.

Criteria or Specific Requirement – GASB Statement 45.

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

Context – The actuary report required to be updated as of December 31, 2012 was not completed and available for audit.

Effect – The footnotes to the financial statements do not disclose the required update of the unfunded OPEB liability and annual required contribution (ARC) in accordance with GASB Statement 45.

Cause – Required report of the OPEB liability prepared by an actuary was not obtained in a timely manner.

Recommendation – Update of the actuary report required for other post employment retirement benefits (OPEB) liability be obtained in a timely manner.

Response – Management has reviewed this finding and has indicated corrective action has been developed and implemented in 2013 to address this finding.

**BOROUGH OF PARK RIDGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04, as amended.

CURRENT YEAR FEDERAL AWARDS

Not Applicable

CURRENT YEAR STATE AWARDS

There are none.

**BOROUGH OF PARK RIDGE
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2012**

This section identifies the status of prior year findings related to the financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB Circular A-133 and NJ OMB Circular 04-04.

STATUS OF PRIOR YEAR FINDINGS

Finding 2011-1

Condition – Purchase orders and contract awards in the amount of \$536,000 were deemed invalid in the General Capital Fund. In addition, available funds in the amounts of \$38,000 and \$3,600 were not available for contracts awarded in the Water and Electric Utility Capital Funds during the year.

Current Status

Corrective action has been taken.

Finding 2011-2

Condition – General ledger control account balances for improvement authorizations in the various capital funds were not reconciled and in agreement with the detailed subsidiary budget reports. In addition, balances reported in the subsidiary budget reports were not in agreement with the audited balances and did not include each improvement authorization adopted during the year.

Current Status

Corrective action has been taken.

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

PART III

**SUPPLEMENTARY DATA
LETTER OF COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2012**

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	<u>Year 2012</u>		<u>Year 2011</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 650,000	1.59 %	\$ 505,000	1.29 %
Miscellaneous - From Other Than Local				
Property Tax Levies	2,983,916	7.29	2,778,916	7.09
Collection of Delinquent Taxes and Tax Title Liens	247,607	0.61	231,180	0.59
Collection of Current Tax Levy	36,627,605	89.55	35,401,467	90.34
Other Credits to Income	<u>394,627</u>	<u>0.96</u>	<u>270,436</u>	<u>0.69</u>
Total Income	<u>40,903,755</u>	<u>100.00 %</u>	<u>39,186,999</u>	<u>100.00 %</u>
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	11,916,886	29.61 %	11,687,091	30.09 %
County Taxes	4,013,168	9.97	3,629,068	9.34
Local District School Tax	24,310,114	60.40	23,505,631	60.51
Other Expenditures	<u>5,654</u>	<u>0.01</u>	<u>22,164</u>	<u>0.06</u>
Total Expenditures	<u>40,245,822</u>	<u>100.00 %</u>	<u>38,843,954</u>	<u>100.00 %</u>
Excess in Revenue	657,933		343,045	
Adjustments to Income before Fund Balance:				
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year	<u>150,000</u>		<u>550,000</u>	
Statutory Excess to Fund Balance	807,933		893,045	
Fund Balance, January 1	<u>1,079,370</u>		<u>691,325</u>	
	1,887,303		1,584,370	
Less Utilization as Anticipated Revenue	<u>650,000</u>		<u>505,000</u>	
Fund Balance, December 31	<u>\$ 1,237,303</u>		<u>\$ 1,079,370</u>	

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	<u>Year 2012</u>		<u>Year 2011</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 335,648	8.21 %	\$ 762,800	21.20 %
Water Rents	2,528,722	61.84	2,383,345	66.24
Miscellaneous Fees	298,313	7.30	273,089	7.59
Reserve for Woodcliff Lake Improvements	588,452	14.39	-	-
Other Credits to Income	<u>338,094</u>	<u>8.27</u>	<u>178,825</u>	<u>4.97</u>
 Total Income	 <u>4,089,229</u>	 <u>100.00</u> %	 <u>3,598,059</u>	 <u>100.00</u> %
EXPENDITURES				
Operating	3,050,600	88.45 %	2,942,300	87.44 %
Capital Improvements	211,500	6.13	236,500	7.03
Deferred Charges and Statutory Expenditures	<u>187,000</u>	<u>5.42</u>	<u>186,000</u>	<u>5.53</u>
 Total Expenditures	 <u>3,449,100</u>	 <u>100.00</u> %	 <u>3,364,800</u>	 <u>100.00</u> %
 Excess in Revenue	 640,129		 233,259	
Adjustments to Income before Fund Balance:				
Expenditures Included Above Which are by Statute				
Deferred Charges to Budget of Succeeding Year	<u>25,000</u>		<u>-</u>	
 Statutory Excess to Fund Balance	 665,129		 233,259	
 Fund Balance, January 1	 <u>422,300</u>		 <u>951,841</u>	
	1,087,429		1,185,100	
 Less Utilization as Anticipated Revenue	 <u>335,648</u>		 <u>762,800</u>	
 Fund Balance, December 31	 <u>\$ 751,781</u>		 <u>\$ 422,300</u>	

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	<u>Year 2012</u>		<u>Year 2011</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 796,335	7.42 %	\$ 634,479	5.70 %
Electric Charges	9,580,812	89.30	10,031,244	90.16
Miscellaneous Fees	91,048	0.85	154,629	1.39
Other Credits to Income	<u>261,064</u>	<u>2.43</u>	<u>305,681</u>	<u>2.75</u>
Total Income	<u>10,729,259</u>	<u>100.00 %</u>	<u>11,126,033</u>	<u>100.00 %</u>
EXPENDITURES				
Operating	9,323,700	93.51 %	9,503,000	93.92 %
Capital Improvements	293,500	2.94	258,500	2.55
Debt Service	174,135	1.75	177,971	1.76
Deferred Charges and Statutory Expenditures	<u>180,000</u>	<u>1.81</u>	<u>179,000</u>	<u>1.77</u>
Total Expenditures	<u>9,971,335</u>	<u>100.00 %</u>	<u>10,118,471</u>	<u>100.00 %</u>
Excess in Revenue	757,924		1,007,562	
Adjustments to Income before Fund Balance:				
Expenditures Included Above Which are by Statute				
Deferred Charges to Budget of Succeeding Year	<u>225,000</u>		<u>-</u>	
Statutory Excess to Fund Balance	982,924		1,007,562	
Fund Balance, January 1	<u>1,114,969</u>		<u>741,886</u>	
	2,097,893		1,749,448	
Less Utilization as Anticipated Revenue	<u>796,335</u>		<u>634,479</u>	
Fund Balance, December 31	<u>\$ 1,301,558</u>		<u>\$ 1,114,969</u>	

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	<u>Year 2012</u>		<u>Year 2011</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 12,290	4.35 %	\$ 18,800	6.33 %
Membership Fees	231,440	81.98	228,388	76.92
Miscellaneous Fees	37,182	13.17	31,389	10.57
Other Credits to Income	<u>1,391</u>	<u>0.49</u>	<u>18,354</u>	<u>6.18</u>
Total Income	<u>282,303</u>	<u>100.00 %</u>	<u>296,931</u>	<u>100.00 %</u>
EXPENDITURES				
Operating	228,618	91.93 %	213,375	90.74 %
Debt Service	58	0.02	1,580	0.67
Deferred Charges and Statutory Expenditures	<u>20,010</u>	<u>8.05</u>	<u>20,200</u>	<u>8.59</u>
Total Expenditures	<u>248,686</u>	<u>100.00 %</u>	<u>235,155</u>	<u>100.00 %</u>
Excess in Revenue	33,617		61,776	
Fund Balance, January 1	<u>143,477</u>		<u>100,501</u>	
	177,094		162,277	
Less Utilization as Anticipated Revenue	<u>12,290</u>		<u>18,800</u>	
Fund Balance, December 31	<u>\$ 164,804</u>		<u>\$ 143,477</u>	

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2012</u>	<u>2011</u> (1)	<u>2010</u>
<u>Tax Rate</u>	<u>\$2.279</u>	<u>\$2.189</u>	<u>\$1.988</u>

Apportionment of Tax Rate

Municipal	.502	.482	.468
Library	.037	.039	
County	.244	.221	.219
County – Open Space	.003	.002	.003
Local District School	1.493	1.445	1.297

Assessed Valuation

2012	<u>\$1,628,911,681</u>	
2011		<u>\$1,626,607,839</u>
2010		<u>\$1,731,455,707</u>

(1) The Borough had a property revaluation, which was effective for the calendar year 2011. In addition, the Library tax rate was included in the municipal portion of the tax rate prior to 2011.

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>
2012	\$ 37,181,486	\$ 36,777,605	98.91%
2011	35,660,980	35,401,467	99.27%
2010	34,469,794	34,128,169	99.00%

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

Delinquent Taxes and Tax Title Liens

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

<u>December 31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2012	-	\$ 322,340	\$ 322,340	0.87%
2011	-	247,886	247,886	0.70%
2010	-	231,180	231,180	0.67%

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>
2012	\$100,650
2011	100,650
2010	100,650

Comparison of Water Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(*)</u>	<u>Percentage of Collection</u>
2012	\$2,437,189	\$2,528,722	103.76%
2011	2,364,646	2,383,345	100.79%
2010	2,699,705	2,609,088	96.64%

Comparison of Electric Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(*)</u>	<u>Percentage of Collection</u>
2012	\$ 9,571,972	\$ 9,580,812	100.09%
2011	9,856,644	10,031,244	101.77%
2010	10,058,296	9,903,981	98.46%

*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	2012	\$1,237,303	\$650,000
	2011	1,079,370	650,000
	2010	691,325	505,000
	2009	823,535	640,000
	2008	1,498,005	1,125,000
Water Utility Fund	2012	\$751,781	\$541,644
	2011	422,300	335,648
	2010	951,841	762,800
	2009	959,564	830,721
	2008	1,642,428	870,882
Electric Utility Operating Fund	2012	\$1,301,558	\$1,118,760
	2011	1,114,969	796,335
	2010	741,886	634,479
	2009	852,277	694,491
	2008	989,466	760,143
Swim Pool Utility Operating Fund	2012	\$164,804	\$-0-
	2011	143,477	12,290
	2010	100,501	18,800
	2009	26,100	10,288
	2008	86,386	60,286

**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		
Rich Bosi	Councilman		
Scott Galdi	Councilman		
Steven Hopper	Councilman		
Ann Kilmartin	Councilwoman		
Keith Misciagna	Councilman		
Robert Oppelt	Councilman		
Kelley R. O'Donnell	Borough Administrator/Borough Clerk	(a)	
Colleen Ennis	Chief Financial Officer, Tax Collector - Treasurer	\$1,000,000	MELJIF
William Beattie	Director of Operations	(a)	
John E. TenHoeve, Jr., Esq.	Borough Attorney		
Brooker Engineering	Borough Engineer		
Helyn Beer	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)	
Rich O'Dowd	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 the net payroll and payroll agency account balances revealed an excess balance of approximately \$140,000 at year end.

Recommendation – The net payroll and payroll agency account balances be reviewed and any excess balances be cleared of record.

Swim Pool Utility

- **Finding** – Our audit of the Swim Pool revenue collections revealed that prenumbered receipt tickets were not issued for various fees collected. In addition, we noted guest passes were not prenumbered, membership registration forms did not provide adequate information, membership data base information was not completed to include date and amount paid, and a detailed and complete daily cash receipt journal was not maintained by pool personnel for monies collected at the pool site. Overall, our audit revealed the audit trail for revenue transactions is insufficient and documentation is incomplete.

Recommendation – Internal control procedures and recordkeeping over the Swim Pool revenue collection, accounting and reporting system be enhanced to ensure transactions are properly documented and records are complete.

Departments

- **Finding** – Our audit of the various Municipal Departments revealed that monthly financial reports were not prepared and submitted by the Fire Prevention Bureau.

Recommendation – Monthly financial reports be prepared by the Fire Prevention Bureau and submitted to the Finance Department.

Current Year Findings

Finance

- **Finding** – Our audit of billing adjustments for rents and other account charges in the Water and Electric Utility Operating Funds revealed that billing adjustment work orders and approvals were not available for audit.

Recommendation – Billing adjustment work orders and approvals for rents and other account charges be made available for audit in the Water and Electric Utility Operating Funds.

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

GENERAL COMMENTS (Continued)

Current Year Findings (Continued)

Finance (Continued)

- **Finding** – Our audit of bank reconciliations in the Other Trust Fund revealed the following:
 - A) Escrow, Net Payroll and Payroll Agency accounts were not reconciled in a timely manner.
 - B) Numerous reconciling items and old outstanding checks in the Net Payroll and Payroll Agency accounts.

Recommendation – Monthly bank reconciliations for the Other Trust Fund accounts be completed on a timely basis and reconciling items be reviewed and cleared of record.

- **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 year.

Recommendation – Receivable balances due from vendors for police outside duty services be reviewed and cleared of record.

- **Finding** – Our audit revealed certain Water and Electric Utility improvement authorizations over five years old have deficit cash balances at year end. It was noted that the Utility Board was in the process of reviewing these improvement authorizations to develop a plan and make recommendations to the Governing Body to address the deficits in the utility capital ordinances, therefore no recommendation is deemed warranted at this time.

Payroll

- **Finding** – Our audit of payroll revealed that amounts reported on the quarterly and annual payroll returns remitted to the various Federal and State Agencies were not in agreement with supporting payroll records provided for audit.

Recommendation – Procedures be implemented to reconcile with the payroll service provider the quarterly and annual payroll returns with the supporting payroll records of the Borough.

Public Assistance

- **Finding** - Our audit of expenditures for public assistance revealed:
 - A) Certain rental lease agreements were not available to support monthly rental payments.
 - B) IRS Form 1099 was not issued to certain landlords paid in excess of \$600 for the year.

Recommendation – Rental lease agreements be made available for audit and IRS Form 1099 be issued to landlords as required.

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

GENERAL COMMENTS (Continued)

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 \$26,000. The Borough has adopted a resolution increasing the threshold to \$36,000 and has appointed the Director of Operations as qualified purchasing agent in accordance with regulations established by the Division of Local Government Services.

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

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

Construction of Footbridge and Walking Path	Insulated Hydraulic Material
Fairview Trail Improvements	32 Yard Packer Truck
Barrier Free Bathroom Improvements	2012 Road Improvement Project
Repair of Portable Water Storage	Water Storage Tank Rehabilitation
Treatments, Pumping and Distribution System	Tree Trimming and Removal

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

Our examination of expenditures did not reveal any payments, contracts or agreements in excess of \$36,000 "for the performance of any work, or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJS 40A:11-6.

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, 2012 adopted the following resolution authorizing interest to be charged on delinquent taxes and water accounts:

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

GENERAL COMMENTS (Continued)

Collection of Interest of Delinquent Taxes (Continued)

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

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

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 18, 2012.

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

<u>Year</u>	<u>Number of Liens</u>
2012	0
2011	0
2010	0

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

Suggestions to Management

- Outstanding grant receivable balances and unexpended improvement authorization balances be reviewed in the various Capital Funds.
- Remittance of payroll taxes and withholdings by the third party payroll provider should be verified online to the respective payroll agencies website.
- Documentation be attached to vendor invoices or maintained on file to support purchases made through State contracts and cooperative purchasing agreements.

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. Update of the actuary report required for other post employment retirement benefits (OPEB) liability be obtained in a timely manner.
- * 2. The net payroll and payroll agency account balances be reviewed and any excess balances be cleared of record.
3. Billing adjustment work orders and approvals for rents and other account charges be made available for audit in the Water and Electric Utility Operating Funds.
4. Monthly bank reconciliations for the Other Trust Fund accounts be completed on a timely basis and reconciling items be reviewed and cleared of record.
5. Receivable balances due from vendors for police outside duty services rendered be reviewed and cleared of record.

Payroll

It is recommended that procedures be implemented to reconcile with the payroll service provider the quarterly and annual payroll returns with the supporting payroll records of the Borough.

Swim Pool Utility

- * It is recommended that internal control procedures and recordkeeping over the Swim Pool revenue collection, accounting and reporting system be enhanced to ensure transactions are properly documented and records are complete.

Public Assistance

It is recommended that rental lease agreements be made available for audit and IRS Form 1099 be issued to landlords as required.

Departments

- * It is recommended that monthly financial reports be prepared by the Fire Prevention Bureau and submitted to the Finance Department.

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

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

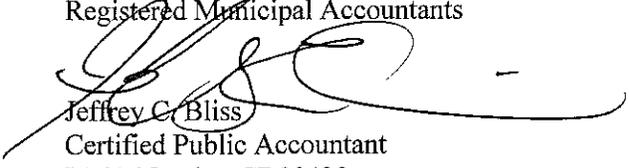
Should any questions arise as to our comments and recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.

LERCH, VINCI & HIGGINS, LLP

LERCH, VINCI & HIGGINS, LLP

Certified Public Accountants

Registered Municipal Accountants


Jeffrey C. Bliss

Certified Public Accountant

RMA Number CR00429