

**BOROUGH OF PARK RIDGE**  
**BERGEN COUNTY, NEW JERSEY**  
**REPORT OF AUDIT**  
**YEAR ENDED DECEMBER 31, 2013**

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

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**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULES  
YEAR ENDED DECEMBER 31, 2013**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Park Ridge, as of December 31, 2013 and 2012, 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, 2013, 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, 2013 and 2012, or changes in financial position, or, where applicable, cash flows for the years then ended.

***Basis for Qualified Opinion on Regulatory Basis of Accounting***

As discussed in Note 17 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the years ended December 31, 2013 and 2012. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 37.3 percent and 31.8 percent of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2013 and 2012.

***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the possible effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph above, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough of Park Ridge as of December 31, 2013 and 2012, 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, 2013 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 and the supplementary data and letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Park Ridge.

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

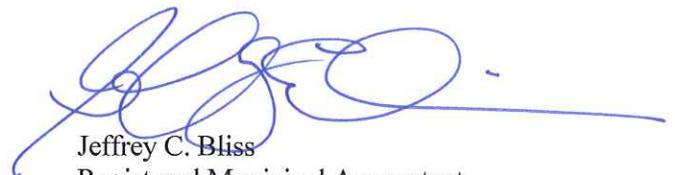
The supplementary data and letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated July 29, 2014 on our consideration of the Borough of Park Ridge's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Park Ridge's internal control over financial reporting and compliance.

*Lerch, Vinci & Higgins, LLP*

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



Jeffrey C. Bliss  
Registered Municipal Accountant  
RMA Number CR00429

Fair Lawn, New Jersey  
July 29, 2014

**BOROUGH OF PARK RIDGE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
CURRENT FUND  
AS OF DECEMBER 31, 2013 AND 2012**

|   | <u>Reference</u> | <u>2013</u>         | <u>2012</u>         |
|---|------------------|---------------------|---------------------|
| <b>ASSETS</b>   |                  |                     |                     |
| Cash and Investments  | A-4              | \$ 3,088,390        | \$ 3,017,565        |
| Cash - Change Funds   | A-5              | 75                  | 75                  |
| Cash - Petty Cash Fund  | A-6              | 1,050               | 1,050               |
| Due from State of New Jersey - Senior<br>Citizens' and Veterans' Deductions | A-7              | 1,118               |                     |
| Grant Receivables   | A-8              | <u>204,554</u>      | <u>129,566</u>      |
|   |                  | <u>3,295,187</u>    | <u>3,148,256</u>    |
| Receivables and Other Assets With Full Reserves                             |                  |                     |                     |
| Delinquent Property Taxes Receivable  | A-9              | 199,746             | 322,340             |
| Property Acquired for Taxes - Assessed Valuation                            | A-10             | 100,650             | 100,650             |
| Revenue Accounts Receivable   | A-12             | 37,621              | 13,384              |
| Due from Outside Lien Holder  | A-11             |                     | 5,404               |
| Due from Animal Control Fund  | B-5              | 2,611               | 1,739               |
| Due from Other Trust Fund   | B-14             | 37,290              | 8,102               |
| Due from Swim Pool Utility Operating Fund                                   | G-10             | 13                  | 13                  |
| Due from Public Assistance Fund   | H-2              | <u>2,445</u>        | <u>2,345</u>        |
|   |                  | <u>380,376</u>      | <u>453,977</u>      |
| Deferred Charges  |                  |                     |                     |
| Emergency Authorizations  | A-13             |                     | 150,000             |
| Expenditures without Appropriation  | A-13             | 61,261              |                     |
| Special Emergency Authorizations  | A-14             | <u>271,754</u>      | <u>426,000</u>      |
|   |                  | <u>333,015</u>      | <u>576,000</u>      |
| Total Assets  |                  | <u>\$ 4,008,578</u> | <u>\$ 4,178,233</u> |

**BOROUGH OF PARK RIDGE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
CURRENT FUND  
AS OF DECEMBER 31, 2013 AND 2012**

|   | <u>Reference</u> | <u>2013</u>         | <u>2012</u>         |
|---|------------------|---------------------|---------------------|
| LIABILITIES, RESERVES AND FUND BALANCE                                    |                  |                     |                     |
| Liabilities   |                  |                     |                     |
| Appropriation Reserves  | A-3,A-15         | \$ 509,478          | \$ 699,946          |
| Encumbrances Payable  | A-16             | 204,040             | 339,258             |
| Accounts Payable  | A-17             | 115,446             | 79,225              |
| Tax Appeal Judgements Payable   | A-18             | 85,205              |                     |
| Prepaid Taxes   | A-19             | 237,543             | 198,147             |
| Tax Overpayments  | A-20             |                     | 12,194              |
| County Taxes Payable  | A-21             | 5,494               | 6,324               |
| Fees Payable  | A-23             | 4,036               | 2,384               |
| Emergency Notes   | A-24             |                     | 150,000             |
| Special Emergency Notes   | A-25             | 271,754             | 426,000             |
| Due to State of New Jersey - Senior<br>Citizens' and Veterans' Deductions | A-7              |                     | 726                 |
| Due to Unemployment Insurance Trust Fund                                  | B-8              | 12,000              |                     |
| Due to General Capital Fund   | C-6              | 11,165              |                     |
| Due to Water Utility Operating Fund                                       | D-14             |                     | 34,568              |
| Due to Electric Utility Operating Fund                                    | E-14             |                     | 37,388              |
| Reserve for:  |                  |                     |                     |
| Tax Appeals   | A-26             | 200,340             | 282,300             |
| Miscellaneous Reserves  | A-27             | 6,250               | 64,593              |
| Appropriated Grant Reserves   | A-28             | 58,450              | 89,553              |
| Unappropriated Grant Reserves   | A-29             | <u>100,490</u>      | <u>64,347</u>       |
|   |                  | 1,821,691           | 2,486,953           |
| Reserve for Receivables and Other Assets                                  | A                | 380,376             | 453,977             |
| Fund Balance  | A-1              | <u>1,806,511</u>    | <u>1,237,303</u>    |
| Total Liabilities, Reserves and Fund Balance                              |                  | <u>\$ 4,008,578</u> | <u>\$ 4,178,233</u> |

**BOROUGH OF PARK RIDGE**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

|  | <u>Reference</u> | <u>2013</u>         | <u>2012</u>         |
|--|------------------|---------------------|---------------------|
| <b>REVENUE AND OTHER INCOME REALIZED</b>                   |                  |                     |                     |
| Fund Balance Utilized                                      | A-2              | \$ 650,000          | \$ 650,000          |
| Miscellaneous Revenue Anticipated                          | A-2              | 2,859,551           | 2,754,266           |
| Receipts from Delinquent Taxes                             | A-2              | 322,050             | 247,607             |
| Receipts from Current Taxes                                | A-2              | 37,751,689          | 36,627,605          |
| Non-Budget Revenue   | A-2              | 209,664             | 229,650             |
| Other Credits to Income                                    |                  |                     |                     |
| Unexpended Balances of Appropriation Reserves              | A-15             | 503,936             | 289,158             |
| Statutory Excess - Animal Control Fund                     | B-5              | 872                 | 1,739               |
| Adjustments to Other Trust Fund Miscellaneous Reserves     | B-14             | 261                 |                     |
| Cancelled Accounts Payable                                 | A-1              |                     | 20,872              |
| Interfunds and Other Receivables Liquidated                | A                | 5,404               | 82,858              |
|  |                  | <u>42,303,427</u>   | <u>40,903,755</u>   |
| <b>EXPENDITURES</b>  |                  |                     |                     |
| Budget Appropriations                                      |                  |                     |                     |
| Operations   |                  |                     |                     |
| Salaries & Wages   | A-3              | 3,944,688           | 3,738,267           |
| Other Expenses   | A-3              | 5,347,511           | 5,829,565           |
| Capital Improvements                                       | A-3              | 269,000             | 109,000             |
| Debt Service   | A-3              | 1,269,561           | 1,238,268           |
| Deferred Charges and Statutory Expenditures                | A-3              | 1,158,527           | 1,001,786           |
| County Taxes   | A-21             | 4,002,977           | 4,013,168           |
| Local District School Tax                                  | A-22             | 25,056,829          | 24,310,114          |
| Expenditures Without Appropriation                         | A-13             | 61,261              |                     |
| Senior Citizens Deductions Disallowed for Prior Year Taxes | A-7              | 2,367               | 250                 |
| Refund of Prior Years Revenue                              | A-4              | 2,599               |                     |
| Interfunds and Other Receivables Created                   | A                | 30,160              | 5,404               |
|  |                  | <u>41,145,480</u>   | <u>40,245,822</u>   |
| Excess in Revenue  |                  | 1,157,947           | 657,933             |
| Adjustments to Income before Fund Balance:                 |                  |                     |                     |
| Expenditures Included Above Which are by Statute           |                  |                     |                     |
| Deferred Charges to Budget of Succeeding Year              | A-13             | 61,261              | 150,000             |
| Statutory Excess to Fund Balance                           |                  | 1,219,208           | 807,933             |
| FUND BALANCE, JANUARY 1                                    | A                | 1,237,303           | 1,079,370           |
|  |                  | 2,456,511           | 1,887,303           |
| Decreased by:  |                  |                     |                     |
| Utilization as Anticipated Revenue                         | A-1,A-2          | 650,000             | 650,000             |
| FUND BALANCE, DECEMBER 31                                  | A                | <u>\$ 1,806,511</u> | <u>\$ 1,237,303</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, 2013**

|   | <u>Reference</u> | <u>Budget</u>        | <u>Added By:</u><br><u>40A:4-87</u> | <u>Realized</u>      | <u>Excess or</u><br><u>(Deficit)</u> |
|---|------------------|----------------------|-------------------------------------|----------------------|--------------------------------------|
| FUND BALANCE ANTICIPATED  | A-1              | \$ 650,000           | -                                   | \$ 650,000           | -                                    |
| <b>MISCELLANEOUS REVENUES</b>   |                  |                      |                                     |                      |                                      |
| Licenses  |                  |                      |                                     |                      |                                      |
| Alcoholic Beverages   | A-12             | 10,000               |                                     | 14,435               | \$ 4,435                             |
| Fees and Permits  |                  |                      |                                     |                      |                                      |
| Fire Code Department  | A-12             | 38,000               |                                     | 39,793               | 1,793                                |
| Board of Health   | A-12             | 17,000               |                                     | 20,015               | 3,015                                |
| Fines and Costs - Municipal Court   | A-12             | 99,000               |                                     | 118,982              | 19,982                               |
| Interest and Costs on Taxes   | A-12             | 57,000               |                                     | 70,411               | 13,411                               |
| Joint Insurance Fund Dividend   | A-12             | 8,000                |                                     | 15,788               | 7,788                                |
| Hotel Tax   | A-12             | 236,000              |                                     | 320,025              | 84,025                               |
| Recycling Program   | A-12             | 27,000               |                                     | 24,267               | (2,733)                              |
| Cable Television Franchise Fee  | A-12             | 115,000              |                                     | 123,455              | 8,455                                |
| Water Utility Rental Fees   | A-12             | 105,000              |                                     | 105,000              |                                      |
| Electric Utility Rental Fees  | A-12             | 30,000               |                                     | 30,000               |                                      |
| Pistol Range Fee  | A-12             | 10,000               |                                     | 18,000               | 8,000                                |
| Tri-Boro Safety Corps.  | A-12             | 50,000               |                                     | 30,889               | (19,111)                             |
| Consolidated Municipal Property Tax Relief Aid                            | A-12             | 23,952               |                                     | 23,952               |                                      |
| Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)                       | A-12             | 358,646              |                                     | 358,646              |                                      |
| Watershed Moratorium Offset Aid   | A-12             | 1,598                |                                     | 1,598                |                                      |
| Uniform Construction Code Fees  | A-12             | 200,000              |                                     | 214,682              | 14,682                               |
| County of Bergen - Accreditation  | A-29             | 25,000               |                                     | 25,000               |                                      |
| County of Bergen - Green Team   | A-29             | 600                  |                                     | 600                  |                                      |
| Clean Communities Program - Reserve                                       | A-29             | 14,110               |                                     | 14,110               |                                      |
| Over the Limit Under Arrest - Reserve                                     | A-29             | 2,175                |                                     | 2,175                |                                      |
| Mun. Alliance on Alcohol & Drug Abuse - Reserve                           | A-29             | 5,681                |                                     | 5,681                |                                      |
| Recycling Tonnage Program - Reserve                                       | A-29             | 11,252               |                                     | 11,252               |                                      |
| Alcohol Education and Rehabilitation Fund - Reserve                       | A-29             | 540                  |                                     | 540                  |                                      |
| Body Armor Replacement Fund - Reserve                                     | A-29             | 1,989                |                                     | 1,989                |                                      |
| County of Bergen Grant - Sulak Lane Drainage                              | A-8              |                      | \$ 10,000                           | 10,000               |                                      |
| NJ Dept of Transportation Gran - Ridge Ave.                               | A-8              |                      | 150,000                             | 150,000              |                                      |
| 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<br>Gross Receipts Taxes | A-12             | 500,000              |                                     | 500,000              |                                      |
| Life Hazard Use Fees  | A-12             | 13,000               |                                     | 13,961               | 961                                  |
| Library Reimbursements  | A-12             | 80,000               |                                     | 80,000               |                                      |
| Excess Sewer User Fees  | A-12             | 70,000               |                                     | 58,523               | (11,477)                             |
| Sprint Cell Tower Rent  | A-12             | 65,000               |                                     | 69,536               | 4,536                                |
| Reserve for Payment of Debt   | C-6              | 75,000               |                                     | 75,000               |                                      |
| Reserve for Hurricane Irene Emergency (FEMA)                              | A-27             | 56,246               | -                                   | 56,246               | -                                    |
| <b>Total Miscellaneous Revenues</b>                                       | A-1              | <u>2,561,789</u>     | <u>160,000</u>                      | <u>2,859,551</u>     | <u>137,762</u>                       |
| RECEIPTS FROM DELINQUENT TAXES  | A-1,A-9          | <u>209,000</u>       | -                                   | <u>322,050</u>       | <u>113,050</u>                       |
| <b>AMOUNT TO BE RAISED BY TAXES FOR<br/>SUPPORT OF MUNICIPAL BUDGET</b>   |                  |                      |                                     |                      |                                      |
| Local Tax For Municipal Purposes  |                  | 8,389,903            |                                     | 8,637,069            | 247,166                              |
| Minimum Library Tax   |                  | 589,814              | -                                   | 589,814              | -                                    |
| <b>Total Amount to be Raised by Taxes</b>                                 | A-2              | <u>8,979,717</u>     | -                                   | <u>9,226,883</u>     | <u>247,166</u>                       |
|   | A-3              | <u>\$ 12,400,506</u> | <u>\$ 160,000</u>                   | <u>13,058,484</u>    | <u>\$ 497,978</u>                    |
| Non-Budget Revenue  | A-1,A-2          |                      |                                     | <u>209,664</u>       |                                      |
|   |                  |                      |                                     | <u>\$ 13,268,148</u> |                                      |

**BOROUGH OF PARK RIDGE  
STATEMENT OF REVENUES - REGULATORY BASIS  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|  | <u>Reference</u> | <u>Realized</u>     |
|--|------------------|---------------------|
| ANALYSIS OF REALIZED REVENUES                        |                  |                     |
| Allocation of Current Tax Collections                |                  |                     |
| Revenue from Collections                             | A-9              | \$ 37,851,689       |
| Less: Reserve for Tax Appeals                        | A-26             | <u>100,000</u>      |
| Revenue Realized                                     | A-1              | 37,751,689          |
| Less Allocated to School and County Taxes            | A-21,A-22        | <u>29,059,806</u>   |
|  |                  | 8,691,883           |
| Add Appropriation Reserve for Uncollected Taxes      | A-3              | <u>535,000</u>      |
| Amount for Support of Municipal Budget Appropriation | A-2              | <u>\$ 9,226,883</u> |
| Analysis of Non-Budget Revenue                       |                  |                     |
| Sale of Equipment                                    |                  | \$ 25,069           |
| Snow Removal   |                  | 6,480               |
| Parking Permits                                      |                  | 27,373              |
| Police Fees  |                  | 2,233               |
| Smoke Detector Fees                                  |                  | 5,185               |
| Bid Specs  |                  | 2,000               |
| Housing Registration                                 |                  | 10,750              |
| Senior Citizen and Veterans Administration Fees      |                  | 1,908               |
| Zoning/Planning Board Fees                           |                  | 9,760               |
| Filming Fees   |                  | 2,900               |
| Payment in Lieu of Taxes                             |                  | 12,252              |
| FEMA Reimbursements                                  |                  | 74,089              |
| Miscellaneous  |                  | <u>29,665</u>       |
|  | A-2              | <u>\$ 209,664</u>   |
| Cash Receipt   | A-4              | \$ 208,948          |
| Due from General Capital Fund                        | C-6              | <u>716</u>          |
|  |                  | <u>\$ 209,664</u>   |

**BOROUGH OF PARK RIDGE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

|                                   | <u>Appropriated</u> |                                      | <u>Expended</u>            |                 | <u>Unexpended<br/>Balance<br/>Cancelled</u> |
|-----------------------------------|---------------------|--------------------------------------|----------------------------|-----------------|---|
|                                   | <u>Budget</u>       | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> | <u>Reserved</u> |   |
| <b>OPERATIONS - WITHIN "CAPS"</b> |                     |                                      |                            |                 |   |
| <b>GENERAL GOVERNMENT</b>         |                     |                                      |                            |                 |   |
| General Administration            |                     |                                      |                            |                 |   |
| Salaries and Wages                | \$ 110,317          | \$ 88,817                            | \$ 87,236                  | \$ 1,581        |   |
| Other Expenses                    | 43,350              | 22,250                               | 15,689                     | 6,561           |   |
| Mayor and Council                 |                     |                                      |                            |                 |   |
| Salaries and Wages                | 43,200              | 43,200                               | 43,200                     |                 |   |
| Other Expenses                    | 14,550              | 14,550                               | 13,767                     | 783             |   |
| Municipal Clerk                   |                     |                                      |                            |                 |   |
| Salaries and Wages                | 79,250              | 110,250                              | 110,194                    | 56              |   |
| Other Expenses                    | 48,800              | 48,800                               | 34,610                     | 14,190          |   |
| Financial Administration          |                     |                                      |                            |                 |   |
| Salaries and Wages                | 80,700              | 92,900                               | 92,878                     | 22              |   |
| Other Expenses                    | 39,910              | 39,910                               | 33,427                     | 6,483           |   |
| Audit Services                    |                     |                                      |                            |                 |   |
| Other Expenses                    | 30,000              | 30,000                               | 30,000                     | -               |   |
| Revenue Administration            |                     |                                      |                            |                 |   |
| Salaries and Wages                | 43,750              | 43,750                               | 43,290                     | 460             |   |
| Other Expenses                    | 16,050              | 11,050                               | 9,593                      | 1,457           |   |
| Tax Assessment Administration     |                     |                                      |                            |                 |   |
| Salaries and Wages                | 24,350              | 25,800                               | 25,780                     | 20              |   |
| Other Expenses                    | 4,050               | 4,250                                | 4,092                      | 158             |   |
| Legal Services and Costs          |                     |                                      |                            |                 |   |
| Other Expenses                    | 118,375             | 108,125                              | 66,790                     | 41,335          |   |
| Engineering Services and Costs    |                     |                                      |                            |                 |   |
| Other Expenses                    | 30,000              | 30,000                               | 28,811                     | 1,189           |   |
| <b>LAND USE ADMINISTRATION</b>    |                     |                                      |                            |                 |   |
| Planning Board                    |                     |                                      |                            |                 |   |
| Salaries and Wages                | 36,900              | 36,900                               | 28,105                     | 8,795           |   |
| Other Expenses                    | 37,765              | 37,765                               | 24,486                     | 13,279          |   |
| Zoning Board of Adjustment        |                     |                                      |                            |                 |   |
| Salaries and Wages                | 12,750              | 23,550                               | 23,522                     | 28              |   |
| Other Expenses                    | 11,850              | 11,850                               | 10,233                     | 1,617           |   |
| Zoning Officer                    |                     |                                      |                            |                 |   |
| Salaries and Wages                | 12,240              | 12,440                               | 12,391                     | 49              |   |
| Other Expenses                    | 1,700               | 1,700                                | 1,017                      | 683             |   |
| Housing Task Force                |                     |                                      |                            |                 |   |
| Salaries and Wages                | 10,200              | 11,000                               | 11,000                     | -               |   |
| Other Expenses                    | 650                 | 650                                  | 650                        | -               |   |
| <b>INSURANCE</b>                  |                     |                                      |                            |                 |   |
| General Liability                 | 201,425             | 201,425                              | 201,065                    | 360             |   |
| Unemployment Insurance            | 12,000              | 12,000                               | 12,000                     |                 |   |
| Employee Group Health             | 1,340,273           | 1,340,273                            | 1,325,017                  | 15,256          |   |
| Employee Group Health Waiver      | 29,750              | 29,750                               | 18,082                     | 11,668          |   |
| Tri-Boro Ambulance                | 5,000               | 5,000                                | -                          | 5,000           |   |

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF PARK RIDGE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

|  | <u>Appropriated</u> |                                      | <u>Expended</u>            |                 | <u>Unexpended<br/>Balance<br/>Cancelled</u> |
|--|---------------------|--------------------------------------|----------------------------|-----------------|---|
|  | <u>Budget</u>       | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> | <u>Reserved</u> |   |
| OPERATIONS - WITHIN "CAPS" (Continued) |                     |                                      |                            |                 |   |
| PUBLIC SAFETY FUNCTIONS                |                     |                                      |                            |                 |   |
| Police                                 |                     |                                      |                            |                 |   |
| Salaries and Wages                     | \$ 2,287,200        | \$ 2,287,200                         | \$ 2,274,465               | \$ 12,735       |   |
| Other Expenses                         | 86,400              | 86,400                               | 83,571                     | 2,829           |   |
| Pistol Range                           |                     |                                      |                            |                 |   |
| Other Expenses                         | 15,000              | 15,000                               | 12,426                     | 2,574           |   |
| Police Reserves/EMC                    |                     |                                      |                            |                 |   |
| Salaries and Wages                     | 18,000              | 18,000                               | 15,165                     | 2,835           |   |
| Other Expenses                         | 20,800              | 20,800                               | 13,829                     | 6,971           |   |
| Tri-Borough Safety Corps               |                     |                                      |                            |                 |   |
| Other Expenses                         | 278,000             | 278,000                              | 251,694                    | 26,306          |   |
| Emergency Management Services          |                     |                                      |                            |                 |   |
| Salaries and Wages                     | 3,000               | 3,200                                | 3,200                      |                 |   |
| Other Expenses                         | 7,260               | 7,260                                | 953                        | 6,307           |   |
| First Aid Organization                 |                     |                                      |                            |                 |   |
| Other Expenses - Contribution          | 17,500              | 17,500                               | 17,500                     |                 |   |
| Fire Department                        |                     |                                      |                            |                 |   |
| Salaries and Wages                     | 50,000              | 50,000                               | 46,885                     | 3,115           |   |
| Other Expenses                         | 87,545              | 87,545                               | 83,585                     | 3,960           |   |
| Fire Hydrant Services                  | 13,500              | 14,950                               | 14,910                     | 40              |   |
| Fire Prevention                        |                     |                                      |                            |                 |   |
| Salaries and Wages                     | 34,700              | 34,700                               | 34,629                     | 71              |   |
| Other Expenses                         | 8,650               | 8,650                                | 7,227                      | 1,423           |   |
| PUBLIC WORKS FUNCTION                  |                     |                                      |                            |                 |   |
| Streets and Road Maintenance           |                     |                                      |                            |                 |   |
| Salaries and Wages                     | 598,000             | 598,000                              | 561,131                    | 36,869          |   |
| Other Expenses                         | 184,700             | 184,700                              | 144,698                    | 40,002          |   |
| Sewer System                           |                     |                                      |                            |                 |   |
| Salaries and Wages                     | 42,300              | 42,300                               | 39,677                     | 2,623           |   |
| Other Expenses                         | 13,050              | 13,050                               | 6,392                      | 6,658           |   |
| Shade Tree                             |                     |                                      |                            |                 |   |
| Other Expenses                         | 6,000               | 6,000                                | 2,579                      | 3,421           |   |
| Solid Waste Collection                 |                     |                                      |                            |                 |   |
| Other Expenses - Sanitation            | 320,000             | 320,000                              | 319,500                    | 500             |   |
| Other Expenses - Recycling             | 111,850             | 111,850                              | 111,623                    | 227             |   |
| Building and Grounds                   |                     |                                      |                            |                 |   |
| Salaries and Wages                     | 79,200              | 79,200                               | 79,116                     | 84              |   |
| Other Expenses                         | 62,200              | 72,200                               | 68,729                     | 3,471           |   |
| Vehicle Maintenance                    |                     |                                      |                            |                 |   |
| Salaries and Wages                     | 84,600              | 84,600                               | 83,512                     | 1,088           |   |
| Other Expenses                         | 46,900              | 50,400                               | 50,060                     | 340             |   |

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, 2013**

|  | <u>Appropriated</u> |                     | <u>Expended</u> |                 | Unexpended       |
|--|---------------------|---------------------|-----------------|-----------------|------------------|
|  | <u>Budget</u>       | Budget After        | Paid or         | <u>Reserved</u> | Balance          |
|  |                     | <u>Modification</u> | <u>Charged</u>  |                 | <u>Cancelled</u> |
| <b>OPERATIONS - WITHIN "CAPS" (Cont'd)</b> |                     |                     |                 |                 |                  |
| <b>HEALTH AND HUMAN SERVICES</b>           |                     |                     |                 |                 |                  |
| Board of Health                            |                     |                     |                 |                 |                  |
| Salaries and Wages                         | \$ 25,000           | \$ 25,000           | \$ 19,297       | \$ 5,703        |                  |
| Other Expenses                             | 60,070              | 60,070              | 53,918          | 6,152           |                  |
| Administration of Public Assistance        |                     |                     |                 |                 |                  |
| Salaries and Wages                         | 9,200               | 9,200               | 9,150           | 50              |                  |
| Other Expenses                             | 300                 | 300                 |                 | 300             |                  |
| Aid to Mental Health                       |                     |                     |                 |                 |                  |
| Other Expenses                             | 8,000               | 8,000               | 8,000           |                 |                  |
| Contributions to Social Service Agencies   |                     |                     |                 |                 |                  |
| Other Expenses                             | 1,000               | 1,000               | 1,000           |                 |                  |
| <b>PARKS AND RECREATION FUNCTIONS</b>      |                     |                     |                 |                 |                  |
| Recreation Services and Programs           |                     |                     |                 |                 |                  |
| Salaries and Wages                         | 24,000              | 24,000              | 18,953          | 5,047           |                  |
| Other Expenses                             | 24,575              | 24,575              | 23,985          | 590             |                  |
| Senior Citizens                            |                     |                     |                 |                 |                  |
| Salaries and Wages                         | 12,000              | 12,000              | 8,605           | 3,395           |                  |
| Other Expenses                             | 6,000               | 6,000               | 6,000           |                 |                  |
| <b>OTHER COMMON OPERATING FUNCTIONS</b>    |                     |                     |                 |                 |                  |
| Celebration of Public Events               | 2,000               | 2,000               | 2,000           |                 |                  |
| Park Ridge Television                      |                     |                     |                 |                 |                  |
| Salaries and Wages                         | 6,400               | 6,400               | 6,240           | 160             |                  |
| Other Expenses                             | 3,500               | 3,500               | 3,127           | 373             |                  |
| Terminal Leave                             | 50,000              | 40,000              | 38,576          | 1,424           |                  |
| Municipal Services Act                     |                     |                     |                 |                 |                  |
| Other Expenses                             | 15,000              | 15,000              | -               | 15,000          |                  |
| <b>UNIFORM CONSTRUCTION CODE</b>           |                     |                     |                 |                 |                  |
| <b>APPROPRIATIONS OFFSET BY DEDICATED</b>  |                     |                     |                 |                 |                  |
| <b>REVENUES (N.J.A.C. 5:23-4-17)</b>       |                     |                     |                 |                 |                  |
| Construction Code Official                 |                     |                     |                 |                 |                  |
| Salaries and Wages                         | 128,900             | 136,600             | 136,600         | -               |                  |
| Other Expenses                             | 7,000               | 7,000               | 5,796           | 1,204           |                  |
| <b>UTILITY EXPENSES AND BULK PURCHASES</b> |                     |                     |                 |                 |                  |
| Electricity                                | 85,000              | 85,000              | 77,192          | 7,808           |                  |
| Telephone                                  | 36,000              | 36,000              | 30,926          | 5,074           |                  |
| Water                                      | 15,000              | 15,000              | 11,541          | 3,459           |                  |
| Gas and Oil                                | 25,000              | 25,000              | 20,616          | 4,384           |                  |
| Gasoline                                   | 105,000             | 93,350              | 93,328          | 22              |                  |

**BOROUGH OF PARK RIDGE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

|  | <u>Appropriated</u> |                                      | <u>Expended</u>            |                 | <u>Unexpended<br/>Balance<br/>Cancelled</u> |
|--|---------------------|--------------------------------------|----------------------------|-----------------|---|
|  | <u>Budget</u>       | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> | <u>Reserved</u> |   |
| <b>OPERATIONS - WITHIN "CAPS" (Cont'd)</b>   |                     |                                      |                            |                 |   |
| <b>LANDFILL/SOLID WASTE DISPOSAL COSTS</b>   |                     |                                      |                            |                 |   |
| Dumping Fees   | \$ 250,000          | \$ 232,083                           | \$ 197,231                 | \$ 34,852       | -   |
| Total Operations Within "CAPS"   | 7,814,455           | 7,796,538                            | 7,406,062                  | 390,476         | -   |
| Contingent   | 5,000               | 5,000                                | -                          | 5,000           | -   |
| Total Operations Including Contingent<br>Within "CAPS"                               | 7,819,455           | 7,801,538                            | 7,406,062                  | 395,476         | -   |
| <b>Detail:</b>   |                     |                                      |                            |                 |   |
| Salaries and Wages   | 3,906,157           | 3,939,007                            | 3,852,797                  | 86,210          | -   |
| Other Expenses   | 3,913,298           | 3,862,531                            | 3,553,265                  | 309,266         | -   |
| <b>DEFERRED CHARGES AND STATUTORY<br/>EXPENDITURES - MUNICIPAL<br/>WITHIN "CAPS"</b> |                     |                                      |                            |                 |   |
| <b>Statutory Expenditures</b>  |                     |                                      |                            |                 |   |
| <b>Contribution to</b>   |                     |                                      |                            |                 |   |
| Social Security System   | 196,000             | 196,000                              | 181,794                    | 14,206          |   |
| Defined Contribution Plan  | 4,000               | 4,000                                | -                          | 4,000           |   |
| Police & Firemen Retirement System   | 427,726             | 427,726                              | 427,726                    |                 |   |
| Public Employees Retirement System   | 129,245             | 129,245                              | 129,245                    | -               | -   |
| Total Deferred Charges and Statutory<br>Expenditures - Municipal Within "CAPS"       | 756,971             | 756,971                              | 738,765                    | 18,206          | -   |
| Total General Appropriations for Municipal<br>Purposes Within "CAPS"                 | 8,576,426           | 8,558,509                            | 8,144,827                  | 413,682         | -   |
| <b>OPERATIONS - EXCLUDED FROM "CAPS"</b>   |                     |                                      |                            |                 |   |
| <b>LANDFILL/SOLID WASTE DISPOSAL COSTS</b>   |                     |                                      |                            |                 |   |
| Recycling Tax  | 12,000              | 12,000                               | 9,164                      | 2,836           |   |
| <b>SEWERAGE PROCESSING AND DISPOSAL</b>  |                     |                                      |                            |                 |   |
| Bergen County Utilities Authority-Sewer Fees   | 669,000             | 669,000                              | 668,983                    | 17              |   |
| <b>EDUCATION FUNCTIONS</b>   |                     |                                      |                            |                 |   |
| Maintenance of Free Public Library   | 589,814             | 589,814                              | 589,814                    | -               |   |

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, 2013**

|   | <u>Appropriated</u> | <u>Expended</u>     | <u>Unexpended</u> |                 |                  |
|---|---------------------|---------------------|-------------------|-----------------|------------------|
|   | <u>Budget</u>       | <u>Budget After</u> | <u>Paid or</u>    | <u>Reserved</u> | <u>Balance</u>   |
|   |                     | <u>Modification</u> | <u>Charged</u>    |                 | <u>Cancelled</u> |
| OPERATIONS - EXCLUDED FROM "CAPS" (Cont'd)      |                     |                     |                   |                 |                  |
| INTERLOCAL MUNICIPAL SERVICE AGREEMENTS         |                     |                     |                   |                 |                  |
| Municipal Court                                 |                     |                     |                   |                 |                  |
| Other Expenses - Contractual                    | \$ 105,500          | \$ 105,500          | \$ 103,504        | \$ 1,996        |                  |
| PUBLIC SAFETY FUNCTION                          |                     |                     |                   |                 |                  |
| LOSAP   |                     |                     |                   |                 |                  |
| Fire Department                                 | 40,000              | 40,000              | 12,229            | 27,771          |                  |
| Tri-Borough Ambulance                           | 13,000              | 13,000              | -                 | 13,000          | -                |
| Total Other Operations Excluded from "CAPS"     | <u>1,429,314</u>    | <u>1,429,314</u>    | <u>1,383,694</u>  | <u>45,620</u>   | <u>-</u>         |
| PUBLIC AND PRIVATE PROGRAMS                     |                     |                     |                   |                 |                  |
| OFFSET BY REVENUES                              |                     |                     |                   |                 |                  |
| Municipal Drug Alliance Program                 |                     |                     |                   |                 |                  |
| Salaries and Wages                              | 5,681               | 5,681               | -                 | 5,681           |                  |
| Clean Communities Program                       | 14,110              | 14,110              | -                 | 14,110          |                  |
| Body Armor Fund Grant                           | 1,989               | 1,989               | 1,671             | 318             |                  |
| Alcohol and Rehabilitation Fund                 | 540                 | 540                 | -                 | 540             |                  |
| Over the Limit                                  | 2,175               | 2,175               | -                 | 2,175           |                  |
| Recycling Tonnage Grant                         | 11,252              | 11,252              | -                 | 11,252          |                  |
| Bergen County Green Team Grant                  | 600                 | 600                 | -                 | 600             |                  |
| Bergen County -NJSACOP Accreditation            | 25,000              | 25,000              | 19,500            | 5,500           | -                |
| Total Public and Private Programs               |                     |                     |                   |                 |                  |
| Offset by Revenues                              | <u>61,347</u>       | <u>61,347</u>       | <u>21,171</u>     | <u>40,176</u>   | <u>-</u>         |
| Total Operations Excluded from "CAPS"           | <u>1,490,661</u>    | <u>1,490,661</u>    | <u>1,404,865</u>  | <u>85,796</u>   | <u>-</u>         |
| Detail:   |                     |                     |                   |                 |                  |
| Salaries and Wages                              | 5,681               | 5,681               | -                 | 5,681           | -                |
| Other Expenses                                  | 1,484,980           | 1,484,980           | 1,404,865         | 80,115          | -                |
| CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"     |                     |                     |                   |                 |                  |
| Capital Improvement Fund                        | 109,000             | 109,000             | 109,000           |                 |                  |
| N.J. Transportation Trust Fund:                 |                     |                     |                   |                 |                  |
| Ridge Ave. Improvements                         |                     | 150,000             | 150,000           |                 |                  |
| Bergen County - Sulak Lane Drainage             | -                   | 10,000              | -                 | 10,000          | -                |
| Total Capital Improvements Excluded from "CAPS" | <u>109,000</u>      | <u>269,000</u>      | <u>259,000</u>    | <u>10,000</u>   | <u>-</u>         |

**BOROUGH OF PARK RIDGE  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|   | <u>Appropriated</u>  | <u>Expended</u>                      | <u>Unexpended</u>          |                   |                              |
|---|----------------------|--------------------------------------|----------------------------|-------------------|------------------------------|
|   | <u>Budget</u>        | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> | <u>Reserved</u>   | <u>Balance<br/>Cancelled</u> |
| <b>MUNICIPAL DEBT SERVICE -<br/>EXCLUDED FROM "CAPS"</b>                    |                      |                                      |                            |                   |                              |
| Payment of Bond Principal   | \$ 800,000           | \$ 800,000                           | \$ 800,000                 |                   |                              |
| Payment of Bond Anticipation Notes and Capital Notes                        | 70,000               | 70,000                               | 70,000                     |                   |                              |
| Interest on Bonds   | 308,899              | 326,816                              | 326,816                    |                   |                              |
| Interest on Notes   | 39,018               | 39,018                               | 38,741                     |                   | \$ 277                       |
| Green Trust Loan Program:   |                      |                                      |                            |                   |                              |
| Loan Repayments for Principal and Interest                                  | <u>69,946</u>        | <u>69,946</u>                        | <u>34,004</u>              | <u>-</u>          | <u>35,942</u>                |
| Total Municipal Debt Service Excluded from "CAPS"                           | <u>1,287,863</u>     | <u>1,305,780</u>                     | <u>1,269,561</u>           | <u>-</u>          | <u>36,219</u>                |
| <b>DEFERRED CHARGES MUNICIPAL-<br/>EXCLUDED FROM "CAPS"</b>                 |                      |                                      |                            |                   |                              |
| <b>DEFERRED CHARGES</b>   |                      |                                      |                            |                   |                              |
| Emergency Authorizations  | 150,000              | 150,000                              | 150,000                    |                   |                              |
| Special Emergency Authorization   | 154,246              | 154,246                              | 154,246                    | -                 | -                            |
| <b>DEFERRED CHARGES-Unfunded</b>  |                      |                                      |                            |                   |                              |
| Ordinance No. 07-09   | 390                  | 390                                  | 390                        | -                 | -                            |
| Ordinance No. 07-23   | 1,270                | 1,270                                | 1,270                      | -                 | -                            |
| Ordinance No. 10-08   | 47,825               | 47,825                               | 47,825                     | -                 | -                            |
| Ordinance No. 11-07   | <u>47,825</u>        | <u>47,825</u>                        | <u>47,825</u>              | <u>-</u>          | <u>-</u>                     |
| Total Deferred Charges Municipal<br>Excluded from "CAPS"                    | <u>401,556</u>       | <u>401,556</u>                       | <u>401,556</u>             | <u>-</u>          | <u>-</u>                     |
| Total General Appropriations for Municipal<br>Purposes Excluded from "CAPS" | <u>3,289,080</u>     | <u>3,466,997</u>                     | <u>3,334,982</u>           | \$ 95,796         | \$ 36,219                    |
| Subtotal General Appropriations   | 11,865,506           | 12,025,506                           | 11,479,809                 | 509,478           | 36,219                       |
| Reserve for Uncollected Taxes   | <u>535,000</u>       | <u>535,000</u>                       | <u>535,000</u>             | <u>-</u>          | <u>-</u>                     |
| Total General Appropriations  | <u>\$ 12,400,506</u> | <u>\$ 12,560,506</u>                 | <u>\$ 12,014,809</u>       | <u>\$ 509,478</u> | <u>\$ 36,219</u>             |
|   | <u>Reference</u>     | <u>A-2</u>                           | <u>A-1</u>                 | <u>A, A-1</u>     |                              |
| Budget  | A-3                  | \$ 12,400,506                        |                            |                   |                              |
| Appropriation by 40A:4-87   | A-2                  | <u>160,000</u>                       |                            |                   |                              |
|   |                      | <u>\$ 12,560,506</u>                 |                            |                   |                              |
| Cash Disbursed  | A-4                  |                                      | \$ 10,872,642              |                   |                              |
| Encumbrances Payable  | A-16                 |                                      | 204,040                    |                   |                              |
| Deferred Charges  |                      |                                      |                            |                   |                              |
| Emergency Authorization   | A-13                 |                                      | 150,000                    |                   |                              |
| Special Emergency Authorization   | A-14                 |                                      | 154,246                    |                   |                              |
| Due to Unemployment Insurance   |                      |                                      |                            |                   |                              |
| Trust Fund  | B-8                  |                                      | 12,000                     |                   |                              |
| Due to General Capital Fund   | C-6                  |                                      | 86,881                     |                   |                              |
| Reserve for Uncollected Taxes   | A-2                  |                                      | <u>535,000</u>             |                   |                              |
|   |                      |                                      | <u>\$ 12,014,809</u>       |                   |                              |

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF PARK RIDGE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
TRUST FUNDS  
AS OF DECEMBER 31, 2013 AND 2012**

| ASSETS   | <u>Reference</u> | <u>2013</u>         | <u>2012</u>         |
|--|------------------|---------------------|---------------------|
| <b>ANIMAL CONTROL TRUST FUND</b>                                   |                  |                     |                     |
| Cash   | B-3              | \$ 12,229           | \$ 11,896           |
| <b>OTHER TRUST FUND</b>  |                  |                     |                     |
| Cash   | B-3              | 1,149,661           | 974,183             |
| <b>UNEMPLOYMENT INSURANCE TRUST FUND</b>                           |                  |                     |                     |
| Cash   | B-3              | 104,456             | 111,412             |
| Due from Current Fund  | B-8              | 12,000              | -                   |
|  |                  | <u>116,456</u>      | <u>111,412</u>      |
| <b>OPEN SPACE PRESERVATION TRUST FUND</b>                          |                  |                     |                     |
| Cash   | B-3              | 361,636             | 522,032             |
| <b>AFFORDABLE HOUSING TRUST FUND</b>                               |                  |                     |                     |
| Cash   | B-3              | 469,806             | 637,946             |
| <b>LENGTH OF SERVICE AWARDS PROGRAM<br/>TRUST FUND (UNAUDITED)</b> |                  |                     |                     |
| Investments  | B                | 1,175,780           | 969,836             |
| Contributions Receivable   | B                | 77,417              | 84,996              |
|  |                  | <u>1,253,197</u>    | <u>1,054,832</u>    |
| <b>Total Assets</b>  |                  | <u>\$ 3,362,985</u> | <u>\$ 3,312,301</u> |

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF PARK RIDGE**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**TRUST FUNDS**  
**AS OF DECEMBER 31, 2013 AND 2012**

| LIABILITIES AND RESERVES                                       | <u>Reference</u> | <u>2013</u>             | <u>2012</u>             |
|--|------------------|-------------------------|-------------------------|
| <b>ANIMAL CONTROL TRUST FUND</b>                               |                  |                         |                         |
| Due to State of New Jersey                                     | B-4              | \$ 140                  | \$ 131                  |
| Due to Current Fund  | B-5              | 2,611                   | 1,739                   |
| Reserve for Animal Control Expenditures                        | B-6              | <u>9,478</u>            | <u>10,026</u>           |
|  |                  | <u>12,229</u>           | <u>11,896</u>           |
| <b>OTHER TRUST FUND</b>  |                  |                         |                         |
| Due to Current Fund  | B-14             | 37,290                  | 8,102                   |
| Due to General Capital Fund                                    | C-7              | 80,583                  |                         |
| Due to Water Utility Operating Fund                            | D-17             | 11,758                  | 11,758                  |
| Due to Electric Utility Operating Fund                         | E-16             | 16,106                  | 16,106                  |
| Developers Escrow Deposits                                     | B-12             | 558,117                 | 581,022                 |
| Payroll Deductions Payable                                     | B-13             | 206,089                 | 183,627                 |
| Miscellaneous Reserves & Deposits                              | B-15             | <u>239,718</u>          | <u>173,568</u>          |
|  |                  | <u>1,149,661</u>        | <u>974,183</u>          |
| <b>UNEMPLOYMENT INSURANCE TRUST FUND</b>                       |                  |                         |                         |
| Due to State of New Jersey                                     | B-7              | 286                     | 5,692                   |
| Reserve for Unemployment Insurance Benefits                    | B-9              | <u>116,170</u>          | <u>105,720</u>          |
|  |                  | <u>116,456</u>          | <u>111,412</u>          |
| <b>OPEN SPACE PRESERVATION TRUST FUND</b>                      |                  |                         |                         |
| Due to General Capital Fund                                    | C-12             |                         | 137,670                 |
| Reserve for Open Space Expenditures                            | B-10             | <u>361,636</u>          | <u>384,362</u>          |
|  |                  | <u>361,636</u>          | <u>522,032</u>          |
| <b>AFFORDABLE HOUSING TRUST FUND</b>                           |                  |                         |                         |
| Reserve for Affordable Housing                                 | B-11             | <u>469,806</u>          | <u>637,946</u>          |
| <b>LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)</b> |                  |                         |                         |
| Reserve for LOSAP Benefits                                     | B                | <u>1,253,197</u>        | <u>1,054,832</u>        |
| <br>Total Liabilities and Reserves                             |                  | <br><u>\$ 3,362,985</u> | <br><u>\$ 3,312,301</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, 2013**

|  | <u>Reference</u> | <u>Anticipated (Memo)</u> |                                      | <u>Realized</u> | <u>Excess or<br/>Deficit</u> |
|--|------------------|---------------------------|--------------------------------------|-----------------|------------------------------|
|  |                  | <u>Budget</u>             | <u>Budget After<br/>Modification</u> |                 |                              |
| Trust Fund Reserve Balance Anticipated | B-10             | -                         | \$ 25,475                            | \$ 25,475       | -                            |
|  | B-2              | \$ -                      | \$ 25,475                            | \$ 25,475       | \$ -                         |

EXHIBIT B-2

**STATEMENT OF APPROPRIATIONS-REGULATORY BASIS  
OPEN SPACE PRESERVATION TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|   | <u>Appropriated (Memo)</u> |                                      | <u>Expended</u>            |                 |
|---|----------------------------|--------------------------------------|----------------------------|-----------------|
|   | <u>Budget</u>              | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> | <u>Reserved</u> |
| Development of Lands for Recreation and Conservation: |                            |                                      |                            |                 |
| Other Expenses  |                            | \$ 2,175                             | \$ 2,175                   |                 |
| Down Payments on Improvements                         | -                          | 23,300                               | 23,300                     | -               |
|   | <u>\$ -</u>                | <u>\$ 25,475</u>                     | <u>\$ 25,475</u>           | <u>\$ -</u>     |
| Reference   | B-1                        | B-1                                  | B-10                       |                 |

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF PARK RIDGE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
GENERAL CAPITAL FUND  
AS OF DECEMBER 31, 2013 AND 2012**

|   | <u>Reference</u> | <u>2013</u>              | <u>2012</u>              |
|---|------------------|--------------------------|--------------------------|
| <b>ASSETS</b>                                     |                  |                          |                          |
| Cash and Investments                              | C-2,C-3          | \$ 1,869,827             | \$ 255,009               |
| Grants Receivable                                 | C-4              | 67,834                   | 151,401                  |
| Loan Receivable                                   | C-5              | 23,120                   | 23,120                   |
| Due from Current Fund                             | C-6              | 11,165                   |                          |
| Due from Other Trust Fund                         | C-7              | 80,583                   |                          |
| Due from Open Space Preservation Trust Fund       | C-12             |                          | 137,670                  |
| Deferred Charges to Future Taxation               |                  |                          |                          |
| Funded  | C-8              | 13,102,560               | 11,926,424               |
| Unfunded  | C-9              | <u>2,195,000</u>         | <u>6,817,589</u>         |
| <br>Total Assets                                  |                  | <br><u>\$ 17,350,089</u> | <br><u>\$ 19,311,213</u> |
| <br><b>LIABILITIES, RESERVES AND FUND BALANCE</b> |                  |                          |                          |
| Serial Bonds                                      | C-15             | \$ 11,559,000            | \$ 10,357,000            |
| Green Trust Loan                                  | C-16             | 1,543,560                | 1,569,424                |
| Bond Anticipation Notes                           | C-14             | 2,195,000                | 2,497,350                |
| Contracts Payable                                 | C-10             | 633,084                  | 226,410                  |
| Improvement Authorizations                        |                  |                          |                          |
| Funded  | C-13             | 452,874                  | 730,306                  |
| Unfunded  | C-13             | 387,169                  | 3,644,361                |
| Capital Improvement Fund                          | C-11             | 27,313                   | 18,023                   |
| Reserve for Payment of Debt                       | C-17             | 139,489                  | 206,035                  |
| Fund Balance                                      | C-1              | <u>412,600</u>           | <u>62,304</u>            |
| <br>Total Liabilities, Reserves and Fund Balance  |                  | <br><u>\$ 17,350,089</u> | <br><u>\$ 19,311,213</u> |

There were no bonds and notes authorized but not issued on December 31, 2013. There were bonds and notes authorized but not issued on December 31, 2012 of \$4,320,239. (See Exhibit C-18)

**BOROUGH OF PARK RIDGE**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

|   | <u>Reference</u> | <u>2013</u>       | <u>2012</u>      |
|---|------------------|-------------------|------------------|
| Balance, January 1                                  | C                | \$ 62,304         | \$ 117,876       |
| Increased by:                                       |                  |                   |                  |
| Premium on Sale of Bonds and Notes                  | C-2              | 27,068            | 61,428           |
| Funded Improvement Authorizations Cancelled         | C-13             | <u>390,430</u>    | <u>-</u>         |
|   |                  | 479,802           | 179,304          |
| Decreased by:                                       |                  |                   |                  |
| Appropriation to Finance Improvement Authorizations | C-13             | 31,000            | 99,000           |
| Anticipated as Current Fund Revenue                 | C-1              |                   | 18,000           |
| Cancelled Grants Receivable                         | C-4              | <u>36,202</u>     | <u>-</u>         |
| Balance, December 31                                | C                | <u>\$ 412,600</u> | <u>\$ 62,304</u> |

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF PARK RIDGE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
WATER UTILITY FUND  
AS OF DECEMBER 31, 2013 AND 2012**

|  | <u>Reference</u> | <u>2013</u>          | <u>2012</u>          |
|--|------------------|----------------------|----------------------|
| <b>ASSETS</b>                            |                  |                      |                      |
| <b>OPERATING FUND</b>                    |                  |                      |                      |
| Cash                                     | D-5              | \$ 3,763,643         | \$ 3,659,849         |
| Cash - Change Fund                       | D-7              | 25                   | 25                   |
| Due from Current Fund                    | D-14             |                      | 34,568               |
| Due from Other Trust Fund                | D-17             | 11,758               | 11,758               |
| Due from Electric Utility Operating Fund | D-15             |                      | 15,932               |
| Due from Utility Trust Fund              | F-3              | 41,179               | 24,973               |
|  |                  | <u>3,816,605</u>     | <u>3,747,105</u>     |
| Receivables With Full Reserves           |                  |                      |                      |
| Water Usage Charges Receivable           | D-8              | 152,868              | 103,249              |
| Other Charges Receivable                 | D-9              | 48,100               | 40,667               |
| Woodcliff Lake Surcharge Receivable      | D-10             | 23,476               | 22,950               |
|  |                  | <u>224,444</u>       | <u>166,866</u>       |
| Deferred Charges                         |                  |                      |                      |
| Emergency Authorizations                 | D-13             | -                    | 25,000               |
| Total Operating Fund                     |                  | <u>4,041,049</u>     | <u>3,938,971</u>     |
| <b>CAPITAL FUND</b>                      |                  |                      |                      |
| Due from Water Utility Operating Fund    | D-16             | 825,875              | 545,639              |
| Fixed Capital                            | D-11             | 12,238,747           | 12,059,438           |
| Fixed Capital Authorized and Uncompleted | D-12             | 1,131,515            | 1,171,386            |
| Total Capital Fund                       |                  | <u>14,196,137</u>    | <u>13,776,463</u>    |
|  |                  | <u>\$ 18,237,186</u> | <u>\$ 17,715,434</u> |

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF PARK RIDGE**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**WATER UTILITY FUND**  
**AS OF DECEMBER 31, 2013 AND 2012**  
**(Continued)**

|   | <u>Reference</u> | <u>2013</u>          | <u>2012</u>          |
|---|------------------|----------------------|----------------------|
| <b>LIABILITIES, RESERVES AND FUND BALANCE</b> |                  |                      |                      |
| <b>OPERATING FUND</b>                         |                  |                      |                      |
| Liabilities                                   |                  |                      |                      |
| Appropriation Reserves                        | D-4,D-19         | \$ 125,702           | \$ 268,918           |
| Encumbrances Payable                          | D-20             | 180,955              | 157,965              |
| Accounts Payable                              | D-21             |                      | 2,906                |
| Overpayments                                  | D-23             | 14,178               | 8,054                |
| Accrued Interest on Bonds                     | D-24             | 14,570               |                      |
| Due to Water Utility Capital Fund             | D-16             | 825,875              | 545,639              |
| Due to Electric Utility Operating Fund        | D-15             | 926                  |                      |
| Emergency Notes Payable                       | D-18             |                      | 25,000               |
| Miscellaneous Reserves                        | D-29             | <u>2,114,078</u>     | <u>2,011,842</u>     |
|   |                  | 3,276,284            | 3,020,324            |
| Reserve for Receivables                       | D                | 224,444              | 166,866              |
| Fund Balance                                  | D-1              | <u>540,321</u>       | <u>751,781</u>       |
| Total Operating Fund                          |                  | <u>4,041,049</u>     | <u>3,938,971</u>     |
| <b>CAPITAL FUND</b>                           |                  |                      |                      |
| Serial Bonds Payable                          | D-26             | 1,762,000            | 1,250,000            |
| Contracts Payable                             | D-22             | 113,487              | 389,449              |
| Improvement Authorization                     |                  |                      |                      |
| Funded  | D-25             | 371,830              | 11,777               |
| Unfunded                                      | D-25             | 74,609               | 491,284              |
| Capital Improvement Fund                      | D-27             | 556,669              | 531,669              |
| Reserve for Amortization                      | D-28             | 11,258,262           | 11,048,824           |
| Fund Balance                                  | D-2              | <u>59,280</u>        | <u>53,460</u>        |
| Total Capital Fund                            |                  | <u>14,196,137</u>    | <u>13,776,463</u>    |
|   |                  | <u>\$ 18,237,186</u> | <u>\$ 17,715,434</u> |

There were Bonds and Notes Authorized But Not Issued on December 31, 2013 and 2012 of \$350,000 and \$932,000, respectively. (See Exhibit D-30)

**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, 2013 AND 2012**

|   | <u>Reference</u> | <u>2013</u>           | <u>2012</u>           |
|---|------------------|-----------------------|-----------------------|
| <b>REVENUES AND OTHER INCOME REALIZED</b>                 |                  |                       |                       |
| Fund Balance Utilized                                     | D-3              | \$ 541,644            | \$ 335,648            |
| Water Usage Charges                                       | D-3              | 2,808,918             | 2,528,722             |
| Miscellaneous Charges and Fees                            | D-3              | 270,493               | 298,313               |
| Reserve for Woodcliff Lake Improvements                   | D-3              |                       | 588,452               |
| Other Credits   |                  |                       |                       |
| Appropriation Reserves Lapsed                             | D-19             | 267,838               | 338,094               |
| Cancellation of Accounts Payable                          | D-21             | <u>2,906</u>          | <u>-</u>              |
| <br>Total Income  |                  | <br><u>3,891,799</u>  | <br><u>4,089,229</u>  |
| <br><b>EXPENDITURES</b>                                   |                  |                       |                       |
| Operating   | D-4              | 3,005,600             | 3,050,600             |
| Capital Improvements                                      | D-4              | 248,000               | 211,500               |
| Debt Service  | D-4              | 96,765                |                       |
| Deferred Charges and Statutory Expenditures               | D-4              | <u>211,250</u>        | <u>187,000</u>        |
| <br>Total Expenditures                                    |                  | <br><u>3,561,615</u>  | <br><u>3,449,100</u>  |
| <br>Excess in Revenue                                     |                  | <br>330,184           | <br>640,129           |
| Adjustments to Income before Fund Balance                 |                  |                       |                       |
| Deferred Charges to be Raised in Succeeding Year's Budget | D-13             | <u>-</u>              | <u>25,000</u>         |
| <br>Statutory Excess to Fund Balance                      |                  | <br>330,184           | <br>665,129           |
| <br>Fund Balance, January 1,                              | D                | <br><u>751,781</u>    | <br><u>422,300</u>    |
|   |                  | 1,081,965             | 1,087,429             |
| Decreased by:   |                  |                       |                       |
| Utilized as Anticipated Revenue                           | D-1,D-3          | <u>541,644</u>        | <u>335,648</u>        |
| <br>Balance, December 31,                                 | D                | <br><u>\$ 540,321</u> | <br><u>\$ 751,781</u> |

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF PARK RIDGE**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE- REGULATORY BASIS**  
**WATER UTILITY CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2011**

|                         | <u>Reference</u> | <u>2013</u>      | <u>2012</u>      |
|-------------------------|------------------|------------------|------------------|
| Balance, January 1      | D                | \$ 53,460        | \$ 40,972        |
| Increased by:           |                  |                  |                  |
| Premium on Serial Bonds | D-16             | <u>5,820</u>     | <u>12,488</u>    |
| Balance, December 31,   | D                | <u>\$ 59,280</u> | <u>\$ 53,460</u> |

**BOROUGH OF PARK RIDGE  
STATEMENT OF REVENUES - REGULATORY BASIS  
WATER UTILITY OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|                                | <u>Reference</u> | <u>Anticipated</u>  | <u>Realized</u>     | <u>Excess or<br/>(Deficit)</u> |
|--------------------------------|------------------|---------------------|---------------------|--------------------------------|
| Fund Balance Anticipated       | D-1              | \$ 541,644          | \$ 541,644          |                                |
| Water Usage Charges            | D-1,D-8          | 2,863,000           | 2,808,918           | \$ (54,082)                    |
| Miscellaneous Charges and Fees | D-1,D-3          | <u>263,000</u>      | <u>270,493</u>      | <u>7,493</u>                   |
|                                | D-4              | <u>\$ 3,667,644</u> | <u>\$ 3,621,055</u> | <u>\$ (46,589)</u>             |

Analysis of Realized Revenue

Miscellaneous Fees:

|                      |     |                   |
|----------------------|-----|-------------------|
| Fire Sprinkler       | D-9 | \$ 62,663         |
| Hydrants             | D-9 | 34,167            |
| Mobile Antenna Rents | D-5 | 170,318           |
| FEMA Reimbursements  | D-5 | 3,008             |
| Other Fees           | D-5 | <u>337</u>        |
|                      | D-3 | <u>\$ 270,493</u> |

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF PARK RIDGE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**WATER UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

|  | <u>Appropriated</u> |                                      | <u>Expended</u>            |                   |                   |
|--|---------------------|--------------------------------------|----------------------------|-------------------|-------------------|
|  | <u>Budget</u>       | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> | <u>Reserved</u>   | <u>Cancelled</u>  |
| <b>OPERATING</b>   |                     |                                      |                            |                   |                   |
| Salaries and Wages   | \$ 1,130,000        | \$ 1,148,000                         | \$ 1,148,000               |                   |                   |
| Other Expenses   | 1,553,100           | 1,553,100                            | 1,414,279                  | \$ 38,821         | \$ 100,000        |
| Group Health Insurance                                       | 422,500             | 404,500                              | 402,265                    | 2,235             | -                 |
| <b>Total Operating</b>                                       | <u>3,105,600</u>    | <u>3,105,600</u>                     | <u>2,964,544</u>           | <u>41,056</u>     | <u>100,000</u>    |
| <b>CAPITAL IMPROVEMENTS</b>                                  |                     |                                      |                            |                   |                   |
| Capital Improvement Fund                                     | 25,000              | 25,000                               | 25,000                     | -                 |                   |
| Capital Outlay   | 223,000             | 223,000                              | 139,438                    | 83,562            | -                 |
| <b>Total Capital Improvements</b>                            | <u>248,000</u>      | <u>248,000</u>                       | <u>164,438</u>             | <u>83,562</u>     | <u>-</u>          |
| <b>DEBT SERVICE</b>  |                     |                                      |                            |                   |                   |
| Payment of Bond Principal                                    | 70,000              | 70,000                               | 70,000                     |                   |                   |
| Interest on Bonds  | 32,511              | 32,511                               | 26,488                     |                   | 6,023             |
| Interest on Notes  | 283                 | 283                                  | 277                        | -                 | 6                 |
| <b>Total Debt Service</b>                                    | <u>102,794</u>      | <u>102,794</u>                       | <u>96,765</u>              | <u>-</u>          | <u>6,029</u>      |
| <b>DEFERRED CHARGES AND STATUTORY EXPENDITURES</b>           |                     |                                      |                            |                   |                   |
| Deferred Charges   |                     |                                      |                            |                   |                   |
| Emergency Authorizations                                     | 25,000              | 25,000                               | 25,000                     |                   |                   |
| Statutory Expenditures                                       |                     |                                      |                            |                   |                   |
| Contribution to  |                     |                                      |                            |                   |                   |
| Public Employees Retirement System                           | 99,750              | 99,750                               | 99,750                     | -                 |                   |
| Social Security System (O.A.S.I.)                            | 86,500              | 86,500                               | 85,416                     | 1,084             | -                 |
| <b>Total Deferred Charges and Statutory<br/>Expenditures</b> | <u>211,250</u>      | <u>211,250</u>                       | <u>210,166</u>             | <u>1,084</u>      | <u>-</u>          |
|  | <u>\$ 3,667,644</u> | <u>\$ 3,667,644</u>                  | <u>\$ 3,435,913</u>        | <u>\$ 125,702</u> | <u>\$ 106,029</u> |

|                                   | <u>Reference</u> | D-3                 | D-1                 | D, D-1 |
|-----------------------------------|------------------|---------------------|---------------------|--------|
| Budget Appropriations             | D-4              | <u>\$ 3,667,644</u> |                     |        |
| Cash Disbursed                    | D-5              |                     | \$ 3,178,470        |        |
| Encumbrances Payable              | D-20             |                     | 180,955             |        |
| Deferred Charges                  |                  |                     |                     |        |
| Emergency Authorizations          | D-13             |                     | 25,000              |        |
| Due to Water Utility Capital Fund | D-16             |                     | 25,000              |        |
| Accrued Interest on Bonds         | D-24             |                     | <u>26,488</u>       |        |
|                                   |                  |                     | <u>\$ 3,435,913</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, 2013 AND 2012**

|  | <u>Reference</u> | <u>2013</u>          | <u>2012</u>          |
|--|------------------|----------------------|----------------------|
| <b>ASSETS</b>                            |                  |                      |                      |
| <b>OPERATING FUND</b>                    |                  |                      |                      |
| Cash                                     | E-5              | \$ 2,217,172         | \$ 2,949,485         |
| Cash - Change Fund                       | E-7              | 50                   | 50                   |
| Cash - Petty Cash                        | E-8              | 500                  | 500                  |
| Due from Current Fund                    | E-14             |                      | 37,388               |
| Due from Other Trust Fund                | E-16             | 16,106               | 16,106               |
| Due from Water Utility Operating Fund    | D-15             | 926                  |                      |
| Due from Utility Trust Fund              | F-4              | <u>84,153</u>        | <u>48,868</u>        |
|  |                  | <u>2,318,907</u>     | <u>3,052,397</u>     |
| Receivables With Full Reserves           |                  |                      |                      |
| Light and Power Charges Receivable       | E-9              | 317,750              | 353,392              |
| Other Charges Receivable                 | E-10             | <u>19,164</u>        | <u>19,371</u>        |
|  |                  | <u>336,914</u>       | <u>372,763</u>       |
| Deferred Charges:                        |                  |                      |                      |
| Special Emergency Authorizations         | E-13             | <u>52,427</u>        | <u>225,000</u>       |
| Total Operating Fund                     |                  | <u>2,708,248</u>     | <u>3,650,160</u>     |
| <b>CAPITAL FUND</b>                      |                  |                      |                      |
| Due from Electric Utility Operating Fund | E-15             | 269,548              | 745,458              |
| Fixed Capital                            | E-11             | 11,874,002           | 11,242,025           |
| Fixed Capital Authorized and Uncompleted | E-12             | <u>196,354</u>       | <u>604,489</u>       |
| Total Capital Fund                       |                  | <u>12,339,904</u>    | <u>12,591,972</u>    |
|  |                  | <u>\$ 15,048,152</u> | <u>\$ 16,242,132</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, 2013 AND 2012**  
(Continued)

|  | <u>Reference</u> | <u>2013</u>          | <u>2012</u>          |
|--|------------------|----------------------|----------------------|
| LIABILITIES, RESERVES AND FUND BALANCE           |                  |                      |                      |
| OPERATING FUND                                   |                  |                      |                      |
| Liabilities                                      |                  |                      |                      |
| Appropriation Reserves                           | E-4,E-17         | \$ 126,110           | \$ 425,934           |
| Encumbrances Payable                             | E-18             | 620,268              | 538,424              |
| Accounts Payable                                 | E-20             |                      | 2,001                |
| Accrued Interest on Bonds                        | E-21             | 13,000               | 10,237               |
| Accrued Interest on Notes                        | E-22             | 844                  |                      |
| Prepaid Charges                                  | E-28             | 4,500                |                      |
| Overpayments                                     | E-29             | 14,973               | 12,853               |
| Reserve for Hurricane Sandy - FEMA Reimbursement | E-30             | 52,427               |                      |
| Special Emergency Note Payable                   | E-31             | 180,000              | 225,000              |
| Due to Water Utility Operating Fund              | D-15             |                      | 15,932               |
| Due to Electric Utility Capital Fund             | E-15             | <u>269,548</u>       | <u>745,458</u>       |
|  |                  | 1,281,670            | 1,975,839            |
| Reserve for Receivables                          | E                | 336,914              | 372,763              |
| Fund Balance                                     | E-1              | <u>1,089,664</u>     | <u>1,301,558</u>     |
| Total Operating Fund                             |                  | <u>2,708,248</u>     | <u>3,650,160</u>     |
| CAPITAL FUND                                     |                  |                      |                      |
| Serial Bonds                                     | E-24             | 1,718,000            | 1,838,000            |
| Contracts Payable                                | E-19             | 10,635               | 199,181              |
| Improvement Authorizations                       |                  |                      |                      |
| Funded   | E-23             | 98,950               | 237,315              |
| Unfunded   | E-23             |                      | 100,000              |
| Capital Improvement Fund                         | E-25             | 276,500              | 426,500              |
| Reserve for Amortization                         | E-26             | 10,075,226           | 9,781,384            |
| Deferred Reserve for Amortization                | E-27             | 151,023              | 1,023                |
| Fund Balance                                     | E-2              | <u>9,570</u>         | <u>8,569</u>         |
| Total Capital Fund                               |                  | <u>12,339,904</u>    | <u>12,591,972</u>    |
|  |                  | <u>\$ 15,048,152</u> | <u>\$ 16,242,132</u> |

There were Bonds and Notes Authorized But Not Issued on December 31, 2013 and 2012 of \$126,107 and \$226,107 respectively. (See Exhibit E-32)

**BOROUGH OF PARK RIDGE**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING FUND BALANCE -**  
**REGULATORY BASIS - ELECTRIC UTILITY OPERATING FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

|  | <u>Reference</u> | <u>2013</u>             | <u>2012</u>             |
|--|------------------|-------------------------|-------------------------|
| <b>REVENUES AND OTHER INCOME REALIZED</b>  |                  |                         |                         |
| Fund Balance Utilized  | E-3              | \$ 1,118,760            | \$ 796,335              |
| Light and Power Charges  | E-3              | 9,859,919               | 9,580,812               |
| FEMA Reimbursements  | E-3              | 110,301                 |                         |
| Miscellaneous Charges and Fees   | E-3              | 41,358                  | 91,048                  |
| Other Credits to Income  |                  |                         |                         |
| Appropriation Reserves Lapsed  | E-17             | 299,164                 | 261,064                 |
| Cancellation of Accounts Payable   | E-20             | <u>2,001</u>            | <u>-</u>                |
| <br>Total Income   |                  | <br><u>11,431,503</u>   | <br><u>10,729,259</u>   |
| <br><b>EXPENDITURES</b>  |                  |                         |                         |
| Operating  | E-4              | 9,923,900               | 9,323,700               |
| Capital Improvements   | E-4              | 93,500                  | 293,500                 |
| Debt Service   | E-4              | 276,392                 | 174,135                 |
| Deferred Charges and Statutory Expenditures  | E-4              | <u>230,845</u>          | <u>180,000</u>          |
| <br>Total Expenditures   |                  | <br><u>10,524,637</u>   | <br><u>9,971,335</u>    |
| <br>Excess in Revenue  |                  | <br>906,866             | <br>757,924             |
| <br>Adjustments to Income before Fund Balance:   |                  |                         |                         |
| Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year | E-13             | <u>-</u>                | <u>225,000</u>          |
| <br>Statutory Excess to Fund Balance   |                  | <br>906,866             | <br>982,924             |
| <br>Fund Balance, January 1,   | E                | <br><u>1,301,558</u>    | <br><u>1,114,969</u>    |
|  |                  | 2,208,424               | 2,097,893               |
| <br>Decreased by:  |                  |                         |                         |
| Utilized as Anticipated Revenue  | E-1, E-3         | <u>1,118,760</u>        | <u>796,335</u>          |
| <br>Balance, December 31,  | E                | <br><u>\$ 1,089,664</u> | <br><u>\$ 1,301,558</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, 2013 AND 2012**

|                                | <u>Reference</u> | <u>2013</u>     | <u>2012</u>     |
|--------------------------------|------------------|-----------------|-----------------|
| Balance, January 1             | E                | \$ 8,569        | \$ 1,624        |
| Increased by:                  |                  |                 |                 |
| Premium on Serial Bonds Issued | E-15             | <u>1,001</u>    | <u>6,945</u>    |
| Balance, December 31,          | E                | <u>\$ 9,570</u> | <u>\$ 8,569</u> |

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF PARK RIDGE  
STATEMENT OF REVENUES - REGULATORY BASIS  
ELECTRIC UTILITY OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|   | <u>Reference</u> | <u>Anticipated</u>   | <u>Realized</u>   | <u>Excess or<br/>(Deficit)</u> |
|---|------------------|----------------------|-------------------|--------------------------------|
| Fund Balance Anticipated                | E-1              | \$ 1,118,760         | \$ 1,118,760      |                                |
| Light and Power Charges                 | E-1,E-9          | 9,580,810            | 9,859,919         | \$ 279,109                     |
| FEMA Reimbursements                     | E-1, E-5         | 45,000               | 110,301           | 65,301                         |
| Miscellaneous Charges and Fees          | E-1,E-3          | <u>36,000</u>        | <u>41,358</u>     | <u>5,358</u>                   |
|   | E-4              | <u>\$ 10,780,570</u> | <u>11,130,338</u> | <u>\$ 349,768</u>              |
| <br><u>Analysis of Realized Revenue</u> |                  |                      |                   |                                |
| Miscellaneous:                          |                  |                      |                   |                                |
| Dusk to Dawn Charges                    | E-10             |                      | \$ 18,471         |                                |
| Miscellaneous Fees                      | E-5              |                      | <u>22,887</u>     |                                |
|   | E-3              |                      | <u>\$ 41,358</u>  |                                |

**BOROUGH OF PARK RIDGE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**ELECTRIC UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

|  | <u>Appropriated</u>  |                                      | <u>Expended</u>            |                   |                   |
|--|----------------------|--------------------------------------|----------------------------|-------------------|-------------------|
|  | <u>Budget</u>        | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> | <u>Reserved</u>   | <u>Cancelled</u>  |
| <b>OPERATING</b>   |                      |                                      |                            |                   |                   |
| Salaries and Wages                                       | \$ 1,075,000         | \$ 1,075,000                         | \$ 1,046,112               | \$ 28,888         |                   |
| Other Expenses   | 638,900              | 638,900                              | 574,714                    | 14,186            | \$ 50,000         |
| Group Health Insurance                                   | 370,000              | 370,000                              | 356,771                    | 13,229            |                   |
| Purchase of Electric Current                             | 7,435,000            | 7,385,000                            | 7,190,096                  | 44,904            | 150,000           |
| Franchise & Gross Receipts Taxes-Current Fund            | 500,000              | 500,000                              | 500,000                    |                   |                   |
| Payment in Lieu of Taxes - Current Fund                  | 155,000              | 155,000                              | 155,000                    | -                 | -                 |
| <b>Total Operating</b>                                   | <u>10,173,900</u>    | <u>10,123,900</u>                    | <u>9,822,693</u>           | <u>101,207</u>    | <u>200,000</u>    |
| <b>CAPITAL IMPROVEMENTS</b>                              |                      |                                      |                            |                   |                   |
| Capital Improvement Fund                                 | 50,000               | 50,000                               |                            |                   | 50,000            |
| Capital Outlay   | 43,500               | 93,500                               | 73,842                     | 19,658            | -                 |
| <b>Total Capital Improvements</b>                        | <u>93,500</u>        | <u>143,500</u>                       | <u>73,842</u>              | <u>19,658</u>     | <u>50,000</u>     |
| <b>MUNICIPAL DEBT SERVICE -</b>                          |                      |                                      |                            |                   |                   |
| Payment of Bond Principal                                | 220,000              | 220,000                              | 220,000                    |                   |                   |
| Interest on Bonds  | 58,627               | 58,627                               | 53,054                     |                   | 5,573             |
| Interest on Notes  | 3,698                | 3,698                                | 3,338                      | -                 | 360               |
| <b>Total Municipal Debt Service</b>                      | <u>282,325</u>       | <u>282,325</u>                       | <u>276,392</u>             | <u>-</u>          | <u>5,933</u>      |
| <b>DEFERRED CHARGES AND STATUTORY EXPENDITURES</b>       |                      |                                      |                            |                   |                   |
| Deferred Charges   |                      |                                      |                            |                   |                   |
| Special Emergency Authorizations                         | 45,000               | 45,000                               | 45,000                     |                   |                   |
| Statutory Expenditures                                   |                      |                                      |                            |                   |                   |
| Contribution to  |                      |                                      |                            |                   |                   |
| Public Employees Retirement System                       | 103,595              | 103,595                              | 103,595                    |                   |                   |
| Social Security System (O.A.S.I.)                        | 82,250               | 82,250                               | 77,005                     | 5,245             | -                 |
| <b>Total Deferred Charges and Statutory Expenditures</b> | <u>230,845</u>       | <u>230,845</u>                       | <u>225,600</u>             | <u>5,245</u>      | <u>-</u>          |
|  | <u>\$ 10,780,570</u> | <u>\$ 10,780,570</u>                 | <u>\$ 10,398,527</u>       | <u>\$ 126,110</u> | <u>\$ 255,933</u> |

|                                  | <u>Reference</u> | E-3                  | E-1                  | E, E-1 |
|----------------------------------|------------------|----------------------|----------------------|--------|
| Budget Appropriations            | E-4              | <u>\$ 10,780,570</u> |                      |        |
| Cash Disbursed                   | E-5              |                      | \$ 9,676,867         |        |
| Encumbrances Payable             | E-18             |                      | 620,268              |        |
| Special Emergency Authorizations | E-13             |                      | 45,000               |        |
| Accrued Interest on Bonds        | E-21             |                      | 53,054               |        |
| Accrued Interest on Notes        | E-22             |                      | 3,338                |        |
|                                  |                  |                      | <u>\$ 10,398,527</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, 2013 AND 2012**

| ASSETS                                 | <u>Reference</u> | <u>2013</u>       | <u>2012</u>       |
|--|------------------|-------------------|-------------------|
| Cash                                   | F-1              | \$ 834,809        | \$ 701,459        |
|  |                  | <u>\$ 834,809</u> | <u>\$ 701,459</u> |
| LIABILITIES AND RESERVES               |                  |                   |                   |
| Deposits Payable                       |                  |                   |                   |
| Water Customers                        | F-2              | \$ 436,971        | \$ 414,477        |
| Electric Customers                     | F-2              | 272,506           | 213,141           |
| Due to Water Utility Operating Fund    | F-3              | 41,179            | 24,973            |
| Due to Electric Utility Operating Fund | F-4              | <u>84,153</u>     | <u>48,868</u>     |
| Total Liabilities and Reserves         |                  | <u>\$ 834,809</u> | <u>\$ 701,459</u> |

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF PARK RIDGE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
SWIM POOL UTILITY FUND  
AS OF DECEMBER 31, 2013 AND 2012**

|   | <u>Reference</u> | <u>2013</u>         | <u>2012</u>         |
|---|------------------|---------------------|---------------------|
| <b>ASSETS</b>                                 |                  |                     |                     |
| <b>OPERATING FUND</b>                         |                  |                     |                     |
| Cash  | G-5              | \$ 219,718          | \$ 170,254          |
| Petty Cash                                    | G-7              | 500                 | 250                 |
| Due from Swim Pool Utility Capital Fund       | G-9              | -                   | 5,196               |
|   |                  | <u>220,218</u>      | <u>175,700</u>      |
| <b>CAPITAL FUND</b>                           |                  |                     |                     |
| Grants Receivable                             | G-8              | 23,801              | 23,801              |
| Due from Swimming Pool Utility Operating Fund | G-9              | 6,804               |                     |
| Fixed Capital                                 | G-11             | 1,060,861           | 1,060,861           |
| Fixed Capital Authorized and Uncompleted      | G-12             | 43,055              | 43,055              |
|   |                  | <u>1,134,521</u>    | <u>1,127,717</u>    |
| Total Capital Fund                            |                  | <u>\$ 1,354,739</u> | <u>\$ 1,303,417</u> |

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF PARK RIDGE**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**SWIM POOL UTILITY FUND**  
**AS OF DECEMBER 31, 2013 AND 2012**  
**(Continued)**

|   | <u>Reference</u> | <u>2013</u>         | <u>2012</u>         |
|---|------------------|---------------------|---------------------|
| LIABILITIES, RESERVES AND FUND BALANCE  |                  |                     |                     |
| OPERATING FUND                          |                  |                     |                     |
| Liabilities                             |                  |                     |                     |
| Appropriation Reserves                  | G-4,G-13         | \$ 1,696            | \$ 7,561            |
| Encumbrances Payable                    | G-14             | 3,775               | 3,002               |
| Accounts Payable                        | G-15             | -                   | 320                 |
| Due to Current Fund                     | G-10             | 13                  | 13                  |
| Due to Swim Pool Utility Capital Fund   | G-9              | <u>6,804</u>        | <u>-</u>            |
|   |                  | 12,288              | 10,896              |
| Fund Balance                            | G-1              | <u>207,930</u>      | <u>164,804</u>      |
| Total Operating Fund                    |                  | <u>220,218</u>      | <u>175,700</u>      |
| CAPITAL FUND                            |                  |                     |                     |
| Due to Swim Pool Utility Operating Fund | G-9              |                     | 5,196               |
| Improvement Authorizations              |                  |                     |                     |
| Funded                                  | G-16             | 18,615              | 18,615              |
| Unfunded                                | G-16             | 24,440              | 24,440              |
| Capital Improvement Fund                | G-17             | 16,000              | 16,000              |
| Reserve for Amortization                | G-18             | 1,056,801           | 1,044,801           |
| Deferred Reserve for Amortization       | G-19             | 18,615              | 18,615              |
| Fund Balance                            | G-2              | <u>50</u>           | <u>50</u>           |
| Total Capital Fund                      |                  | <u>1,134,521</u>    | <u>1,127,717</u>    |
|   |                  | <u>\$ 1,354,739</u> | <u>\$ 1,303,417</u> |

There were Bonds and Notes Authorized But Not Issued on December 31, 2013 and 2012 of \$28,500 and \$40,500 respectively. (See Exhibit G-20)

**BOROUGH OF PARK RIDGE**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING FUND BALANCE -**  
**REGULATORY BASIS**  
**SWIM POOL UTILITY OPERATING FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

|   | <u>Reference</u> | <u>2013</u>           | <u>2012</u>           |
|---|------------------|-----------------------|-----------------------|
| <b>REVENUES AND OTHER INCOME REALIZED</b>   |                  |                       |                       |
| Fund Balance Utilized                       | G-3              |                       | \$ 12,290             |
| Membership Fees                             | G-3              | \$ 222,225            | 231,440               |
| Miscellaneous Fees                          | G-3              | 33,745                | 37,182                |
| Other Credits                               |                  |                       |                       |
| Cancelled Accounts Payable                  | G-15             | 320                   |                       |
| Appropriation Reserves Lapsed               | G-13             | <u>7,561</u>          | <u>1,391</u>          |
| <br>Total Income                            |                  | <br><u>263,851</u>    | <br><u>282,303</u>    |
| <br><b>EXPENDITURES</b>                     |                  |                       |                       |
| Operating                                   | G-4              | 200,658               | 228,618               |
| Debt Service                                | G-4              | -                     | 58                    |
| Deferred Charges and Statutory Expenditures | G-4              | <u>20,067</u>         | <u>20,010</u>         |
| <br>Total Expenditures                      |                  | <br><u>220,725</u>    | <br><u>248,686</u>    |
| <br>Excess in Revenue                       |                  | <br>43,126            | <br>33,617            |
| <br>Fund Balance, January 1,                | <br>G            | <br><u>164,804</u>    | <br><u>143,477</u>    |
|   |                  | 207,930               | 177,094               |
| <br>Decreased by:                           |                  |                       |                       |
| Utilized as Anticipated Revenue             | G-1              | <u>-</u>              | <u>12,290</u>         |
| <br>Balance, December 31,                   | <br>G            | <br><u>\$ 207,930</u> | <br><u>\$ 164,804</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, 2013 AND 2012**

|                       | <u>Reference</u> | <u>2013</u>  | <u>2012</u>  |
|-----------------------|------------------|--------------|--------------|
| Balance, January 1    | G                | \$ <u>50</u> | \$ <u>50</u> |
| Balance, December 31, | G                | \$ <u>50</u> | \$ <u>50</u> |

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF PARK RIDGE**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**SWIM POOL UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

|                 | <u>Reference</u> | <u>Anticipated</u> | <u>Realized</u>   | Excess or<br>(Deficit) |
|-----------------|------------------|--------------------|-------------------|------------------------|
| Membership Fees | G-1,G-5          | \$ 231,440         | \$ 222,225        | \$ (9,215)             |
| Miscellaneous   | G-1,G-3          | <u>34,285</u>      | <u>33,745</u>     | <u>(540)</u>           |
|                 | G-4              | <u>\$ 265,725</u>  | <u>\$ 255,970</u> | <u>\$ (9,755)</u>      |

Analysis of Realized Revenue

|                          |         |                  |
|--------------------------|---------|------------------|
| Miscellaneous            |         |                  |
| Guest Fees               |         | \$ 15,996        |
| Swim Lessons             |         | 8,649            |
| Fines                    |         | 3,970            |
| Snack Bar Concession Fee |         | 3,500            |
| Pictures                 |         | 380              |
| Other Receipts           |         | <u>1,250</u>     |
|                          | G-3,G-5 | <u>\$ 33,745</u> |

**BOROUGH OF PARK RIDGE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**SWIM POOL UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

|  | <u>Appropriated</u> |                                      | <u>Expended</u>            |                 |                  |
|--|---------------------|--------------------------------------|----------------------------|-----------------|------------------|
|  | <u>Budget</u>       | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> | <u>Reserved</u> | <u>Cancelled</u> |
| <b>OPERATING</b>   |                     |                                      |                            |                 |                  |
| Salaries and Wages   | \$ 113,400          | \$ 113,400                           | \$ 105,455                 |                 | \$ 7,945         |
| Other Expenses   | 131,650             | 131,650                              | 93,507                     | \$ 1,696        | 36,447           |
| <b>Total Operating</b>                                       | <u>245,050</u>      | <u>245,050</u>                       | <u>198,962</u>             | <u>1,696</u>    | <u>44,392</u>    |
| <b>DEFERRED CHARGES AND<br/>STATUTORY EXPENDITURES</b>       |                     |                                      |                            |                 |                  |
| Deferred Charges   |                     |                                      |                            |                 |                  |
| Cost of Improvements-Ord. 6-10                               | 12,000              | 12,000                               | 12,000                     |                 |                  |
| Statutory Expenditures                                       |                     |                                      |                            |                 |                  |
| Contribution to<br>Social Security System (O.A.S.I.)         | 8,675               | 8,675                                | 8,067                      | -               | 608              |
| <b>Total Deferred Charges and<br/>Statutory Expenditures</b> | <u>20,675</u>       | <u>20,675</u>                        | <u>20,067</u>              | <u>-</u>        | <u>608</u>       |
|  | <u>\$ 265,725</u>   | <u>\$ 265,725</u>                    | <u>\$ 219,029</u>          | <u>\$ 1,696</u> | <u>\$ 45,000</u> |
| <u>Reference</u>   | G-3                 | G-3                                  | G-1                        | G,G-1           |                  |
|  | <u>Reference</u>    |                                      |                            |                 |                  |
| Cash Disbursed   | G-5                 |                                      | \$ 203,254                 |                 |                  |
| Encumbrances Payable   | G-14                |                                      | 3,775                      |                 |                  |
| Due to Swim Pool Utility Capital Fund                        | G-9                 |                                      | <u>12,000</u>              |                 |                  |
|  | G-4                 |                                      | <u>\$ 219,029</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, 2013 AND 2012**

|                                 | <u>Reference</u> | <u>2013</u>      | <u>2012</u>      |
|---------------------------------|------------------|------------------|------------------|
| <b>ASSETS</b>                   |                  |                  |                  |
| Cash                            | H-1              | \$ 19,304        | \$ 12,434        |
|                                 |                  | <u>\$ 19,304</u> | <u>\$ 12,434</u> |
| <b>LIABILITIES AND RESERVES</b> |                  |                  |                  |
| Due to Current Fund             | H-2              | \$ 2,445         | \$ 2,345         |
| Reserve for Public Assistance   | H-3              | <u>16,859</u>    | <u>10,089</u>    |
|                                 |                  | <u>\$ 19,304</u> | <u>\$ 12,434</u> |

**BOROUGH OF PARK RIDGE**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**AS OF DECEMBER 31, 2013 AND 2012**

|                                     | <u>2013</u>              | <u>2012</u>              |
|-------------------------------------|--------------------------|--------------------------|
| Land                                | \$ 14,623,192            | \$ 14,933,696            |
| Buildings and Building Improvements | 5,185,000                | 5,515,900                |
| Machinery and Equipment             | <u>5,838,757</u>         | <u>5,347,790</u>         |
|                                     | <u>\$ 25,646,949</u>     | <u>\$ 25,797,386</u>     |
| <br>Investment in Fixed Assets      | <br><u>\$ 25,646,949</u> | <br><u>\$ 25,797,386</u> |

The Accompanying Notes are an Integral Part of these Financial Statements

**NOTES TO FINANCIAL STATEMENTS**

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Borough of Park Ridge (the "Borough") was incorporated in 1894 and operates under an elected Mayor/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 or volunteer fire department, which are considered component units under GAAP. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

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

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

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

**C. Basis of Presentation – Financial Statements**

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

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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

**C. Basis of Presentation – Financial Statements (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, 2013 AND 2012**

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

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

**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.

**Financial Statements – Regulatory Basis**

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

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

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

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

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

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

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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

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

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

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

**Utility Revenues/Receivables** - Water utility charges are levied both monthly and quarterly based upon a flat service charge and 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/Receivables** - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized as soon as all eligibility requirements imposed by the grantor or provider have been met.

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

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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

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

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

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

**Appropriation Reserves** - Appropriation reserves are recorded as liabilities and are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

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

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

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

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

**General Fixed Assets** - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Borough of Park Ridge has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Borough as assets with an initial, individual cost of \$500 and an estimated useful life in excess of two years.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and sewerage and drainage systems are not capitalized.

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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

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

**General Fixed Assets (Continued)**

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, 2012 balances to conform to the December 31, 2013 presentation.

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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

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

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

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2013 and 2012 the Borough Council increased the original budget by \$160,000 and \$529,566. The increase in 2013 was funded by additional aid allotted to the Borough. 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 allocated to the Borough in the amount of \$129,566. In addition, the governing body approved several budget transfers during 2013 and 2012.

**NOTE 3 DEPOSITS AND INVESTMENTS**

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

**A. Deposits**

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Borough is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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

**A. Deposits (Continued)**

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, 2013 and 2012, the book value of the Borough's deposits were \$14,112,851 and \$13,020,239 and bank and brokerage firm balances of the Borough's deposits amounted to \$14,734,772 and \$13,600,965, 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>2013</u>          | <u>2012</u>          |
| Insured                   | <u>\$ 14,734,772</u> | <u>\$ 13,600,965</u> |

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2013 and 2012, the Borough’s bank balances were not exposed to custodial credit risk.

**B. Investments**

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

As of December 31, 2013 and 2012, the Borough had the following investments:

|   | <u>2013</u>                              | <u>2012</u>                              |                             |
|---|--|--|-----------------------------|
|   | <u>Fair Value</u><br><u>(LOSAP Only)</u> | <u>Fair Value</u><br><u>(LOSAP Only)</u> | <u>Book</u><br><u>Value</u> |
| Investment:                             |  |  |                             |
| MBIA Assets Management Program          |  |  |                             |
| Investment Fund (Government Securities) |  |  | \$ 5,235                    |
| Lincoln Financial Group                 |  |  |                             |
| LOSAP Investment Plans (Unaudited)      | <u>\$ 1,175,780</u>                      | <u>\$ 969,836</u>                        | <u>-</u>                    |
|   | <u>\$ 1,175,780</u>                      | <u>\$ 969,836</u>                        | <u>\$ 5,235</u>             |

**BOROUGH OF PARK RIDGE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2013 AND 2012**

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

**B. 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, 2013 and 2012, \$1,175,780 and \$975,071 of the Borough’s investments was exposed to custodial credit risk as follows:

|   | <u>2013</u>         | <u>2012</u>       |
|---|---------------------|-------------------|
| Uninsured and Collateralized:   |                     |                   |
| Collateral held by pledging financial institution's trust department but not in the Borough's name: |                     |                   |
| Fair Value (LOSAP Only - Unaudited)   | \$ 1,175,780        | \$ 969,836        |
| Book Value  | <u>-</u>            | <u>5,235</u>      |
|   | <u>\$ 1,175,780</u> | <u>\$ 975,071</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, 2013 and 2012, the Borough’s investment in Lincoln Financial Group was rated Baa1 and Baa2, respectively, by Moody’s Investor Services. As of December 31, 2012, MBIA Inc. was rated Caa1 by Moody’s Investor Services.

Concentration of Credit Risk – The Borough places no limit in the amount the Borough may invest in any one issuer. More than five (5) percent of the Borough’s investments are in Lincoln Financial Group. These investments are 100% and 99% of the Borough’s total investments as of December 31, 2013 and 2012, 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 are assigned to the Utility Operating Funds in accordance with the regulatory basis of accounting.

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 4 TAXES AND UTILITY RENTS RECEIVABLE**

Receivables at December 31, 2013 consisted of the following:

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

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

Receivables at December 31, 2012 consisted of the following:

|                          | <u>Current</u>    | <u>Water<br/>Utility</u> | <u>Electric<br/>Utility</u> | <u>Total</u>      |
|--------------------------|-------------------|--------------------------|-----------------------------|-------------------|
| <b><u>2012</u></b>       |                   |                          |                             |                   |
| Property Taxes           | \$ 322,340        |                          |                             | \$ 322,340        |
| Utility Charges and Fees | <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% of the delinquent tax, water and electric charges receivable at December 31, 2011.

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 5 DUE TO/FROM OTHER FUNDS**

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

|                         | <u>2013</u>                     |                               | <u>2012</u>                     |                               |
|-------------------------|---------------------------------|-------------------------------|---------------------------------|-------------------------------|
|                         | <u>Due from<br/>Other Funds</u> | <u>Due to<br/>Other Funds</u> | <u>Due from<br/>Other Funds</u> | <u>Due to<br/>Other Funds</u> |
| Current Fund            | \$ 42,359                       | \$ 23,165                     | \$ 12,199                       | \$ 71,956                     |
| Trust Fund:             |                                 |                               |                                 |                               |
| Animal Control          |                                 | 2,611                         |                                 | 1,739                         |
| Other Trust             |                                 | 145,737                       |                                 | 35,966                        |
| Unemployment Insurance  | 12,000                          |                               |                                 |                               |
| Open Space Preservation |                                 |                               |                                 | 137,670                       |
| General Capital Fund    | 91,748                          |                               | 137,670                         |                               |
| Water Utility:          |                                 |                               |                                 |                               |
| Operating               | 52,937                          | 826,801                       | 87,231                          | 545,639                       |
| Capital                 | 825,875                         |                               | 545,639                         |                               |
| Electric Utility:       |                                 |                               |                                 |                               |
| Operating               | 101,185                         | 269,548                       | 102,362                         | 761,390                       |
| Capital                 | 269,548                         |                               | 745,458                         |                               |
| Utility Trust Fund      |                                 | 125,332                       |                                 | 73,841                        |
| Swim Pool Utility:      |                                 |                               |                                 |                               |
| Operating               |                                 | 6,817                         | 5,196                           | 13                            |
| Capital                 | 6,804                           |                               |                                 | 5,196                         |
| Public Assistance Fund  | -                               | 2,445                         | -                               | 2,345                         |
| <br>Total               | <br><u>\$ 1,402,456</u>         | <br><u>\$ 1,402,456</u>       | <br><u>\$ 1,635,755</u>         | <br><u>\$ 1,635,755</u>       |

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

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

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

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

|   | <u>Balance</u><br><u>December 31,</u> | <u>Subsequent Year</u><br><u>Budget</u><br><u>Appropriation</u> | <u>Balance to</u><br><u>Succeeding</u><br><u>Budgets</u> |
|---|---------------------------------------|---|--|
| <b><u>2013</u></b>                          |                                       |   |  |
| Current Fund                                |                                       |   |  |
| Expenditures without an Appropriation       | \$ 61,261                             | \$ 61,261   |  |
| Special Emergency Authorizations (40A:4-55) | 271,754                               | 98,000  | \$ 173,754   |
| Electric Utility Operating Fund             |                                       |   |  |
| Special Emergency Authorizations (40A:4-55) | 52,427                                | 52,427  |  |
| <b><u>2012</u></b>                          |                                       |   |  |
| 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  |

**BOROUGH OF PARK RIDGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**

**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<br>Balance<br>December 31,<br><u>2013</u> | Utilized<br>in Subsequent<br>Year's Budget | Fund<br>Balance<br>December 31,<br><u>2012</u> | Utilized<br>in Subsequent<br>Year's Budget |
|---|--|--|--|--|
| <b>Current Fund</b>                     |  |  |  |  |
| Cash Surplus                            | \$ 1,539,578                                   | \$ 680,700                                 | \$ 1,107,737                                   | \$ 650,000                                 |
| Non-Cash Surplus                        | <u>266,933</u>                                 | <u>-</u>                                   | <u>129,566</u>                                 | <u>-</u>                                   |
|   | <u>\$ 1,806,511</u>                            | <u>\$ 680,700</u>                          | <u>\$ 1,237,303</u>                            | <u>\$ 650,000</u>                          |
| <b>Water Utility Operating Fund</b>     |  |  |  |  |
| Cash Surplus                            | \$ 540,321                                     | \$ 267,512                                 | \$ 751,781                                     | \$ 541,644                                 |
| Non-Cash Surplus                        | <u>-</u>                                       | <u>-</u>                                   | <u>-</u>                                       | <u>-</u>                                   |
|   | <u>\$ 540,321</u>                              | <u>\$ 267,512</u>                          | <u>\$ 751,781</u>                              | <u>\$ 541,644</u>                          |
| <b>Electric Utility Operating Fund</b>  |  |  |  |  |
| Cash Surplus                            | \$ 1,089,664                                   | \$ 945,480                                 | \$ 1,301,558                                   | \$ 1,118,760                               |
| Non-Cash Surplus                        | <u>-</u>                                       | <u>-</u>                                   | <u>-</u>                                       | <u>-</u>                                   |
|   | <u>\$ 1,089,664</u>                            | <u>\$ 945,480</u>                          | <u>\$ 1,301,558</u>                            | <u>\$ 1,118,760</u>                        |
| <b>Swim Pool Utility Operating Fund</b> |  |  |  |  |
| Cash Surplus                            | \$ 207,930                                     | \$ 14,750                                  | \$ 164,804                                     |  |
| Non-Cash Surplus                        | <u>-</u>                                       | <u>-</u>                                   | <u>-</u>                                       | <u>-</u>                                   |
|   | <u>\$ 207,930</u>                              | <u>\$ 14,750</u>                           | <u>\$ 164,804</u>                              | <u>\$ -</u>                                |

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 8 FIXED ASSETS**

**A. General Fixed Assets**

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2013 and 2012.

|                                     | Balance,<br>December 31,<br><u>2012</u> | <u>Additions</u>    | <u>Retirements</u>  | Balance,<br>December 31,<br><u>2013</u> |
|-------------------------------------|---|---------------------|---------------------|---|
| <b><u>2013</u></b>                  |   |                     |                     |   |
| Land                                | \$ 14,933,696                           | \$ 221,396          | \$ 531,900          | \$ 14,623,192                           |
| Buildings and Building Improvements | 5,515,900                               |                     | 330,900             | 5,185,000                               |
| Machinery and Equipment             | <u>5,347,790</u>                        | <u>875,590</u>      | <u>384,623</u>      | <u>5,838,757</u>                        |
|                                     | <u>\$ 25,797,386</u>                    | <u>\$ 1,096,986</u> | <u>\$ 1,247,423</u> | <u>\$ 25,646,949</u>                    |
| <br>                                |   |                     |                     |   |
|                                     | Balance,<br>December 31,<br><u>2011</u> | <u>Additions</u>    | <u>Retirements</u>  | Balance,<br>December 31,<br><u>2012</u> |
| <b><u>2012</u></b>                  |   |                     |                     |   |
| 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>                    |

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 8 FIXED ASSETS (Continued)**

**B. Utility Funds Fixed Assets**

The following is a summary of changes in the utility funds fixed assets for the years ended December 31, 2013 and 2012.

| <u>Water Utility Fund</u>          | Balance<br>December 31,<br><u>2012</u> | <u>Additions</u>  | <u>Retirements</u> | Balance,<br>December 31,<br><u>2013</u> |
|------------------------------------|--|-------------------|--------------------|---|
| <u>2013</u>                        |  |                   |                    |   |
| Fixed Capital                      |  |                   |                    |   |
| Land and Land Rights               | \$ 12,887                              |                   |                    | \$ 12,887                               |
| Structures and System Improvements | 8,887,097                              | \$ 96,858         |                    | 8,983,955                               |
| Vehicles and Equipment             | 3,159,454                              | 82,451            | -                  | 3,241,905                               |
|                                    | <u>\$ 12,059,438</u>                   | <u>\$ 179,309</u> | <u>\$ -</u>        | <u>\$ 12,238,747</u>                    |
|                                    | Balance<br>December 31,<br><u>2011</u> | <u>Additions</u>  | <u>Retirements</u> | Balance,<br>December 31,<br><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<br>December 31,<br><u>2012</u> | <u>Additions</u>  | <u>Retirements</u> | Balance,<br>December 31,<br><u>2013</u> |
| <u>Electric Utility Fund</u>       |  |                   |                    |   |
| <u>2013</u>                        |  |                   |                    |   |
| Fixed Capital                      |  |                   |                    |   |
| Structures and System Improvements | \$ 8,900,592                           | \$ 403,852        |                    | \$ 9,304,444                            |
| Vehicles and Equipment             | 2,341,433                              | 228,125           | -                  | 2,569,558                               |
|                                    | <u>\$ 11,242,025</u>                   | <u>\$ 631,977</u> | <u>\$ -</u>        | <u>\$ 11,874,002</u>                    |
|                                    | Balance<br>December 31,<br><u>2011</u> | <u>Additions</u>  | <u>Retirements</u> | Balance,<br>December 31,<br><u>2012</u> |
| <u>2012</u>                        |  |                   |                    |   |
| Fixed Capital                      |  |                   |                    |   |
| Structures and System Improvements | \$ 8,766,981                           | \$ 133,611        |                    | \$ 8,900,592                            |
| Vehicles and Equipment             | 2,125,108                              | 216,325           | -                  | 2,341,433                               |
|                                    | <u>\$ 10,892,089</u>                   | <u>\$ 349,936</u> | <u>\$ -</u>        | <u>\$ 11,242,025</u>                    |

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 8 FIXED ASSETS (Continued)**

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

| <u>Swim Pool Utility Fund</u>    | Balance<br>December 31,<br><u>2012</u> | <u>Additions</u> | <u>Retirements</u> | Balance,<br>December 31,<br><u>2013</u> |
|----------------------------------|--|------------------|--------------------|---|
| <b><u>2013</u></b>               |  |                  |                    |   |
| 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>                     |
| <br>                             |  |                  |                    |   |
|                                  | Balance<br>December 31,<br><u>2011</u> | <u>Additions</u> | <u>Retirements</u> | Balance,<br>December 31,<br><u>2012</u> |
| <b><u>2012</u></b>               |  |                  |                    |   |
| Fixed Capital                    |  |                  |                    |   |
| Land and Land Improvements       | \$ 43,376                              |                  |                    | \$ 43,376                               |
| Pool Facilities and Improvements | 957,089                                |                  |                    | 957,089                                 |
| Furniture & Equipment            | <u>60,396</u>                          | <u>-</u>         | <u>-</u>           | <u>60,396</u>                           |
|                                  | <u>\$ 1,060,861</u>                    | <u>\$ -</u>      | <u>\$ -</u>        | <u>\$ 1,060,861</u>                     |

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 9 MUNICIPAL DEBT**

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

The Borough's debt is summarized as follows:

|  | <u>2013</u>          | <u>2012</u>          |
|--|----------------------|----------------------|
| Issued   |                      |                      |
| General  |                      |                      |
| Bonds, Notes and Loans                                       | \$ 15,297,560        | \$ 14,423,774        |
| Water Utility  |                      |                      |
| Bonds  | 1,762,000            | 1,250,000            |
| Electric Utility   |                      |                      |
| Bonds  | <u>1,718,000</u>     | <u>1,838,000</u>     |
|  | 18,777,560           | 17,511,774           |
| Less Funds Temporarily Held to Pay Bonds,<br>Notes and Loans | <u>139,489</u>       | <u>206,035</u>       |
| Net Debt Issued  | 18,638,071           | 17,305,739           |
| Authorized But Not Issued                                    |                      |                      |
| General  |                      |                      |
| Bonds and Notes  | -                    | 4,320,239            |
| Water Utility  |                      |                      |
| Bonds and Notes  | 350,000              | 932,000              |
| Electric Utility   |                      |                      |
| Bonds and Notes  | 126,107              | 226,107              |
| Swim Pool Utility  |                      |                      |
| Bonds and Notes  | <u>28,500</u>        | <u>40,500</u>        |
| Net Bonds and Notes Issued and Authorized<br>But Not Issued  | <u>\$ 19,142,678</u> | <u>\$ 22,824,585</u> |

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**Statutory Net Debt**

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of .85% and .83% at December 31, 2013 and 2012, respectively.

|                    | <u>Gross Debt</u>    | <u>Deductions</u>    | <u>Net Debt</u>      |
|--------------------|----------------------|----------------------|----------------------|
| <b><u>2013</u></b> |                      |                      |                      |
| General Debt       | \$ 15,297,560        | \$ 139,489           | \$ 15,158,071        |
| School Debt        | 12,770,713           | 12,770,713           | -                    |
| Utility Debt       | <u>3,984,607</u>     | <u>3,984,607</u>     | <u>-</u>             |
| Total              | <u>\$ 32,052,880</u> | <u>\$ 16,894,809</u> | <u>\$ 15,158,071</u> |
|                    | <u>Gross Debt</u>    | <u>Deductions</u>    | <u>Net Debt</u>      |
| <b><u>2012</u></b> |                      |                      |                      |
| 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> |

**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>2013</u>          | <u>2012</u>          |
|---|----------------------|----------------------|
| 3-1/2% of Equalized Valuation Basis (Municipal) | \$ 61,901,335        | \$ 63,841,947        |
| Net Debt  | <u>15,158,071</u>    | <u>15,297,978</u>    |
| Remaining Borrowing Power                       | <u>\$ 46,743,264</u> | <u>\$ 48,543,969</u> |

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt**

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

**General Obligation Bonds**

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

|   | <u>2013</u>          | <u>2012</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% (Bond was refunded in 2013) |                      | \$ 3,590,000         |
| \$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%                         | \$ 3,252,000         | 3,552,000            |
| \$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%                           | 3,065,000            | 3,215,000            |
| \$3,035,000, 2013 Refunding Bonds, due in annual installments of \$325,000 to \$350,000 through August 2022, interest at 2.00% to 4.00%                 | 3,035,000            |                      |
| \$2,207,000, 2013 Bonds, due in annual installments of \$140,000 to \$280,000 through August 2023, interest at 1.00% to 3.00%                           | <u>2,207,000</u>     | <u>-</u>             |
|   | <u>\$ 11,559,000</u> | <u>\$ 10,357,000</u> |

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 9 MUNICIPAL DEBT (Continued)**

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

**General Intergovernmental Loans Payable**

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

|  | <u>2013</u>         | <u>2012</u>         |
|--|---------------------|---------------------|
| \$500,000, 2008 Loans, due in semi - annual installments of \$13,126 to \$16,833 through July, 2026, interest at 2.00%   | \$ 387,560          | \$ 413,424          |
| \$1,156,000, 2012 Loans, due in semi - annual installments of \$24,382 to \$35,586 through July, 2033, interest at 2.00% | <u>1,156,000</u>    | <u>1,156,000</u>    |
|  | <u>\$ 1,543,560</u> | <u>\$ 1,569,424</u> |

**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>2013</u>         | <u>2012</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% | \$ 1,180,000        | \$ 1,250,000        |
| \$582,000, 2013 Bonds, due in annual installments of \$35,000 to \$47,000 through August , 2027, interest at 1.00% to 4.00%   | <u>582,000</u>      | <u>-</u>            |
|   | <u>\$ 1,762,000</u> | <u>\$ 1,250,000</u> |

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 9 MUNICIPAL DEBT (Continued)**

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

**Utility Bonds (Continued)**

**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% | \$        | 1,018,000        | \$        | 1,143,000        |
| \$695,000, 2012 Bonds, due in annual installments of \$95,000 to \$105,000 through August, 2019, interest at 1.00% to 2.00%     |           | 600,000          |           | 695,000          |
| \$100,000, 2013 Bonds, due in annual installments of \$15,000 to \$20,000 through August, 2019, interest at 1.00% to 2.00%      |           | <u>100,000</u>   |           | <u>-</u>         |
|   | <u>\$</u> | <u>1,718,000</u> | <u>\$</u> | <u>1,838,000</u> |

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2013 is as follows:

| Calendar<br>Year | <u>General</u>       |                     | <u>Water Utility</u> |                   | <u>Electric Utility</u> |                   | <u>Total</u>         |
|------------------|----------------------|---------------------|----------------------|-------------------|-------------------------|-------------------|----------------------|
|                  | <u>Principal</u>     | <u>Interest</u>     | <u>Principal</u>     | <u>Interest</u>   | <u>Principal</u>        | <u>Interest</u>   |                      |
| 2014             | \$ 975,765           | \$ 352,664          | \$ 110,000           | \$ 38,853         | \$ 235,000              | \$ 52,198         | \$ 1,764,479         |
| 2015             | 1,021,412            | 340,135             | 110,000              | 37,753            | 240,000                 | 46,254            | 1,795,553            |
| 2016             | 1,082,948            | 311,705             | 115,000              | 35,903            | 240,000                 | 39,260            | 1,824,816            |
| 2017             | 1,159,514            | 280,719             | 120,000              | 33,603            | 265,000                 | 32,116            | 1,890,952            |
| 2018             | 1,181,113            | 248,177             | 120,000              | 31,203            | 270,000                 | 24,004            | 1,874,496            |
| 2019-2023        | 6,034,685            | 692,366             | 635,000              | 116,863           | 468,000                 | 22,301            | 7,969,215            |
| 2024-2028        | 1,306,708            | 91,621              | 552,000              | 37,278            |                         |                   | 1,987,607            |
| 2029-2033        | <u>340,415</u>       | <u>19,002</u>       | <u>-</u>             | <u>-</u>          | <u>-</u>                | <u>-</u>          | <u>359,417</u>       |
|                  | <u>\$ 13,102,560</u> | <u>\$ 2,336,389</u> | <u>\$ 1,762,000</u>  | <u>\$ 331,454</u> | <u>\$ 1,718,000</u>     | <u>\$ 216,132</u> | <u>\$ 19,466,535</u> |

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 9 MUNICIPAL DEBT (Continued)**

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

**Current Refunding of Debt**

On February 15, 2013 the Borough issued \$3,035,000 in General Improvement Refunding Bonds having interest rates of 2.00% to 4.00%. These Bonds were issued in order to currently refund certain principal maturities of General Improvement Bonds of the Borough. The total principal currently refunded was \$3,240,000. This current refunding resulted in the issuance of \$205,000 less in bonds and resulted in an increase of cash flows over the life of these bonds issues in the amount \$226,875; however, the economic gain (difference between the present value of the old and new debt service payments) was \$211,470. The current refunding was undertaken to reduce total debt service payments over the next 9 years by \$226,875.

**Changes in Long-Term Municipal Debt**

The Borough's long-term capital debt activity for the years ended December 31, 2013 and 2012 were as follows:

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

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 9 MUNICIPAL DEBT (Continued)**

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

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

|   | Balance,<br>December 31,<br><u>2011</u> | <u>Additions</u>    | <u>Reductions</u> | Balance,<br>December 31,<br><u>2012</u> | Due<br>Within<br><u>One Year</u> |
|---|---|---------------------|-------------------|---|----------------------------------|
| <b><u>2012</u></b>                          |   |                     |                   |   |                                  |
| <b><u>General Capital Fund</u></b>          |   |                     |                   |   |                                  |
| 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>                |
| <b><u>Water Capital Fund</u></b>            |   |                     |                   |   |                                  |
| 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>                 |
| <b><u>Electric Capital Fund</u></b>         |   |                     |                   |   |                                  |
| 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, 2013 AND 2012**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**B. Short-Term Debt**

The Borough's short-term debt activity for the years ended December 31, 2013 and 2012 was as follows:

**Bond Anticipation Notes**

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

|  |       |           | <u>Balance January 1, 2012</u> | <u>Renewed/ Issued</u> | <u>Retired/ Redeemed</u> | <u>Balance, December 31, 2012</u> |
|--|-------|-----------|--------------------------------|------------------------|--------------------------|-----------------------------------|
| <b><u>2012</u></b>                                   |       |           |                                |                        |                          |                                   |
| <b><u>General Capital Fund</u></b>                   |       |           |                                |                        |                          |                                   |
| 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>               |

**Swim Pool Utility Capital Fund**

|                          |  |  |                  |             |                  |             |
|--------------------------|--|--|------------------|-------------|------------------|-------------|
| Handicap Bathroom        |  |  | \$ 80,000        | \$ -        | \$ 80,000        | -           |
| 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, 2013 AND 2012**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**B. 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 governmental 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 Fund.

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 2013 and 2012 as follows:

**Emergency Notes**

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

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

**NOTE 9 MUNICIPAL DEBT (Continued)**

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

**Emergency Notes (Notes)**

| <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> |
|--|-----------------|----------------------|-----------------------------------|------------------|-------------------|-----------------------------------|
| <b><u>2012</u></b>                         |                 |                      |                                   |                  |                   |                                   |
| <b><u>Current Fund</u></b>                 |                 |                      |                                   |                  |                   |                                   |
| Hurricane Sandy Response & Recovery        | 1.75%           | 8/16/2013            | \$ -                              | \$ 150,000       | \$ -              | \$ 150,000                        |
| Total Current Fund                         |                 |                      | \$ -                              | \$ 150,000       | \$ -              | \$ 150,000                        |
| <b><u>Water Utility Operating Fund</u></b> |                 |                      |                                   |                  |                   |                                   |
| 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, 2013 AND 2012**

**NOTE 9 MUNICIPAL DEBT (Continued)**

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

**Special Emergency Notes**

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

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

**Electric Utility Operating Fund**

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

|                               |       |           | <u>Balance, December 31, 2011</u> | <u>Additions</u>  | <u>Reductions</u> | <u>Balance, December 31, 2012</u> |
|-------------------------------|-------|-----------|-----------------------------------|-------------------|-------------------|-----------------------------------|
| <b><u>2012</u></b>            |       |           |                                   |                   |                   |                                   |
| <b><u>Current Fund</u></b>    |       |           |                                   |                   |                   |                                   |
| 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>                 |

**Electric Utility Operating Fund**

|                                       |       |           |             |                   |             |                   |
|---------------------------------------|-------|-----------|-------------|-------------------|-------------|-------------------|
| 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> |

**BOROUGH OF PARK RIDGE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

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

| <u>2013</u> | <u>Capital Project</u>                  | <u>Construction<br/>Commitment</u> | <u>Estimated<br/>Date of<br/>Completion</u> |
|-------------|---|------------------------------------|---|
|             | Holly Court Storage Tank Rehabilitation | \$ 86,884                          | 2014  |
|             | 2013 Road Improvement Project           | 270,485                            | 2014  |
| <u>2012</u> |   |                                    |   |
|             | Holly Court Storage Tank Rehabilitation | 372,000                            | 2014  |

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

| <u>2013</u> | <u>Purpose</u>      | <u>Remaining<br/>Commitment</u> |
|-------------|---------------------|---------------------------------|
|             | Fire Pumper Truck   | \$ 93,927                       |
| <u>2012</u> |                     |                                 |
|             | Aerial Bucket Truck | 175,000                         |

**NOTE 11 OTHER LONG-TERM LIABILITIES**

**A. Compensated Absences**

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

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$527,403 and \$643,007 at December 31, 2013 and 2012, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2013, the Borough has reserved in the Other Trust Fund \$40,000 to fund compensated absences in accordance with NJSA 40A:4-39. As of December 31, 2012, the Borough did not have an amount reserved in the Other Trust Fund to fund compensated absences.

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)**

**B. Deferred Pension Obligation**

During the year ended December 31, 2009 the Borough elected to contribute 50% of its normal and accrued liability components of the PERS obligations and deferred the remaining 50% in accordance with P.L. 2009, c.19. The deferred amount totaled \$113,929 and will be paid back with interest over 15 years beginning in the 2012 year. The Borough is permitted to payoff the deferred PFRS and PERS pension obligations at any time. It is estimated that the total deferred liability including accrued interest (at 7.90% effective 7/1/12 and 8.25% prior to 7/1/12) at December 31, 2013 and 2012 is \$134,731 and \$140,155, respectively.

**Changes in Other Long-Term Liabilities**

The Borough's changes in other long-term liabilities for the years ended December 31, 2013 and 2012 were as follows:

|                             | Balance,<br>December 31,<br><u>2012</u> | <u>Additions</u> | <u>Reductions</u> | Balance,<br>December 31,<br><u>2013</u> | Due<br>Within<br><u>One Year</u> |
|-----------------------------|---|------------------|-------------------|---|----------------------------------|
| <b><u>2013</u></b>          |   |                  |                   |   |                                  |
| Compensated Absences        | \$ 643,007                              |                  | \$ 115,604        | \$ 527,403                              | \$ 21,152                        |
| Deferred Pension Obligation | <u>140,155</u>                          | <u>11,072</u>    | <u>16,496</u>     | <u>134,731</u>                          | <u>16,988</u>                    |
| Total                       | <u>\$ 783,162</u>                       | <u>\$ 11,072</u> | <u>\$ 132,100</u> | <u>\$ 662,134</u>                       | <u>\$ 38,140</u>                 |
| <br>                        |   |                  |                   |   |                                  |
|                             | Balance,<br>December 31,<br><u>2011</u> | <u>Additions</u> | <u>Reductions</u> | Balance,<br>December 31,<br><u>2012</u> | Due<br>Within<br><u>One Year</u> |
| <b><u>2012</u></b>          |   |                  |                   |   |                                  |
| Compensated Absences        | \$ 883,188                              |                  | \$ 240,181        | \$ 643,007                              | \$ 115,604                       |
| Deferred Pension Obligation | <u>144,517</u>                          | <u>\$ 11,922</u> | <u>16,284</u>     | <u>140,155</u>                          | <u>16,496</u>                    |
| Total                       | <u>\$ 1,027,705</u>                     | <u>\$ 11,922</u> | <u>\$ 256,465</u> | <u>\$ 783,162</u>                       | <u>\$ 132,100</u>                |

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS**

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

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

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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

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

**Other Pension Funds**

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

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

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

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

**Basis of Accounting**

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

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 12 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 2013, the PERS member contribution rate was 6.64%. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

**Investment Valuation**

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

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290, or at [www.state.nj/treasury/doinvest](http://www.state.nj/treasury/doinvest).

**Funded Status and Funding Progress**

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

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 12 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, 2012 actuarial valuations, the date of the most recent actuarial valuations, the projected unit credit was used as actuarial cost method, and the five year average of market value was used as asset valuation method for pension trust funds. The actuarial assumptions included (a) 7.90% for investment rate of return for all the retirement systems and (b) changes to projected salary increases, which vary by fund.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 6.50% plus an additional 1% phased-in over 7 years beginning in July 2012 for PERS, 10.0% for PFRS and 5.50% for DCRP of employees' annual compensation. The member contribution for PERS was 6.64% in fiscal year 2013.

**Annual Pension Cost (APC)**

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2013 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, 2013, 2012 and 2011, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions, early retirement incentive program contributions, deferred pension obligation contributions, and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

| <u>Year Ended</u><br><u>December 31</u> | <u>PFRS</u> | <u>PERS (1)</u> | <u>DCRP</u> |
|---|-------------|-----------------|-------------|
| 2013                                    | \$ 427,726  | \$ 361,230      | None        |
| 2012                                    | 408,420     | 387,624         | None        |
| 2011                                    | 508,245     | 355,416         | \$ 180      |

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

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 13 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 2013, 2012 and 2011, the Borough paid \$959,719, \$886,638 and \$819,828, 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         | <u>235,944</u>      |
| Total Annual OPEB Cost (Expense)        | 2,372,344           |
| Contributions Made                      | <u>959,719</u>      |
| Increase in Net OPEB Obligation         | 1,412,625           |
| Net OPEB Obligation - Beginning of Year | <u>5,898,607</u>    |
| Net OPEB Obligation - End of Year       | <u>\$ 7,311,232</u> |

**BOROUGH OF PARK RIDGE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 13 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 2013, 2012 and 2011 were as follows:

| <u>Year Ended<br/>December 31,</u> | <u>Annual<br/>OPEB Cost</u> | <u>Percentage of<br/>Annual OPEB<br/>Cost Contributed</u> | <u>Net<br/>OPEB<br/>Obligations</u> |
|------------------------------------|-----------------------------|---|-------------------------------------|
| 2013                               | \$ 2,372,344                | 40.45%  | \$ 7,311,232                        |
| 2012                               | 2,315,202                   | 38.30%  | 5,898,607                           |
| 2011                               | 2,257,687                   | 36.31%  | 4,470,043                           |

**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, 2013 was twenty-five (25) years.

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 14 RISK MANAGEMENT**

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

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

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

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

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

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

| <u>Year Ended</u><br><u>December 31</u> | <u>Borough</u><br><u>Contributions</u> | <u>Employee</u><br><u>Contributions</u> | <u>Amount</u><br><u>Reimbursed</u> | <u>Ending</u><br><u>Balance</u> |
|---|--|---|------------------------------------|---------------------------------|
| 2013                                    | \$ 12,000                              | \$ 7,714                                | \$ 9,264                           | \$ 116,170                      |
| 2012                                    | 48,421                                 | 7,399                                   | 8,603                              | 105,720                         |
| 2011                                    | 39,000                                 | 43,010                                  | 45,874                             | 58,503                          |

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 15 CONTINGENT LIABILITIES**

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

**Pending Tax Appeals** - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2013 and 2012. 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, 2013 and 2012, the Borough reserved \$200,340 and \$282,300, 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, 2013 and 2012, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

**NOTE 16 FEDERAL ARBITRAGE REGULATIONS**

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2013 and 2012, the Borough has not determined its estimated arbitrage earnings due to the IRS, if any.

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

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

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

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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

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

The Borough of Park Ridge has contributed \$1,518 and \$1,491 for 2013 and 2012, respectively, for each eligible volunteer fire department member into the Plan. The Borough also contributed a one-third (1/3) share of \$1,518 and \$1,491 for 2013 and 2012, 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 \$1,518 and \$1,491 for 2013 and 2012, respectively, for each Tri-Boro Ambulance Corp. member into the plan. The total Borough contributions were \$50,093 and \$56,166 for 2013 and 2012, respectively.

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

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

**Vesting and Benefits**

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

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

**Reporting Requirements**

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

**NOTE 18 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, 2013. As of December 31, 2013, the Borough has received \$179,305 in FEMA reimbursements relating to Hurricane Sandy which have been reflected in the financial statements.

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 19 SUBSEQUENT EVENTS**

**Debt Authorized**

On June 24, 2014 the Borough adopted Bond Ordinances authorizing the issuance \$715,000 in Bonds or Bond Anticipation Notes to fund certain water and electric utility capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

**SUPPLEMENTARY SCHEDULES**

**CURRENT FUND**

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

|  |                   |                     |
|--|-------------------|---------------------|
| Balance, December 31, 2012                       |                   | \$ 3,017,565        |
| Increased by:                                    |                   |                     |
| Non-Budget Revenue                               | \$ 208,948        |                     |
| Taxes Receivable                                 | 37,875,998        |                     |
| Revenue Accounts Receivable                      | 2,506,958         |                     |
| NJ Senior Citizen and Veteran's Deductions.      | 95,383            |                     |
| Grants Receivable                                | 30,762            |                     |
| Prepaid Taxes                                    | 237,543           |                     |
| Accounts Payable                                 | 41,100            |                     |
| Fees Payable                                     | 11,887            |                     |
| Tax Overpayments                                 | 46,396            |                     |
| Special Emergency Notes                          | 271,754           |                     |
| Receipts from Outside Lienholder                 | 5,404             |                     |
| Reserve for Grants - Unappropriated              | 59,552            |                     |
| Receipts from Public Assistance Fund             | 100               |                     |
|  | <u>41,391,785</u> |                     |
|  |                   | 44,409,350          |
| Decreased by Disbursements:                      |                   |                     |
| 2013 Budget Appropriations                       | 10,872,642        |                     |
| 2012 Appropriation Reserves                      | 129,521           |                     |
| Expenditures without an Appropriation            | 61,261            |                     |
| Encumbrances Payable                             | 297,768           |                     |
| Accounts Payable                                 | 14,764            |                     |
| Tax Overpayments                                 | 42,680            |                     |
| County Taxes Payable                             | 4,003,807         |                     |
| Local District School Tax Payable                | 25,056,829        |                     |
| Fees Payable                                     | 10,235            |                     |
| Reserve for Tax Appeals                          | 112,665           |                     |
| Miscellaneous Reserves                           | 2,097             |                     |
| Reserve for Grants- Appropriated                 | 59,197            |                     |
| Emergency Notes                                  | 150,000           |                     |
| Special Emergency Notes                          | 426,000           |                     |
| Payments made to Other Trust Fund                | 6,000             |                     |
| Payments made for Other Trust Fund               | 739               |                     |
| Payments made to Public Assistance Fund          | 200               |                     |
| Payments made to Water Utility Operating Fund    | 34,568            |                     |
| Payments made to Electric Utility Operating Fund | 37,388            |                     |
| Refund of Prior Years Revenue                    | 2,599             |                     |
|  | <u>41,320,960</u> |                     |
| Balance, December 31, 2013                       |                   | <u>\$ 3,088,390</u> |

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

|                            |                            |                     |
|----------------------------|----------------------------|---------------------|
| Balance, December 31, 2012 |                            | \$ <u>75</u>        |
| Balance, December 31, 2013 |                            | \$ <u><u>75</u></u> |
|                            | <u>Analysis of Balance</u> |                     |
|                            | Tax Office                 | \$ <u><u>75</u></u> |

**STATEMENT OF PETTY CASH FUNDS**

|                            |  |                        |
|----------------------------|--|------------------------|
| Balance, December 31, 2012 |  | \$ <u>1,050</u>        |
| Balance, December 31, 2013 |  | \$ <u><u>1,050</u></u> |

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

|   |              |                 |
|---|--------------|-----------------|
| Balance, December 31, 2012 (Due to)                               |              | \$ 726          |
| Increased by:   |              |                 |
| Receipts from State of New Jersey                                 | \$ 95,383    |                 |
| Veterans' Deductions Disallowed by Tax Collector-2012             | 2,367        |                 |
| Veterans' Deductions Disallowed by Tax Collector-2013             | <u>156</u>   |                 |
|   |              | <u>97,906</u>   |
|   |              | 98,632          |
| Decreased by:   |              |                 |
| Senior Citizens' Deductions per Tax Duplicate 2013                | 10,500       |                 |
| Veterans' Deductions per Tax Duplicate 2013                       | 88,250       |                 |
| Senior Citizens/Veterans Deductions Allowed By Tax Collector-2013 | <u>1,000</u> |                 |
|   |              | <u>99,750</u>   |
| Balance, December 31, 2013 (Due from)                             |              | <u>\$ 1,118</u> |

EXHIBIT A-8

**STATEMENT OF GRANT RECEIVABLES**

|  | Balance,<br>December 31,<br><u>2012</u> | <u>Accrued</u>    | <u>Received</u>                  | Balance,<br>December 31,<br><u>2013</u> |
|--|---|-------------------|----------------------------------|---|
| Hazard Mitigation Grant - Message Display Sign | \$ 14,396                               |                   |                                  | \$ 14,396                               |
| BC Shared Services - Drainage Improvements     | 31,770                                  |                   | \$ 22,103                        | 9,667                                   |
| CDBG - Handicap Bathroom                       | 55,000                                  |                   | 54,250                           | 750                                     |
| Drive Sober or Get Pulled Over                 | 4,400                                   |                   |                                  | 4,400                                   |
| BC Forfeiture - Message Display Sign           | 5,000                                   |                   |                                  | 5,000                                   |
| BC Forfeiture - NJSACOP                        | 19,000                                  |                   | 8,659                            | 10,341                                  |
| Bergen County - Sulak Lane Drainage            |   | \$ 10,000         |                                  | 10,000                                  |
| NJ DOT - Ridge Avenue                          | -                                       | <u>150,000</u>    | -                                | <u>150,000</u>                          |
|  | <u>\$ 129,566</u>                       | <u>\$ 160,000</u> | <u>\$ 85,012</u>                 | <u>\$ 204,554</u>                       |
|  |   |                   | Cash Receipts                    | \$ 30,762                               |
|  |   |                   | Due from Other Trust Fund (CDBG) | <u>54,250</u>                           |
|  |   |                   | <u>\$ 85,012</u>                 |   |

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

| Year | Balance,<br>December 31,<br>2012 | 2013<br>Levy         | Senior<br>Citizens' and<br>Veterans'<br>Deductions<br>Disallowed | Cash Collections<br>2012 | 2013                 | Senior<br>Citizens'<br>and Veterans'<br>Deductions<br>Allowed | Remitted,<br>Abated or<br>Cancelled | Balance,<br>December 31,<br>2013 |
|------|----------------------------------|----------------------|--|--------------------------|----------------------|---|-------------------------------------|----------------------------------|
| 2011 | \$ 529                           |                      | 250  | \$ 779                   |                      |   |                                     |                                  |
| 2012 | <u>321,811</u>                   | -                    | <u>2,117</u>   | -                        | <u>321,271</u>       | -   | -                                   | <u>\$ 2,657</u>                  |
| 2013 | 322,340                          | -                    | 2,367  | -                        | 322,050              | -   | -                                   | 2,657                            |
|      | -                                | <u>\$ 38,091,150</u> | <u>156</u>   | <u>\$ 198,147</u>        | <u>37,553,948</u>    | <u>\$ 99,750</u>  | <u>\$ 42,372</u>                    | <u>197,089</u>                   |
|      | <u>\$ 322,340</u>                | <u>\$ 38,091,150</u> | <u>\$ 2,523</u>  | <u>\$ 198,147</u>        | <u>\$ 37,875,998</u> | <u>\$ 99,750</u>  | <u>\$ 42,372</u>                    | <u>\$ 199,746</u>                |

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Analysis of 2013 Property Tax Levy

|   |                      |
|---|----------------------|
| <b>TAX YIELD</b>  |                      |
| General Purpose Tax   | \$ 38,039,075        |
| Added and Omitted Taxes (54:4-63.10 et seq.)                | <u>52,075</u>        |
|   | <u>\$ 38,091,150</u> |
| <b>TAX LEVY</b>   |                      |
| Local District School Taxes                                 |                      |
| County Taxes - General                                      | \$ 25,056,829        |
| County Open Space Preservation Tax                          | \$ 3,953,885         |
| Due County for Added and Omitted Taxes (54:4-63.10 et seq.) | 43,598               |
|   | <u>5,494</u>         |
|   | 4,002,977            |
| Local Tax for Municipal Purposes                            | 8,389,903            |
| Minimum Library Tax   | 589,814              |
| Add Additional Tax Levies                                   | <u>51,627</u>        |
|   | <u>9,031,344</u>     |
|   | <u>\$ 38,091,150</u> |

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

|                            |                   |
|----------------------------|-------------------|
| Balance, December 31, 2012 | \$ <u>100,650</u> |
| Balance, December 31, 2013 | \$ <u>100,650</u> |

**STATEMENT OF DUE FROM OUTSIDE LIENHOLDERS**

|                               |                 |
|-------------------------------|-----------------|
| Balance, December 31, 2012    | \$ 5,404        |
| Decreased by:<br>Cash Receipt | \$ <u>5,404</u> |

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

|   | Balance,<br>December 31,<br><u>2012</u> | Accrued<br>in <u>2013</u> | Collected<br>in <u>2013</u> | Balance,<br>December 31,<br><u>2013</u> |
|---|---|---------------------------|-----------------------------|---|
| Borough Clerk   |   |                           |                             |   |
| Licenses  |   |                           |                             |   |
| Alcoholic Beverages   |   | \$ 14,435                 | \$ 14,435                   |   |
| Fire Code Department  |   |                           |                             |   |
| Fees and Permits  |   | 39,793                    | 39,793                      |   |
| Health Officer and Registrar  |   |                           |                             |   |
| Fees and Permits  |   | 20,015                    | 20,015                      |   |
| Municipal Court   |   |                           |                             |   |
| Fines and Costs   | \$ 6,572                                | 120,426                   | 118,982                     | \$ 8,016                                |
| Interest and Cost on Taxes  |   | 70,411                    | 70,411                      |   |
| Joint Insurance Fund Dividend   |   | 15,788                    | 15,788                      |   |
| Hotel Tax   |   | 320,025                   | 320,025                     |   |
| Recycling Program   |   | 24,267                    | 24,267                      |   |
| Cable Television Franchise Fee  |   | 123,455                   | 123,455                     |   |
| Water Utility Rental Fees   |   | 105,000                   | 105,000                     |   |
| Electric Utility Rental Fees  |   | 30,000                    | 30,000                      |   |
| Pistol Range Fee  |   | 18,000                    | 18,000                      |   |
| Tri-Boro Safety Corps   |   | 30,889                    | 30,889                      |   |
| Consolidated Municipal Property Tax Relief Aid                          |   | 23,952                    | 23,952                      |   |
| Energy Receipts Tax   |   | 358,646                   | 358,646                     |   |
| Watershed Moratorium Offset Aid   |   | 1,598                     | 1,598                       |   |
| Uniform Construction Code Fees  |   | 214,682                   | 214,682                     |   |
| Water Utility - Payments in Lieu of Taxes                               |   | 100,000                   | 100,000                     |   |
| Electric Utility - Payments in Lieu of Taxes                            |   | 155,000                   | 155,000                     |   |
| Electric Utility Payment in Lieu of Franchise &<br>Gross Receipts Taxes |   | 500,000                   | 500,000                     |   |
| Life Hazard Use Fees  |   | 13,961                    | 13,961                      |   |
| Library Reimbursements  |   | 80,000                    | 80,000                      |   |
| Excess Sewer User Fees  | 6,812                                   | 81,316                    | 58,523                      | 29,605                                  |
| Sprint Cell Tower Rent  | -                                       | 69,536                    | 69,536                      | -                                       |
|   | <u>\$ 13,384</u>                        | <u>\$ 2,531,195</u>       | <u>\$ 2,506,958</u>         | <u>\$ 37,621</u>                        |

EXHIBIT A-13

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

|                                    | Balance,<br>December 31,<br>2012 | Amount<br>Resulting<br>from 2013 | Raised<br>in 2013<br>Budget | Balance,<br>December 31,<br>2013 |
|------------------------------------|----------------------------------|----------------------------------|-----------------------------|----------------------------------|
| Emergency Authorization            | \$ 150,000                       |                                  | \$ 150,000                  |                                  |
| Expenditures Without Appropriation | -                                | \$ 61,261                        | -                           | \$ 61,261                        |
|                                    | <u>\$ 150,000</u>                | <u>\$ 61,261</u>                 | <u>\$ 150,000</u>           | <u>\$ 61,261</u>                 |

EXHIBIT A-14

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

| <u>Date</u><br><u>Authorized</u> | <u>Purpose</u>                | Net<br>Amount<br>Authorized | 1/5 of Net<br>Amount<br>Authorized | Balance,<br>December 31,<br>2012 | Raised<br>in 2013<br>Budget | Balance,<br>December 31,<br>2013 |
|----------------------------------|-------------------------------|-----------------------------|------------------------------------|----------------------------------|-----------------------------|----------------------------------|
| 2010                             | Reassessment of Real Property | \$ 110,000                  | \$ 22,000                          | \$ 66,000                        | \$ 22,000                   | \$ 44,000                        |
| 2011                             | Hurricane Irene Storm Damage  | 450,000                     | 90,000                             | 360,000                          | 132,246                     | 227,754                          |
|                                  |                               |                             |                                    | <u>\$ 426,000</u>                | <u>\$ 154,246</u>           | <u>\$ 271,754</u>                |

**BOROUGH OF PARK RIDGE  
STATEMENT OF 2012 APPROPRIATION RESERVES**

|  | Balance,<br>December 31,<br>2012 | Transfers    | Encumbrance<br>Payable<br>Cancelled | Balance<br>After<br>Modification | Expended      | Balance<br>Lapsed |
|--|----------------------------------|--------------|-------------------------------------|----------------------------------|---------------|-------------------|
| <b>Salaries and Wages</b>                |                                  |              |                                     |                                  |               |                   |
| General Administration                   | \$ 2,907                         |              |                                     | \$ 2,907                         | \$ 499        | \$ 2,408          |
| Municipal Clerk                          | 38                               |              |                                     | 38                               | 20            | 18                |
| Financial Administration                 | 34                               |              |                                     | 34                               |               | 34                |
| Revenue Administration                   | 32                               |              |                                     | 32                               |               | 32                |
| Tax Assessment Administration            | 804                              |              |                                     | 804                              |               | 804               |
| Planning Board                           | 78                               |              |                                     | 78                               |               | 78                |
| Zoning Board Adjustment                  | 320                              |              |                                     | 320                              |               | 320               |
| Uniform Construction Code                | 5,682                            |              |                                     | 5,682                            |               | 5,682             |
| Zoning Officer                           |                                  | \$ 500       |                                     | 500                              | 500           |                   |
| Housing Task Force                       | 237                              | 275          |                                     | 512                              | 500           | 12                |
| Police                                   | 4,319                            |              |                                     | 4,319                            | 874           | 3,445             |
| Police Reserve                           | 843                              |              |                                     | 843                              |               | 843               |
| Welfare/Administration of Public Service | 30                               |              |                                     | 30                               |               | 30                |
| Fire Prevention/Uniform Fire Code        | 555                              |              |                                     | 555                              |               | 555               |
| Road Repairs and Maintenance             | 45,476                           |              |                                     | 45,476                           | 45,461        | 15                |
| Public Buildings & Grounds               | 2,407                            |              |                                     | 2,407                            |               | 2,407             |
| Maintenance of Vehicles                  | 2,439                            | (1,500)      |                                     | 939                              |               | 939               |
| Board of Health                          | 4,549                            |              |                                     | 4,549                            |               | 4,549             |
| Senior Citizen                           | 991                              |              |                                     | 991                              |               | 991               |
| Park Ridge Television                    | 20                               |              |                                     | 20                               |               | 20                |
| Sewer System                             | 10,690                           |              |                                     | 10,690                           |               | 10,690            |
| Hurricane Sandy - Response and Recovery  | 20,973                           |              |                                     | 20,973                           |               | 20,973            |
| Municipal Drug Alliance                  | 711                              |              |                                     | 711                              |               | 711               |
| <b>Total Salaries &amp; Wages</b>        | <b>104,135</b>                   | <b>(725)</b> | <b>-</b>                            | <b>103,410</b>                   | <b>47,854</b> | <b>55,556</b>     |
| <b>Other Expenses</b>                    |                                  |              |                                     |                                  |               |                   |
| General Administration                   | 6,572                            | (3,000)      |                                     | 3,572                            | 2,697         | 875               |
| Municipal Clerk                          | 9,824                            |              |                                     | 9,824                            | 87            | 9,737             |
| Mayor and Council                        | 3,954                            |              |                                     | 3,954                            | 308           | 3,646             |
| Financial Administration                 | 18,634                           |              |                                     | 18,634                           | 18,634        |                   |
| Revenue Administration                   | 11,326                           | (2,645)      |                                     | 8,681                            | 4,077         | 4,604             |
| Tax Assessment Administration            |                                  |              |                                     |                                  |               |                   |
| Other Expenses                           | 408                              |              | \$ 52                               | 460                              |               | 460               |
| Audit Services                           | 8,584                            |              |                                     | 8,584                            | 600           | 7,984             |
| Legal Services & Costs                   | 33,736                           | (3,500)      |                                     | 30,236                           | 8,379         | 21,857            |
| Engineering Services & Costs             | 573                              | 6,500        |                                     | 7,073                            | 6,114         | 959               |
| Planning Board                           | 36,075                           |              |                                     | 36,075                           | 13,451        | 22,624            |
| Zoning Board of Adjustment               | 3,931                            |              |                                     | 3,931                            | 218           | 3,713             |
| Uniform Construction Code                | 2,961                            |              |                                     | 2,961                            | 754           | 2,207             |
| Zoning Officer                           | 2,733                            | (500)        | 176                                 | 2,409                            |               | 2,409             |
| Housing Task Force                       | 750                              | (275)        |                                     | 475                              |               | 475               |
| <b>Insurance</b>                         |                                  |              |                                     |                                  |               |                   |
| General Liability                        | 10,323                           |              |                                     | 10,323                           |               | 10,323            |
| Group Insurance for Employees            | 98,224                           |              | 4,480                               | 102,704                          |               | 102,704           |
| Tri-Boro Ambulance                       | 162                              |              |                                     | 162                              |               | 162               |
| Police                                   | 927                              |              | 4,785                               | 5,712                            |               | 5,712             |
| Police Reserve                           | 1,213                            |              | 67                                  | 1,280                            |               | 1,280             |
| Pistol Range                             | 3,222                            |              |                                     | 3,222                            | 2,950         | 272               |
| Emergency Management Services            | 3,057                            |              |                                     | 3,057                            |               | 3,057             |

**BOROUGH OF PARK RIDGE  
STATEMENT OF 2012 APPROPRIATION RESERVES**

|  | Balance,<br>December 31,<br>2012 | Transfers   | Encumbrance<br>Payable<br>Cancelled | Balance<br>After<br>Modification | Expended                                   | Balance<br>Lapsed |
|--|----------------------------------|-------------|-------------------------------------|----------------------------------|--|-------------------|
| Fire   |                                  |             |                                     |                                  |  |                   |
| Other Expenses                               | \$ 7,154                         |             |                                     | \$ 7,154                         | \$ 5                                       | \$ 7,149          |
| Fire Hydrant Services                        | 1,075                            |             |                                     | 1,075                            |  | 1,075             |
| TriBoro Safety Corps                         | 15,273                           |             |                                     | 15,273                           |  | 15,273            |
| Fire Prevention/Uniform Fire Codes           | 2,870                            |             | \$ 176                              | 3,046                            |  | 3,046             |
| Municipal Court                              | 2,989                            |             |                                     | 2,989                            |  | 2,989             |
| Road Repairs and Maintenance                 | 24,656                           |             |                                     | 24,656                           | 24,625                                     | 31                |
| Solid Waste Collection - Sanitation          | 1,566                            |             |                                     | 1,566                            |  | 1,566             |
| Solid Waste Collection - Recycling           | 15,628                           |             |                                     | 15,628                           |  | 15,628            |
| Municipal Services Act                       | 10,450                           |             |                                     | 10,450                           | 10,200                                     | 250               |
| Public Buildings & Grounds                   | 1,262                            |             |                                     | 1,262                            | 423  | 839               |
| Maintenance of Vehicles                      | 6,258                            | \$ 1,500    |                                     | 7,758                            | 7,702                                      | 56                |
| Board of Health                              | 6,413                            |             | 1,332                               | 7,745                            |  | 7,745             |
| Welfare/Administration of Public Service     | 300                              |             |                                     | 300                              |  | 300               |
| Municipal Alliance                           | 11,930                           |             |                                     | 11,930                           |  | 11,930            |
| Park Ridge Television                        | 842                              |             |                                     | 842                              |  | 842               |
| Recreation                                   | 1,776                            |             |                                     | 1,776                            | 1,045                                      | 731               |
| Terminal Leave                               | 73                               |             |                                     | 73                               |  | 73                |
| Electric                                     | 6,990                            |             | 6,500                               | 13,490                           |  | 13,490            |
| Telephone/Communication                      | 2,499                            |             |                                     | 2,499                            | 382  | 2,117             |
| Water  | 3,212                            |             | 2,000                               | 5,212                            |  | 5,212             |
| Gas and Oil                                  | 14,955                           |             |                                     | 14,955                           |  | 14,955            |
| Gasoline                                     | 15,591                           |             |                                     | 15,591                           |  | 15,591            |
| Sewer System                                 |                                  |             |                                     |                                  |  |                   |
| Other Expenses                               | 2,036                            |             | 697                                 | 2,733                            |  | 2,733             |
| Shade Tree                                   | 2,846                            |             |                                     | 2,846                            | 738  | 2,108             |
| Landfill Dumping Fees                        | 37,084                           |             |                                     | 37,084                           |  | 37,084            |
| Hurricane Sandy - Response and Recovery      | 52,256                           |             |                                     | 52,256                           | 17,294                                     | 34,962            |
| Recycling Tax                                | 1,836                            |             |                                     | 1,836                            |  | 1,836             |
| Contingent                                   | 5,000                            |             |                                     | 5,000                            |  | 5,000             |
| Social Security System                       | 26,802                           |             | 10,590                              | 37,392                           |  | 37,392            |
| Deferred Compensation Retirement Plan        | 1,116                            |             |                                     | 1,116                            |  | 1,116             |
| Bergen County Utilities Authority-Sewer Fees | 201                              |             |                                     | 201                              |  | 201               |
| Maintenance of Free Public Library           | 19,089                           |             |                                     | 19,089                           | 19,089                                     |                   |
| Tri-Borough Ambulance LOSAP                  |                                  | 2,645       |                                     | 2,645                            | 2,645                                      |                   |
| Clean Communities Program                    | 9,655                            |             |                                     | 9,655                            | 9,655                                      |                   |
| Alcohol and Rehabilitation Fund              | 323                              |             |                                     | 323                              |  | 323               |
| Body Armor Fund Grant                        | 1,948                            |             |                                     | 1,948                            | 1,948                                      |                   |
| Over the Limit                               | 2,806                            |             |                                     | 2,806                            | 2,806                                      |                   |
| CDBG - Handicapped Accessible Bathroom       |                                  |             | 750                                 | 750                              | 750  |                   |
| Recycling Tonnage Grant                      | 9,691                            |             |                                     | 9,691                            | 9,691                                      |                   |
| Bergen County Forfeiture Funds               | 146                              |             |                                     | 146                              | 146  |                   |
| Bergen County Forfeiture Funds - NJSACOP     | 9,250                            |             |                                     | 9,250                            | 9,250                                      |                   |
| NJSL&PS - Drive Sober or Get Pulled Over     | 2,775                            | -           | -                                   | 2,775                            | 2,775                                      | -                 |
| Total Other Expenses                         | <u>595,811</u>                   | <u>725</u>  | <u>31,605</u>                       | <u>628,141</u>                   | <u>179,761</u>                             | <u>448,380</u>    |
| Total  | <u>\$ 699,946</u>                | <u>\$ -</u> | <u>\$ 31,605</u>                    | <u>\$ 731,551</u>                | <u>\$ 227,615</u>                          | <u>\$ 503,936</u> |
|  |                                  |             |                                     |                                  | Cash Disbursements                         | \$ 129,521        |
|  |                                  |             |                                     |                                  | Due to Other Trust Fund                    | 70,000            |
|  |                                  |             |                                     |                                  | Transferred to Appropriated Grant Reserves | <u>28,094</u>     |
|  |                                  |             |                                     |                                  |  | <u>\$ 227,615</u> |

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

|   |              |                   |
|---|--------------|-------------------|
| Balance, December 31, 2012                                |              | \$ 339,258        |
| Increased by:   |              |                   |
| Charges to 2013 Appropriations                            |              | <u>204,040</u>    |
|   |              | 543,298           |
| Decreased by:   |              |                   |
| Payments  | \$ 297,768   |                   |
| Cancelled Encumbrances Restored to Appropriation Reserves | 31,605       |                   |
| Transferred to Accounts Payable                           | <u>9,885</u> |                   |
|   |              | <u>339,258</u>    |
| Balance, December 31, 2013                                |              | <u>\$ 204,040</u> |

EXHIBIT A-17

**STATEMENT OF ACCOUNTS PAYABLE**

|  |               |                   |
|--|---------------|-------------------|
| Balance, December 31, 2012                 |               | \$ 79,225         |
| Increased by:                              |               |                   |
| Transferred from Encumbrances Payable      | \$ 9,885      |                   |
| Receipts from Unvested LOSAP Contributions | <u>41,100</u> |                   |
|  |               | <u>50,985</u>     |
|  |               | 130,210           |
| Decreased by:                              |               |                   |
| Cash Disbursements                         |               | <u>14,764</u>     |
| Balance, December 31, 2013                 |               | <u>\$ 115,446</u> |

**Analysis of Balance - December 31, 2013**

|                                   |  |                   |
|-----------------------------------|--|-------------------|
| Vendor Payables                   |  | \$ 74,346         |
| Due to Montvale Borough (LOSAP)   |  | 20,550            |
| Due to Park Ridge Borough (LOSAP) |  | <u>20,550</u>     |
|                                   |  | <u>\$ 115,446</u> |

EXHIBIT A-18

**STATEMENT OF TAX APPEAL JUDGMENTS PAYABLE**

|                                    |               |                  |
|------------------------------------|---------------|------------------|
| Increased by:                      |               |                  |
| Transfer from Tax Overpayments     | \$ 15,910     |                  |
| Charges to Reserve for Tax Appeals | <u>69,295</u> |                  |
| Balance, December 31, 2013         |               | <u>\$ 85,205</u> |

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

|                                  |  |            |
|----------------------------------|--|------------|
| Balance, December 31, 2012       |  | \$ 198,147 |
| Increased by:                    |  |            |
| Collection of 2014 Taxes         |  | 237,543    |
|                                  |  | 435,690    |
| Decreased by:                    |  |            |
| Applied to 2013 Taxes Receivable |  | 198,147    |
| Balance, December 31, 2013       |  | \$ 237,543 |

EXHIBIT A-20

**STATEMENT OF TAX OVERPAYMENTS**

|   |           |           |
|---|-----------|-----------|
| Balance, December 31, 2012                |           | \$ 12,194 |
| Increased by:                             |           |           |
| Overpayments Received                     |           | 46,396    |
|   |           | 58,590    |
| Decreased by:                             |           |           |
| Overpayments Refunded                     | \$ 42,680 |           |
| Transfer to Tax Appeal Judgements Payable | 15,910    |           |
|   |           | \$ 58,590 |

EXHIBIT A-21

**STATEMENT OF COUNTY TAXES PAYABLE**

|  |              |           |
|--|--------------|-----------|
| Balance, December 31, 2012                     |              | \$ 6,324  |
| Increased by:                                  |              |           |
| 2013 Levy                                      |              |           |
| General County                                 | \$ 3,953,885 |           |
| County Open Space Preservation                 | 43,598       |           |
| Added and Omitted Taxes (RS 54:4-63.1 et seq.) | 5,494        |           |
|  |              | 4,002,977 |
|  |              | 4,009,301 |
| Decreased by:                                  |              |           |
| Payments                                       |              | 4,003,807 |
| Balance, December 31, 2013                     |              | \$ 5,494  |

**BOROUGH OF PARK RIDGE  
STATEMENT OF LOCAL DISTRICT SCHOOL TAX PAYABLE**

|  |                      |
|--|----------------------|
| Increased by:<br>2013 Calendar Year Levy | \$ 25,056,829        |
| Decreased by:<br>Payments                | <u>\$ 25,056,829</u> |

EXHIBIT A-23

**STATEMENT OF FEES PAYABLE**

|                         | Balance,<br>December 31,<br><u>2012</u> | Fees<br>Collected | Payments         | Balance,<br>December 31,<br><u>2013</u> |
|-------------------------|---|-------------------|------------------|---|
| Due State of New Jersey |   |                   |                  |   |
| Marriage License Fees   | \$ 25                                   | \$ 850            | \$ 630           | \$ 245                                  |
| State Construction Fees | <u>2,359</u>                            | <u>11,037</u>     | <u>9,605</u>     | <u>3,791</u>                            |
|                         | <u>\$ 2,384</u>                         | <u>\$ 11,887</u>  | <u>\$ 10,235</u> | <u>\$ 4,036</u>                         |

EXHIBIT A-24

**STATEMENT OF EMERGENCY NOTES**

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

## STATEMENT OF SPECIAL EMERGENCY NOTES

| <u>Purpose</u>             | <u>Date of Issue</u> | <u>Date of Maturity</u> | <u>Interest Rate</u> | <u>Balance, December 31, 2012</u> | <u>Increases</u>  | <u>Decreases</u>  | <u>Balance, December 31, 2013</u> |
|----------------------------|----------------------|-------------------------|----------------------|-----------------------------------|-------------------|-------------------|-----------------------------------|
| Reassessment of Real Prop. | 9/28/2012            | 8/16/2013               | 1.50%                | \$ 66,000                         |                   | \$ 66,000         |                                   |
| Reassessment of Real Prop. | 8/16/2013            | 8/15/2014               | 1.25                 |                                   | \$ 44,000         |                   | \$ 44,000                         |
| Hurricane Irene            | 9/28/2012            | 8/16/2013               | 1.50                 | 360,000                           |                   | 360,000           |                                   |
| Hurricane Irene            | 8/16/2013            | 8/15/2014               | 1.25                 | -                                 | 227,754           | -                 | 227,754                           |
|                            |                      |                         |                      | <u>\$ 426,000</u>                 | <u>\$ 271,754</u> | <u>\$ 426,000</u> | <u>\$ 271,754</u>                 |

EXHIBIT A-26

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

|  |                   |
|--|-------------------|
| Balance, December 31, 2012                 | \$ 282,300        |
| Increased by:                              |                   |
| Transfer from 2013 Tax Collections         | <u>100,000</u>    |
|  | 382,300           |
| Decreased by:                              |                   |
| Judgements Refunded                        | \$ 112,665        |
| Transfers to Tax Appeal Judgements Payable | <u>69,295</u>     |
|  | <u>181,960</u>    |
| Balance, December 31, 2013                 | <u>\$ 200,340</u> |

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

|                                      | Balance,<br>December 31,<br><u>2012</u> | <u>Decreases</u> | Balance,<br>December 31,<br><u>2013</u> |
|--------------------------------------|---|------------------|---|
| Planning Consultant                  | \$ 6,251                                | \$ 1             | \$ 6,250                                |
| Hurricane Irene - FEMA Reimbursement | 56,246                                  | 56,246           |   |
| Outside Lien Holders                 | <u>2,096</u>                            | <u>2,096</u>     | <u>-</u>                                |
|                                      | <u>\$ 64,593</u>                        | <u>\$ 58,343</u> | <u>\$ 6,250</u>                         |
| 2013 Anticipated Revenue             |   | \$ 56,246        |   |
| Cash Disbursements                   |   | <u>2,097</u>     |   |
|                                      |   | <u>\$ 58,343</u> |   |

EXHIBIT A-28

**STATEMENT OF RESERVE FOR APPROPRIATED GRANTS**

|   | Balance,<br>December 31,<br><u>2012</u> | Transferred<br>from 2012<br>Appropriation<br><u>Reserves</u> | Cash<br><u>Disbursements</u> | Balance,<br>December 31,<br><u>2013</u> |
|---|---|--|------------------------------|---|
| DWI Enforcement                                   | \$ 181                                  |  | \$ 181                       |   |
| Click It or Ticket                                | 3,659                                   |  | 3,659                        |   |
| Recycling Tonnage Grant                           | 28,202                                  |  | 28,202                       |   |
| Alcohol Education and Rehab.-DWI Court            | 1,763                                   | \$ 323   |                              | \$ 2,086                                |
| Domestic Violence Grant                           | 2,178                                   |  |                              | 2,178                                   |
| Bergen County Recycling                           | 5,909                                   | 9,691  | 6,749                        | 8,851                                   |
| Clean Communities                                 | 21,911                                  | 9,655  | 13,066                       | 18,500                                  |
| Body Armor Replacement Fund                       | 2,493                                   | 1,948  |                              | 4,441                                   |
| Drive Sober or Get Pulled Over                    |   | 2,775  |                              | 2,775                                   |
| Police Hazardous Replacement Fund                 | 2,406                                   |  |                              | 2,406                                   |
| Municipal Alliance on Alcoholism & Drug Abuse     | 16,451                                  |  | 2,940                        | 13,511                                  |
| State of New Jersey - Over the Limit Under Arrest | 4,400                                   | 2,806  | 4,400                        | 2,806                                   |
| Bergen County Forfeiture                          |   | 146  |                              | 146                                     |
| Bergen County Handicapped Bathroom                | <u>-</u>                                | <u>750</u>   | <u>-</u>                     | <u>750</u>                              |
|   | <u>\$ 89,553</u>                        | <u>\$ 28,094</u>   | <u>\$ 59,197</u>             | <u>\$ 58,450</u>                        |

**BOROUGH OF PARK RIDGE**  
**STATEMENT OF RESERVE FOR GRANTS - UNAPPROPRIATED**

|  | Balance,<br>December 31,<br><u>2012</u> | <u>Received</u>  | Realized<br>in 2013<br><u>Budget</u> | Balance,<br>December 31,<br><u>2013</u> |
|--|---|------------------|--------------------------------------|---|
| Alcohol Ed & Rehabilitation                          | \$ 540                                  | \$ 897           | \$ 540                               | \$ 897                                  |
| Body Armor Grant                                     | 1,989                                   | 2,441            | 1,989                                | 2,441                                   |
| Clean Communities                                    | 14,110                                  | 16,566           | 14,110                               | 16,566                                  |
| Recycling Tonnage Grant                              | 11,252                                  | 13,293           | 11,252                               | 13,293                                  |
| Municipal Alliance                                   | 5,681                                   |                  | 5,681                                |   |
| Over the Limit Under Arrest                          | 2,175                                   | 3,050            | 2,175                                | 3,050                                   |
| Bergen County - Accreditation                        | 25,000                                  |                  | 25,000                               |   |
| Bergen County Green Team Cleanup                     | 600                                     |                  | 600                                  |   |
| CDBG - Senior Programs                               | 3,000                                   | 3,638            |                                      | 6,638                                   |
| CDBG - Bathroom Renovations<br>Memorial/Davies Field |   | 34,300           |                                      | 34,300                                  |
| Bergen County Police Consolidation                   | -                                       | 23,305           | -                                    | 23,305                                  |
|  | <u>\$ 64,347</u>                        | <u>\$ 97,490</u> | <u>\$ 61,347</u>                     | <u>\$ 100,490</u>                       |
|  |   | \$ 59,552        |                                      |   |
| Cash Receipts  |   | <u>37,938</u>    |                                      |   |
| Due from Other Trust Fund (CDBG)                     |   | <u>\$ 97,490</u> |                                      |   |

**TRUST FUNDS**

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

|   | <u>Animal Control</u> | <u>Other Trust</u> | <u>Unemployment Insurance</u> | <u>Open Space</u> | <u>Affordable Housing</u> |
|---|-----------------------|--------------------|-------------------------------|-------------------|---------------------------|
| Balance, December 31, 2012                  | \$ 11,896             | \$ 974,183         | \$ 111,412                    | \$ 522,032        | \$ 637,946                |
| Increased by Receipts:                      |                       |                    |                               |                   |                           |
| Developers Escrow                           |                       |                    |                               |                   |                           |
| Receipts from Current Fund                  | \$ 166,179            |                    |                               |                   |                           |
| Receipts for Current Fund                   | 6,000                 |                    |                               |                   |                           |
| Employee Contributions                      |                       |                    | \$ 7,714                      |                   |                           |
| Payroll Deductions Payable                  |                       | 8,182,819          |                               |                   |                           |
| Due to State of NJ - Registration Fees      | \$ 796                |                    |                               |                   |                           |
| Dog License Fees                            | 5,076                 |                    |                               |                   |                           |
| Miscellaneous Reserves                      |                       | 492,447            |                               |                   |                           |
| Prior Year Outstanding Check Voided         |                       |                    | \$ 2,749                      |                   |                           |
| Reserve for Affordable Housing              | <u>5,872</u>          | <u>8,939,633</u>   | <u>7,714</u>                  | <u>2,749</u>      | <u>14,180</u>             |
|   | 17,768                | 9,913,816          | 119,126                       | 524,781           | 652,126                   |
| Decreased by Disbursements:                 |                       |                    |                               |                   |                           |
| Developers Escrow                           |                       |                    |                               |                   |                           |
| Payroll Deductions Payable                  |                       | 133,303            |                               |                   |                           |
| Payments to General Capital Fund            |                       | 8,160,357          |                               | 160,970           |                           |
| Dog License Fees Paid to State of NJ        | 787                   |                    |                               |                   |                           |
| Reserve for Animal Expenditures             | 4,752                 |                    |                               |                   |                           |
| Due to State - Unemployment Claims          |                       |                    | 14,670                        |                   |                           |
| Miscellaneous Reserves                      |                       | 470,495            |                               |                   |                           |
| Reserve for Open Space Expenditures         |                       |                    |                               | 2,175             |                           |
| Reserve for Affordable Housing Expenditures |                       |                    |                               |                   | 182,320                   |
|   | <u>5,539</u>          | <u>8,764,155</u>   | <u>14,670</u>                 | <u>163,145</u>    | <u>182,320</u>            |
| Balance, December 31, 2013                  | \$ 12,229             | \$ 1,149,661       | \$ 104,456                    | \$ 361,636        | \$ 469,806                |

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

|                            |    |     |
|----------------------------|----|-----|
| Balance, December 31, 2012 | \$ | 131 |
| Increased by:              |    |     |
| State Fees Collected       |    | 796 |
|                            |    | 927 |
| Decreased by:              |    |     |
| Payments to State          |    | 787 |
| Balance, December 31, 2013 | \$ | 140 |

EXHIBIT B-5

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

|   |    |       |
|---|----|-------|
| Balance, December 31, 2012                          | \$ | 1,739 |
| Increased by:                                       |    |       |
| Statutory Excess in Reserve for Animal Control Fund |    | 872   |
| Balance, December 31, 2013                          | \$ | 2,611 |

EXHIBIT B-6

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

|   |    |        |
|---|----|--------|
| Balance, December 31, 2012                            | \$ | 10,026 |
| Increased by:   |    |        |
| Dog License Fees                                      |    | 5,076  |
|   |    | 15,102 |
| Decreased by:   |    |        |
| Disbursements for Expenditures Under R.S. 4:19-15.11: | \$ | 4,752  |
| Statutory Excess - Due to Current Fund                |    | 872    |
|   |    | 5,624  |
| Balance, December 31, 2013                            | \$ | 9,478  |

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

|                            |    |        |
|----------------------------|----|--------|
| Balance, December 31, 2012 | \$ | 5,692  |
| Increased by:              |    |        |
| Unemployment Claims        |    | 9,264  |
|                            |    | 14,956 |
| Decreased by:              |    |        |
| Payments to State          |    | 14,670 |
| Balance, December 31, 2013 | \$ | 286    |

EXHIBIT B-8

**STATEMENT OF DUE FROM CURRENT FUND  
UNEMPLOYMENT INSURANCE TRUST FUND**

|                            |    |        |
|----------------------------|----|--------|
| Increased by:              |    |        |
| 2013 Budget Appropriation  | \$ | 12,000 |
| Balance, December 31, 2013 | \$ | 12,000 |

EXHIBIT B-9

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

|   |    |         |
|---|----|---------|
| Balance, December 31, 2012                        | \$ | 105,720 |
| Increased by:                                     |    |         |
| 2013 Budget Appropriation - Due from Current Fund | \$ | 12,000  |
| Employee Contributions                            |    | 7,714   |
|   |    | 19,714  |
|   |    | 125,434 |
| Decrease by:                                      |    |         |
| Unemployment Claims Due to State                  |    | 9,264   |
| Balance, December 31, 2013                        | \$ | 116,170 |

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

|   |    |        |         |
|---|----|--------|---------|
| Balance, December 31, 2012  |    | \$     | 384,362 |
| Increased by:   |    |        |         |
| Outstanding Checks Voided   |    |        | 2,749   |
|   |    |        | 387,111 |
| Decreased by:   |    |        |         |
| Due to General Capital Fund - Down Payments on Improvement Authorizations | \$ | 23,300 |         |
| Disbursements for Open Space Expenditures                                 |    | 2,175  |         |
|   |    |        | 25,475  |
| Balance, December 31, 2013  |    | \$     | 361,636 |

EXHIBIT B-11

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

|   |  |    |         |
|---|--|----|---------|
| Balance, December 31, 2012                        |  | \$ | 637,946 |
| Increased by:                                     |  |    |         |
| Developers Fees Received                          |  |    | 14,180  |
|   |  |    | 652,126 |
| Decreased by:                                     |  |    |         |
| Disbursements for Affordable Housing Expenditures |  |    | 182,320 |
| Balance, December 31, 2013                        |  | \$ | 469,806 |

EXHIBIT B-12

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

|  |    |         |         |
|--|----|---------|---------|
| Balance, December 31, 2012                           |    | \$      | 581,022 |
| Increased by:  |    |         |         |
| Developer Deposits Received                          | \$ | 166,179 |         |
| Adjustments from Miscellaneous Reserves and Deposits |    | 24,802  |         |
|  |    |         | 190,981 |
|  |    |         | 772,003 |
| Decreased by:  |    |         |         |
| Due to General Capital Fund - Property Sale Proceeds |    | 80,583  |         |
| Cash Disbursements                                   |    | 133,303 |         |
|  |    |         | 213,886 |
| Balance, December 31, 2013                           |    | \$      | 558,117 |

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

|                            |                   |
|----------------------------|-------------------|
| Balance, December 31, 2012 | \$ 183,627        |
| Increased by:              |                   |
| Payroll Deposits           | <u>8,182,819</u>  |
|                            | 8,366,446         |
| Decreased by:              |                   |
| Payroll Disbursements      | <u>8,160,357</u>  |
| Balance, December 31, 2013 | <u>\$ 206,089</u> |

EXHIBIT B-14

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

|  |                  |
|--|------------------|
| Balance, December 31, 2012   | \$ 8,102         |
| Increased by:  |                  |
| Cash Received from Current Fund  | \$ 6,000         |
| Payments Made by Current Fund - Miscellaneous Reserves and Deposits      | 739              |
| Grant Proceeds Due Current Fund (CDBG)                                   | 92,188           |
| Adjustments from Miscellaneous Reserves and Deposits                     | <u>261</u>       |
|  | <u>99,188</u>    |
|  | 107,290          |
| Decreased by:  |                  |
| 2012 Appropriation Reserves Transferred to Miscellaneous Trust Reserves: |                  |
| Snow Removal Costs   | 30,000           |
| Accumulated Absences   | <u>40,000</u>    |
|  | <u>70,000</u>    |
| Balance, December 31, 2013   | <u>\$ 37,290</u> |

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

|                                    | Balance,<br>December 31,<br><u>2012</u> | <u>Increases</u>  | <u>Decreases</u>  | <u>Adjustments</u> | Balance,<br>December 31,<br><u>2013</u> |
|------------------------------------|---|-------------------|-------------------|--------------------|---|
| Fire Prevention Penalty Fees       | \$ 7,666                                | \$ 2,445          | \$ 5,969          | \$ 3,655           | \$ 7,797                                |
| DARE Donations                     | 9,129                                   | 6,016             | 9,245             | 5,814              | 11,714                                  |
| Recreation Fees                    | 23,850                                  | 82,491            | 75,236            | 5,241              | 36,346                                  |
| POAA Fees                          | 713                                     | 166               | 426               |                    | 453                                     |
| Tax Sale Premiums                  | 50,880                                  | 20,000            | 15,000            | (8,680)            | 47,200                                  |
| Legal Advertising Escrow Deposits  | 7,643                                   | 1,350             | 129               | (1,243)            | 7,621                                   |
| Fuel Depot Fees (Community Resale) | 32,826                                  | 309,423           | 302,576           | 11,288             | 50,961                                  |
| Open Bail Account                  | 231                                     |                   | -                 |                    | 231                                     |
| UCC Penalties                      | 4,000                                   | 2,000             |                   |                    | 6,000                                   |
| Outside Police Duty Fees           | 3,830                                   | 40,860            | 39,262            | (67,249)           | (61,821)                                |
| Snow Removal Costs                 | 10,000                                  | 30,000            |                   |                    | 40,000                                  |
| Accumulated Absences               |   | 40,000            |                   |                    | 40,000                                  |
| Flexible Spending Deposits         | 1,925                                   | 8,764             | 9,161             |                    | 1,528                                   |
| Miscellaneous Fees and Deposits    | <u>20,875</u>                           | <u>18,932</u>     | <u>14,230</u>     | <u>26,111</u>      | <u>51,688</u>                           |
|                                    | <u>\$ 173,568</u>                       | <u>\$ 562,447</u> | <u>\$ 471,234</u> | <u>\$ (25,063)</u> | <u>\$ 239,718</u>                       |
| <br>                               |   |                   |                   |                    |   |
| Cash Receipts                      |   | \$ 492,447        |                   |                    |   |
| Cash Disbursements                 |   |                   | \$ 470,495        |                    |   |
| Due from/to Current Fund           |   | 70,000            | 739               | \$ (261)           |   |
| Developer Escrow Deposits          |   | <u>-</u>          | <u>-</u>          | <u>(24,802)</u>    |   |
|                                    |   | <u>\$ 562,447</u> | <u>\$ 471,234</u> | <u>\$ (25,063)</u> |   |

Analysis of Miscellaneous Fees and Deposits - December 31, 2013

|  |                  |
|--|------------------|
| Recreation Fees - First Friends            | \$ 10,921        |
| Recreation Fees - Mayor's Golf Outing      | 9,449            |
| Municipal Alliance - Teen Center Donations | 3,503            |
| Park Ridge TV Donations                    | 109              |
| Other Deposits                             | <u>27,706</u>    |
|  | <u>\$ 51,688</u> |

**GENERAL CAPITAL**

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

|                                      |                  |                     |
|--------------------------------------|------------------|---------------------|
| Balance, December 31, 2012           |                  | \$ 255,009          |
| Increased by Receipts:               |                  |                     |
| 2013 Budget Appropriations:          |                  |                     |
| Deferred Charges - Unfunded          | \$ 97,310        |                     |
| Capital Improvement Fund             | 109,000          |                     |
| Interest on Investments and Deposits | 716              |                     |
| Receipts from Open Space Trust Fund  | 160,970          |                     |
| Sale of Municipal Property           | 733,000          |                     |
| Premium on Sale of Bonds             | 27,068           |                     |
| Bond Anticipation Notes              | 1,975,000        |                     |
| Serial Bond Proceeds                 | <u>2,207,000</u> |                     |
|                                      |                  | <u>5,310,064</u>    |
|                                      |                  | 5,565,073           |
| Decreased by Disbursements:          |                  |                     |
| Improvement Authorizations           | 1,175,348        |                     |
| Contracts Payable                    | 225,667          |                     |
| Bond Anticipation Notes              | 2,207,350        |                     |
| Payments Made for Current Fund       | <u>86,881</u>    |                     |
|                                      |                  | <u>3,695,246</u>    |
| Balance, December 31, 2013           |                  | <u>\$ 1,869,827</u> |

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

|                             | Balance,<br>December 31,<br><u>2013</u>  |
|-----------------------------|--|
| Fund Balance                | \$ 412,600   |
| Capital Improvement Fund    | 27,313   |
| Reserve for Payment of Debt | 139,489  |
| Contracts Payable           | 633,084  |
| Grants Receivable           | (67,834)   |
| Loan Receivable             | (23,120)   |
| Due from Current Fund       | (11,165)   |
| Due from Other Trust Fund   | (80,583)   |
| Improvement Authorizations: |  |
| <u>Ord. No.</u>             | <u>Description</u>   |
| 07-07A                      | Improvements to Mill Pond Dam & Engineering Dredging   |
| 07-7B                       | Engineering & Design for Dredging Mill Pond  |
| 07-9D                       | Improvement of Firehouse Building & Lighting   |
| 08-08A                      | Acquisition of NWR Equipment   |
| 08-08G                      | Beautification of Downtown   |
| 09-03                       | Improvement of Various Roads, Curbs & Sidewalks  |
| 09-06                       | Improvement of Various Roads, Curbs & Sidewalks  |
| 09-11                       | Pedestrian Improvement to Train Station  |
| 10-08                       | 2010 Roads, Curb, Drainage & Sidewalk Improvements   |
| 10-26                       | Impvts. To 85 Fairview Ave - Install. Of Trail Sys.  |
| 10-32                       | Various Capital Improvements   |
| 11-07                       | 2011 Various Road Improvements   |
| 11-12                       | Various Equipment and Improvements   |
| 11-20                       | Acquisition of New Additional or Replacement Equipment<br>and Machinery and a New Automotive Vehicle |
| 12-07                       | Various Public Improvements and Acquisition of New or Replacement Equip.                             |
| 12-08                       | Various Improvements & Acquisitions of Equipment   |
| 12-13/13-02                 | Improvement to Mill Pond Park and Davies (Memorial Field) Trailway                                   |
| 13-01                       | 2013/2014 Roads, Curb, Drainage & Sidewalk Improvements  |
| 13-03                       | Various Improvements & Acquisitions of Equipment   |
|                             | 344,008  |
|                             | \$ 1,869,827   |

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

| Ord.<br>No. | Agency   | Balance,<br>December 31,<br><u>2012</u> | <u>Cancelled</u> | Balance,<br>December 31,<br><u>2013</u> | Balance,<br>Pledged to<br>Improvement<br><u>Authorization</u> |
|-------------|--|---|------------------|---|---|
| 09-11       | DOT Pedestrian Train<br>State of New Jersey                    | \$ 53,459                               | \$ 53,459        |   |   |
| 10-09       | DOT 5th Street Sec II<br>State of New Jersey                   | 17,217                                  | 17,217           |   |   |
| 10-25       | DOT 5th Street Sec I<br>State of New Jersey                    | 8,098                                   | 8,098            |   |   |
| 10-26       | County of Bergen Open Space -<br>Improvements to Fairview      | 11,979                                  |                  | \$ 11,979                               | \$ 11,979   |
| 11-24       | State of New Jersey -<br>Green Acres - Albanis Property        | 4,793                                   | 4,793            |   |   |
| 12-13       | County of Bergen Open Space -<br>Mill Pond Park & Davies Field | <u>55,855</u>                           | <u>-</u>         | <u>55,855</u>                           | <u>55,855</u>   |
|             |  | <u>\$ 151,401</u>                       | <u>\$ 83,567</u> | <u>\$ 67,834</u>                        | <u>\$ 67,834</u>  |
|             | Improvement Authorizations                                     |   | \$ 47,365        |   |   |
|             | Charged to Fund Balance  |   | <u>36,202</u>    |   |   |
|             |  |   | <u>\$ 83,567</u> |   |   |

**STATEMENT OF NEW JERSEY GREEN ACRES LOAN RECEIVABLE**

|                            |                  |
|----------------------------|------------------|
| Balance, December 31, 2012 | <u>\$ 23,120</u> |
| Balance, December 31, 2013 | <u>\$ 23,120</u> |

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

|   |    |               |               |
|---|----|---------------|---------------|
| Increased by:   |    |               |               |
| Payments Made for Current Fund                                  |    | \$            | 86,881        |
| Decreased by:   |    |               |               |
| Interest on Investments   | \$ | 716           |               |
| Reserve for Payment of Debt Anticipated as Current Fund Revenue |    | <u>75,000</u> |               |
|   |    |               | <u>75,716</u> |
| Balance, December 31, 2013                                      |    | \$            | <u>11,165</u> |

**STATEMENT OF DUE FROM OTHER TRUST FUND**

|                                 |    |              |               |
|---------------------------------|----|--------------|---------------|
| Increased by:                   |    |              |               |
| Proceeds from Sale of Property: |    |              |               |
| Deferred Charges - Unfunded     | \$ | 72,129       |               |
| Reserve for Payment of Debt     |    | <u>8,454</u> |               |
| Balance, December 31, 2013      |    | \$           | <u>80,583</u> |

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

|                                    |    |                  |                   |
|------------------------------------|----|------------------|-------------------|
| Balance, December 31, 2012         |    | \$               | 11,926,424        |
| Increased by:                      |    |                  |                   |
| 2013 Serial Bonds Issued           | \$ | 2,207,000        |                   |
| 2013 Refunding Serial Bonds Issued |    | <u>3,035,000</u> |                   |
|                                    |    |                  | <u>5,242,000</u>  |
|                                    |    |                  | 17,168,424        |
| Decreased by:                      |    |                  |                   |
| Bonds Refunded                     |    | 3,240,000        |                   |
| 2013 Budget Appropriations         |    |                  |                   |
| General Serial Bonds               | \$ | 800,000          |                   |
| Green Trust Loan                   |    | <u>25,864</u>    |                   |
|                                    |    |                  | <u>825,864</u>    |
|                                    |    |                  | <u>4,065,864</u>  |
| Balance, December 31, 2013         |    | \$               | <u>13,102,560</u> |



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

|  |            |                          |
|--|------------|--------------------------|
| Balance, December 31, 2012                                 |            | \$ 226,410               |
| Increased by:  |            |                          |
| 2013 Improvement Authorization Charges                     |            | <u>633,084</u>           |
|  |            | 859,494                  |
| Decreased by:  |            |                          |
| Cash Disbursements   | \$ 225,667 |                          |
| Cancelled Contracts Restored to Improvement Authorizations | <u>743</u> |                          |
|  |            | <u>226,410</u>           |
| Balance, December 31, 2013                                 |            | <u><u>\$ 633,084</u></u> |

**STATEMENT OF CAPITAL IMPROVEMENT FUND**

|   |  |                         |
|---|--|-------------------------|
| Balance, December 31, 2012                          |  | \$ 18,023               |
| Increased by:                                       |  |                         |
| 2013 Budget Appropriation                           |  | <u>109,000</u>          |
|   |  | 127,023                 |
| Decreased by:                                       |  |                         |
| Appropriation to Finance Improvement Authorizations |  | <u>99,710</u>           |
| Balance, December 31, 2013                          |  | <u><u>\$ 27,313</u></u> |

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

|  |            |                       |
|--|------------|-----------------------|
| Balance, December 31, 2012                                 |            | \$ 137,670            |
| Increased by:  |            |                       |
| Improvement Authorizations Funded by Open Space Trust Fund |            | <u>23,300</u>         |
|  |            | 160,970               |
| Decreased by:  |            |                       |
| Cash Received from Open Space Trust Fund                   | \$ 160,970 | <u><u>160,970</u></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, 2012 | Increased           | Decreased           | Balance, December 31, 2013 |
|----------|---|--------------------------------|------------------------|------------------------|----------------|----------------------------|---------------------|---------------------|----------------------------|
| 09-16    | Various Improvements & Acquisitions   | 2/5/10                         | 8/16/2012              | 8/16/2013              | 1.25 %         | \$ 414,700                 |                     | 414,700             |                            |
| 10-08    | 2010 Road, Curb, Drainage and Sidewalks   | 12/30/10                       | 8/16/2012              | 8/16/2013              | 1.25 %         | 332,175                    |                     | 332,175             |                            |
| 11-07    | 2011 Various Road Improvements  | 9/30/11                        | 8/16/2012              | 8/16/2013              | 1.25 %         | 332,175                    |                     | 332,175             |                            |
| 11-20    | Acquisition of New Additional or Replacement Equipment and Machinery and a New Automotive Vehicle | 9/30/11                        | 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<br>12/21/11           | 9/28/2012<br>8/16/2013 | 8/16/2013<br>8/15/2014 | 1.50 %<br>1.25 | 290,000                    | \$ 220,000          | 290,000             | \$ 220,000                 |
| 12-07    | Various Public Improvements & Acquisition of New or Replacement Equipment and Machinery           | 8/16/12                        | 8/16/2012              | 8/16/2013              | 1.25 %         | 526,000                    |                     | 526,000             |                            |
| 13-01    | 2013/2014 Road, Curb, Drainage and Sidewalk Improvement Program                                   | 10/8/13                        | 10/8/2013              | 10/8/2014              | 1.00 %         |                            | 733,000             |                     | 733,000                    |
| 13-03    | Various Public Improvements & Acquisition of New or Replacement Equipment and Machinery           | 10/8/13                        | 10/8/2013              | 10/8/2014              | 1.00 %         | -                          | 1,242,000           | -                   | 1,242,000                  |
|          |   |                                |                        |                        |                | <u>\$ 2,497,350</u>        | <u>\$ 2,195,000</u> | <u>\$ 2,497,350</u> | <u>\$ 2,195,000</u>        |
|          |   |                                |                        |                        |                |                            | \$ 1,975,000        | \$ 70,000           |                            |
|          |   |                                |                        |                        |                |                            |                     | 2,207,000           |                            |
|          |   |                                |                        |                        |                |                            |                     | 350                 |                            |
|          |   |                                |                        |                        |                |                            |                     | 220,000             |                            |
|          |   |                                |                        |                        |                |                            |                     | 220,000             |                            |
|          |   |                                |                        |                        |                |                            |                     | <u>\$ 2,195,000</u> | <u>\$ 2,497,350</u>        |

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





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

|  |                   |
|--|-------------------|
| Balance, December 31, 2012                                 | \$ 206,035        |
| Increased by:  |                   |
| Proceeds from Sale of Property - Due from Other Trust Fund | <u>8,454</u>      |
|  | 214,489           |
| Decreased by:  |                   |
| Due to Current Fund as Anticipated Revenue                 | <u>75,000</u>     |
| Balance, December 31, 2013                                 | <u>\$ 139,489</u> |

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

| Ord. No. | Description   | Balance December 31, 2012 | 2013 Authorizations | Notes Paid by Capital Cash | Bonds Issued | Bond Anticipation Notes Issued | Funded by Budget Appropriation | Authorizations Cancelled | Proceeds from Sale of Municipal Property | Balance December 31, 2013 |
|----------|---|---------------------------|---------------------|----------------------------|--------------|--------------------------------|--------------------------------|--------------------------|--|---------------------------|
| 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                    |                     | \$ 350                     |              |                                |                                | \$ 18,150                |  |                           |
| 10-08    | 2010 Road, Curb, Drainage and Sidewalks   | 47,825                    |                     |                            |              |                                | 47,825                         |                          |  |                           |
| 11-07    | 2011 Various Road Improvements  | 47,825                    |                     |                            |              |                                | 47,825                         |                          |  |                           |
| 12-16    | Refunding Outstanding Bonds   | 3,400,000                 |                     |                            | \$3,035,000  |                                |                                | 365,000                  |  |                           |
| 13-01    | 2013/2014 Road, Curb, Drainage and Sidewalk Improvement Program                           |                           | \$ 733,000          |                            |              | \$ 733,000                     |                                |                          |  |                           |
| 13-03    | Various Public Improvements and Acquisition of New or Replacement Equipment and Machinery |                           | 1,242,000           |                            |              | 1,242,000                      |                                |                          |  |                           |
|          |   | \$ 4,320,239              | \$ 1,975,000        | \$ 350                     | \$ 3,035,000 | \$ 1,975,000                   | \$ 97,310                      | \$ 383,150               | \$ 805,129                               | \$ -                      |

**WATER UTILITY FUND**

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

|   | <u>Operating</u>    | <u>Capital</u> |
|---|---------------------|----------------|
| Balance, December 31, 2012                    | \$ 3,659,849        | \$ -           |
| Increased by Receipts:                        |                     |                |
| Water Usage Charges Receivable                | \$ 2,800,864        |                |
| Other Charges Receivable                      | 96,830              |                |
| Miscellaneous Fees                            | 173,663             |                |
| Overpayments                                  | 14,178              |                |
| Received from Current Fund                    | 34,568              |                |
| Received from Electric Utility Operating Fund | 16,858              |                |
| Received for Water Utility Capital Fund       | 587,820             |                |
| Woodcliff Lake Surcharge Receivable           | <u>102,236</u>      |                |
|   | 3,827,017           | -              |
|   | 7,486,866           | -              |
| Decreased by Disbursements:                   |                     |                |
| 2013 Appropriations                           | 3,178,470           |                |
| 2012 Appropriation Reserves                   | 3,485               |                |
| Encumbrances Payable                          | 155,560             |                |
| Emergency Note                                | 25,000              |                |
| Interest on Bonds                             | 11,918              |                |
| Payments made for Utility Trust Fund          | 16,206              |                |
| Payments made for Water Utility Capital Fund  | <u>332,584</u>      | -              |
|   | 3,723,223           | -              |
| Balance, December 31, 2013                    | <u>\$ 3,763,643</u> | <u>\$ -</u>    |

EXHIBIT D-6

**ANALYSIS OF CASH  
WATER UTILITY CAPITAL FUND**

|   | Balance,<br>December 31,<br><u>2013</u> |
|---|---|
| Fund Balance                                      | \$ 59,280                               |
| Capital Improvement Fund                          | 556,669                                 |
| Contracts Payable                                 | 113,487                                 |
| Due from Water Utility Operating Fund             | (825,875)                               |
| Improvement<br>Authorizations: <u>Description</u> |   |
| <u>Ord.</u>                                       |   |
| <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>360,053</u>                          |
|   | <u>\$ -</u>                             |

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

|                            |  |              |
|----------------------------|--|--------------|
| Balance, December 31, 2012 |  | \$ <u>25</u> |
| Balance, December 31, 2013 |  | \$ <u>25</u> |

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

|                                |              |                   |
|--------------------------------|--------------|-------------------|
| Balance, December 31, 2012     |              | \$ 103,249        |
| Increased by:                  |              |                   |
| Water Usage Charges Levied     |              | <u>2,858,537</u>  |
|                                |              | 2,961,786         |
| Decreased by:                  |              |                   |
| Water Usage Charges Collected: |              |                   |
| Cash Receipts                  | \$ 2,800,864 |                   |
| Overpayments Applied           | <u>8,054</u> |                   |
|                                |              | <u>2,808,918</u>  |
| Balance, December 31, 2013     |              | \$ <u>152,868</u> |

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

|                                |               |                  |
|--------------------------------|---------------|------------------|
| Balance, December 31, 2012     |               | \$ 40,667        |
| Increased by:                  |               |                  |
| Other Water Charges Levied     |               |                  |
| Fire Sprinklers                | \$ 68,748     |                  |
| Hydrants                       | <u>35,515</u> |                  |
|                                |               | <u>104,263</u>   |
|                                |               | 144,930          |
| Decreased by:                  |               |                  |
| Other Water Charges Collected: |               |                  |
| Fire Sprinklers                | 62,663        |                  |
| Hydrants                       | <u>34,167</u> |                  |
|                                |               | <u>96,830</u>    |
| Balance, December 31, 2013     |               | \$ <u>48,100</u> |

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

|                            |                  |
|----------------------------|------------------|
| Balance, December 31, 2012 | \$ 22,950        |
| Increased by:              |                  |
| Surcharges Levied          | <u>102,762</u>   |
|                            | 125,712          |
| Decreased by:              |                  |
| Surcharges Collected       | <u>102,236</u>   |
| Balance, December 31, 2013 | <u>\$ 23,476</u> |

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

|  | Balance,<br>December 31,<br><u>2012</u> | Additions by                                    |                  | Balance,<br>December 31,<br><u>2013</u> |
|--|---|---|------------------|---|
|  |   | Operating<br>Budget<br>Capital<br><u>Outlay</u> | <u>Ordinance</u> |   |
| Source of Supply Plant:                |   |   |                  |   |
| Structures and Improvements            | \$ 276,667                              | \$ 35,610                                       |                  | \$ 312,277                              |
| Wells and Springs                      | 4,172,420                               | 223   |                  | 4,172,643                               |
| Pumping Plant:                         |   |   |                  |   |
| Land and Land Rights                   | 12,887                                  |   |                  | 12,887                                  |
| Structures and Improvements            | 564,373                                 |   |                  | 564,373                                 |
| Electric Pumping Equipment             | 716,196                                 | 5,049   |                  | 721,245                                 |
| Water Treatment Plant - Water          |   |   |                  |   |
| Treatment Equipment                    | 990,265                                 | 14,247  |                  | 1,004,512                               |
| Computer Hardware/Software-Equipment   | 92,771                                  |   |                  | 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    | 1,392,208                               |   |                  | 1,392,208                               |
| Services                               | 227,287                                 |   |                  | 227,287                                 |
| Meters                                 | 752,460                                 | 24,541  |                  | 777,001                                 |
| Hydrants                               | 304,828                                 | 36,484  |                  | 341,312                                 |
| Well Communication System-Equipment    | 4,047                                   |   |                  | 4,047                                   |
| General Plant:                         |   |   |                  |   |
| Structures and Improvements            | 168,312                                 |   |                  | 168,312                                 |
| Improvements to Utility Garage         | 102,218                                 |   |                  | 102,218                                 |
| Office Furniture and Equipment         | 191,479                                 | 15,179  |                  | 206,658                                 |
| Transportation Equipment               | 356,788                                 |   |                  | 356,788                                 |
| Other General Equipment                | 311,589                                 | 83  |                  | 311,672                                 |
| Tools-Equipment                        | 111,978                                 | 8,022   |                  | 120,000                                 |
| 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                                   |   | \$ 39,871        | 43,318                                  |
| New Hybrid Vehicle                     | 24,723                                  |   |                  | 24,723                                  |
| Backhoe Loader                         | 86,031                                  |   |                  | 86,031                                  |
| Valve Box Vacuum                       | 20,441                                  | -   | -                | 20,441                                  |
|  | <u>\$ 12,059,438</u>                    | <u>\$ 139,438</u>                               | <u>\$ 39,871</u> | <u>\$ 12,238,747</u>                    |

2013 Budget Appropriations \$ 139,438

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

| <u>Ord. No.</u> | <u>Improvement Description</u>     | Balance,<br>December 31,<br><u>2012</u> | Costs to<br>Fixed<br><u>Capital</u> | Balance,<br>December 31,<br><u>2013</u> |
|-----------------|------------------------------------|---|-------------------------------------|---|
| 96-8/98-11.1    | Construction of Well #20           | \$ 30,149                               |                                     | \$ 30,149                               |
| 2004-07         | Replacement of Water Mains         | 44,460                                  |                                     | 44,460                                  |
| 2010-16         | Various Public Improvements & Acq. | 10,218                                  |                                     | 10,218                                  |
| 2011-22         | Acquisition of Valve Box           | 1,559                                   |                                     | 1,559                                   |
| 2012-9          | Various Public Improvements & Acq. | <u>1,085,000</u>                        | <u>\$ 39,871</u>                    | <u>1,045,129</u>                        |
|                 |                                    | <u>\$ 1,171,386</u>                     | <u>\$ 39,871</u>                    | <u>\$ 1,131,515</u>                     |

EXHIBIT D-13

**STATEMENT OF DEFERRED CHARGES - EMERGENCY AUTHORIZATION  
WATER UTILITY OPERATING FUND**

| <u>Date<br/>Authorized</u> | <u>Purpose</u>  | Net Amount<br><u>Authorized</u> | Balance<br>December 31,<br><u>2012</u> | Amount<br>Raised in<br><u>2013 Budget</u> | Balance<br>December 31,<br><u>2013</u> |
|----------------------------|-----------------|---------------------------------|--|---|--|
| 12/11/12                   | Hurricane Sandy | \$ 25,000                       | <u>\$ 25,000</u>                       | <u>\$ 25,000</u>                          | <u>\$ -</u>                            |
|                            |                 |                                 | <u>\$ 25,000</u>                       | <u>\$ 25,000</u>                          | <u>\$ -</u>                            |

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

|                                 |                  |
|---------------------------------|------------------|
| Balance, December 31, 2012      | \$ 34,568        |
| Decreased by:                   |                  |
| Cash Received from Current Fund | <u>\$ 34,568</u> |

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

|  |               |
|--|---------------|
| Balance, December 31, 2012 (Due from)              | \$ 15,932     |
| Decreased by:                                      |               |
| Cash Received from Electric Utility Operating Fund | <u>16,858</u> |
| Balance, December 31, 2013 (Due to)                | <u>\$ 926</u> |

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

|  |                   |
|--|-------------------|
| Balance, December 31, 2012                           | \$ 545,639        |
| Increased by:  |                   |
| 2013 Budget Appropriation - Capital Improvement Fund | \$ 25,000         |
| Cash Received by Water Utility Operating Fund        |                   |
| Serial Bond Proceeds                                 | \$ 582,000        |
| Premium on Serial Bonds                              | <u>5,820</u>      |
|  | <u>587,820</u>    |
|  | <u>612,820</u>    |
| Decreased by:  |                   |
| Payments Made by Water Utility Operating Fund        | 1,158,459         |
| Contracts Payable                                    | <u>332,584</u>    |
| Balance, December 31, 2013                           | <u>\$ 825,875</u> |

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

|                            |                  |
|----------------------------|------------------|
| Balance, December 31, 2012 | <u>\$ 11,758</u> |
| Balance, December 31, 2013 | <u>\$ 11,758</u> |

**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>                     | Balance<br>December 31,<br><u>2012</u> | <u>Decreased by:</u> | Balance<br>December 31,<br><u>2013</u> |
|--------------------------------|----------------------|-------------------------|--------------------------------------|--|----------------------|--|
| Emergency - Hurricane Sandy    | 12/28/2012           | 8/16/2013               | 1.75%                                | \$ <u>25,000</u>                       | \$ <u>25,000</u>     | \$ <u>-</u>                            |
|                                |                      |                         | Paid by Water Utility Operating Cash |  | \$ <u>25,000</u>     |  |

**BOROUGH OF PARK RIDGE  
STATEMENT OF 2012 APPROPRIATION RESERVES  
WATER UTILITY OPERATING FUND**

|  | Balance,<br>December 31,<br><u>2012</u> | Cancelled<br>Encumbrances | Balance<br>After<br>Modification | Paid or<br>Charged | Balance<br>Lapsed |
|--|---|---------------------------|----------------------------------|--------------------|-------------------|
| <b>OPERATING</b>   |   |                           |                                  |                    |                   |
| Salaries and Wages                                       | \$ 58,763                               |                           | \$ 58,763                        |                    | \$ 58,763         |
| Other Expenses   | 113,645                                 |                           | 113,645                          | \$ 3,402           | 110,243           |
| Group Insurance  | 19,141                                  |                           | 19,141                           |                    | 19,141            |
| <b>Hurricane Sandy - Response and Recovery</b>           |   |                           |                                  |                    |                   |
| Salaries   | 4,358                                   |                           | 4,358                            |                    | 4,358             |
| Other Expenses   | <u>7,882</u>                            | <u>-</u>                  | <u>7,882</u>                     | <u>83</u>          | <u>7,799</u>      |
| <b>Total Operating</b>                                   | <u>203,789</u>                          | <u>-</u>                  | <u>203,789</u>                   | <u>3,485</u>       | <u>200,304</u>    |
| <b>CAPITAL IMPROVEMENTS</b>                              |   |                           |                                  |                    |                   |
| Capital Outlay   | <u>55,168</u>                           | <u>\$ 2,405</u>           | <u>57,573</u>                    | <u>-</u>           | <u>57,573</u>     |
| <b>Total Capital Improvements</b>                        | <u>55,168</u>                           | <u>2,405</u>              | <u>57,573</u>                    | <u>-</u>           | <u>57,573</u>     |
| <b>DEFERRED CHARGES AND STATUTORY EXPENDITURES</b>       |   |                           |                                  |                    |                   |
| <b>Statutory Expenditures</b>                            |   |                           |                                  |                    |                   |
| Contribution to<br>Social Security System (O.A.S.I.)     | <u>9,961</u>                            | <u>-</u>                  | <u>9,961</u>                     | <u>-</u>           | <u>9,961</u>      |
| <b>Total Deferred Charges and Statutory Expenditures</b> | <u>9,961</u>                            | <u>-</u>                  | <u>9,961</u>                     | <u>-</u>           | <u>9,961</u>      |
|  | <u>\$ 268,918</u>                       | <u>\$ 2,405</u>           | <u>\$ 271,323</u>                | <u>\$ 3,485</u>    | <u>\$ 267,838</u> |
|  |   |                           | Cash Disbursement                | <u>\$ 3,485</u>    |                   |

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

|   |              |                   |
|---|--------------|-------------------|
| Balance, December 31, 2012                                |              | \$ 157,965        |
| Increased by:   |              |                   |
| Charges to 2013 Budget Appropriations                     |              | <u>180,955</u>    |
|   |              | 338,920           |
| Decreased by:   |              |                   |
| Cash Disbursements  | \$ 155,560   |                   |
| Cancelled Encumbrances Restored to Appropriation Reserves | <u>2,405</u> |                   |
|   |              | <u>157,965</u>    |
| Balance, December 31, 2013                                |              | <u>\$ 180,955</u> |

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

|                            |  |                 |
|----------------------------|--|-----------------|
| Balance, December 31, 2012 |  | \$ 2,906        |
| Decreased by:              |  |                 |
| Cancelled to Operations    |  | <u>\$ 2,906</u> |

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

|   |  |                   |
|---|--|-------------------|
| Balance, December 31, 2012                    |  | \$ 389,449        |
| Increased by:                                 |  |                   |
| Charges to Improvement Authorizations         |  | <u>56,622</u>     |
|   |  | 446,071           |
| Decreased by:                                 |  |                   |
| Payments Made by Water Utility Operating Fund |  | <u>332,584</u>    |
| Balance, December 31, 2013                    |  | <u>\$ 113,487</u> |

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

|  |    |        |
|--|----|--------|
| Balance, December 31, 2012                             | \$ | 8,054  |
| Increased by:  |    |        |
| Overpayments Received                                  |    | 14,178 |
|  |    | 22,232 |
| Decreased by:  |    |        |
| Overpayments Applied to Water Usage Charges Receivable |    | 8,054  |
| Balance, December 31, 2013                             | \$ | 14,178 |

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

|  |    |        |
|--|----|--------|
| Increased by:                              |    |        |
| Budget Appropriation for Interest on Bonds | \$ | 26,488 |
| Decreased by:                              |    |        |
| Interest Paid                              |    | 11,918 |
| Balance, December 31, 2013                 | \$ | 14,570 |

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

| Ord.<br>No.  | Improvement Description              | Ordinance<br>Amount | Balance,<br>December 31, 2012 |                   | Paid or<br>Charged | Balance,<br>December 31, 2013 |                  |
|--------------|--------------------------------------|---------------------|-------------------------------|-------------------|--------------------|-------------------------------|------------------|
|              |                                      |                     | Funded                        | Unfunded          |                    | Funded                        | Unfunded         |
| 96-8/98-11.1 | Construction of Well #20             | \$ 425,000          |                               | \$ 30,149         |                    | \$ 30,149                     |                  |
| 2004-07      | Replacement of Water Mains           | 150,000             |                               | 44,460            |                    |                               | 44,460           |
| 2010-16      | Various Public Improvements and Acq. | 625,000             | \$ 10,218                     |                   | \$ 10,218          |                               |                  |
| 2011-22      | Acquisition of Valve Box             | 22,000              | 1,559                         |                   | 1,559              |                               |                  |
| 2012-9       | Various Public Improvements and Acq. | 1,085,000           | -                             | 416,675           | \$ 56,622          | 360,053                       | -                |
|              |                                      |                     | <u>\$ 11,777</u>              | <u>\$ 491,284</u> | <u>\$ 56,622</u>   | <u>\$ 371,830</u>             | <u>\$ 74,609</u> |
|              | Contracts Payable                    |                     |                               |                   | <u>\$ 56,622</u>   |                               |                  |

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

| Purpose                               | Date of Issue | Amount of Original Issue | Maturity of Bonds Outstanding at December 31, 2013 | Date    | Amount    | Interest Rate | Balance, December 31, |              |
|---------------------------------------|---------------|--------------------------|--|---------|-----------|---------------|-----------------------|--------------|
|                                       |               |                          |  |         |           |               | Increased             | Decreased    |
| Water Utility Bonds                   | 8/15/2012     | \$ 1,250,000             |  | 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%         | \$ 70,000             | \$ 1,180,000 |
| Water Utility Bonds                   | 8/15/2013     | \$ 582,000               |  | 2014-15 | 35,000    | 1.00%         |                       |              |
|                                       |               |                          |  | 2016-19 | 40,000    | 2.00%         |                       |              |
|                                       |               |                          |  | 2020-21 | 40,000    | 3.00%         |                       |              |
|                                       |               |                          |  | 2022-23 | 45,000    | 3.00%         |                       |              |
|                                       |               |                          |  | 2024    | 45,000    | 3.25%         |                       |              |
|                                       |               |                          |  | 2025    | 45,000    | 3.50%         |                       |              |
|                                       |               |                          |  | 2026    | 45,000    | 4.00%         |                       |              |
|                                       |               |                          |  | 2027    | 47,000    | 4.00%         | \$ 582,000            | 582,000      |
|                                       |               |                          |  |         |           |               | \$ 1,250,000          | \$ 1,762,000 |
|                                       |               |                          |  |         |           |               | \$ 70,000             | \$ 70,000    |
| Due from Water Utility Operating Fund |               |                          |  |         |           |               | \$ 582,000            |              |
| Paid by Budget Appropriation          |               |                          |  |         |           |               |                       | \$ 70,000    |

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

|   |    |         |
|---|----|---------|
| Balance, December 31, 2012                                | \$ | 531,669 |
| Increased by:   |    |         |
| 2013 Budget Appropriation - Due from Water Operating Fund |    | 25,000  |
| Balance, December 31, 2013                                | \$ | 556,669 |

EXHIBIT D-28

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

|                                       |    |            |
|---------------------------------------|----|------------|
| Balance, December 31, 2012            | \$ | 11,048,824 |
| Increased by:                         |    |            |
| Serial Bonds Paid by Operating Budget | \$ | 70,000     |
| Capital Outlay Operating Budgets:     |    |            |
| 2013 Budget Appropriations            |    | 139,438    |
|                                       |    | 209,438    |
| Balance, December 31, 2013            | \$ | 11,258,262 |

EXHIBIT D-29

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

|                                    | Balance,<br>December 31,<br><u>2012</u> | <u>Increase</u>   | Balance,<br>December 31,<br><u>2013</u> |
|------------------------------------|---|-------------------|---|
| Payment of Water Tank              | \$ 9,201                                |                   | \$ 9,201                                |
| Construction of Water Line         | 1,500                                   |                   | 1,500                                   |
| Woodcliff Lake Improvements        | 495,073                                 | \$ 102,236        | 597,309                                 |
| Handy Harmon Settlement            | 1,506,068                               | -                 | 1,506,068                               |
|                                    | <u>\$ 2,011,842</u>                     | <u>\$ 102,236</u> | <u>\$ 2,114,078</u>                     |
| Woodcliff Lake Surcharge Collected |   | \$ 102,236        |   |

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

| <u>Ord.</u><br><u>No.</u> | <u>Purpose</u>                     | Balance,<br>December 31,<br><u>2012</u> | Serial<br>Bonds<br><u>Issued</u> | Balance,<br>December 31,<br><u>2013</u> |
|---------------------------|------------------------------------|---|----------------------------------|---|
| 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                                 |
| 2012-9                    | Various Public Improvements & Acq. | <u>582,000</u>                          | <u>\$ 582,000</u>                | <u>-</u>                                |
|                           |                                    | <u>\$ 932,000</u>                       | <u>\$ 582,000</u>                | <u>\$ 350,000</u>                       |

**ELECTRIC UTILITY FUND**

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

|   | <u>Operating</u>    | <u>Capital</u> |
|---|---------------------|----------------|
| Balance, December 31, 2012                        | \$ 2,949,485        | \$ -           |
| Increased by Receipts:                            |                     |                |
| Light and Power Charges Receivable                | \$ 9,847,066        |                |
| Other Charges Receivable                          | 18,471              |                |
| FEMA Reimbursements                               | 110,301             |                |
| Miscellaneous Fees                                | 22,887              |                |
| Prepaid Charges                                   | 4,500               |                |
| Overpayments                                      | 14,973              |                |
| Reserve for Hurricane Sandy - FEMA Reimbursements | 52,427              |                |
| Receipts for Electric Utility Capital Fund        | 101,001             |                |
| Received from Current Fund                        | 37,388              |                |
| Received from Utility Trust Fund                  | 49                  | -              |
|   | 10,209,063          | -              |
|   | 13,158,548          | -              |
| Decreased by Disbursements:                       |                     |                |
| 2013 Appropriations                               | 9,676,867           |                |
| 2012 Appropriation Reserves                       | 16,488              |                |
| Encumbrances Payable                              | 521,133             |                |
| Interest on Bonds                                 | 50,291              |                |
| Interest on Notes                                 | 2,494               |                |
| Special Emergency Notes                           | 45,000              |                |
| Payments made to Water Utility Operating Fund     | 16,858              |                |
| Payments made for Electric Utility Capital Fund   | 576,911             |                |
| Payments made for Utility Trust Fund              | 35,334              | -              |
|   | 10,941,376          | -              |
| Balance, December 31, 2013                        | \$ <u>2,217,172</u> | \$ <u>-</u>    |

EXHIBIT E-6

**ANALYSIS OF CASH  
ELECTRIC UTILITY CAPITAL FUND**

|  | Balance,<br>December 31,<br><u>2013</u>                       |
|--|---|
| Fund Balance                             | \$ 9,570  |
| Capital Improvement Fund                 | 276,500   |
| Contracts Payable                        | 10,635  |
| Due from Electric Utility Operating Fund | (269,548)   |
| 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                            |
| 2013-08                                  | Purchase of Electric Distribution<br>Infrastructure Materials |
|  | (126,107)   |
|  | 1,023   |
|  | 26,248  |
|  | 203   |
|  | 18,880  |
|  | 52,596  |
|  | \$ -  |

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

|                            |                     |
|----------------------------|---------------------|
| Balance, December 31, 2012 | \$ <u>50</u>        |
| Balance, December 31, 2013 | \$ <u><u>50</u></u> |

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

|                            |                      |
|----------------------------|----------------------|
| Balance, December 31, 2012 | \$ <u>500</u>        |
| Balance, December 31, 2013 | \$ <u><u>500</u></u> |

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

|                                   |               |                          |
|-----------------------------------|---------------|--------------------------|
| Balance, December 31, 2012        |               | \$ 353,392               |
| Increased by:                     |               |                          |
| Light and Power Charges Levied    |               | <u>9,824,277</u>         |
|                                   |               | 10,177,669               |
| Decreased by:                     |               |                          |
| Light and Power Charges Collected | \$ 9,847,066  |                          |
| Overpayments Applied              | <u>12,853</u> |                          |
|                                   |               | <u>9,859,919</u>         |
| Balance, December 31, 2013        |               | \$ <u><u>317,750</u></u> |

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

|   |  |                         |
|---|--|-------------------------|
| Balance, December 31, 2012                      |  | \$ 19,371               |
| Increased by:                                   |  |                         |
| Other Electric Charges Levied - Dusk to Dawn    |  | <u>18,264</u>           |
|   |  | 37,635                  |
| Decreased by:                                   |  |                         |
| Other Electric Charges Collected - Dusk to Dawn |  | <u>18,471</u>           |
| Balance, December 31, 2013                      |  | \$ <u><u>19,164</u></u> |

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

|  | Balance,<br>December 31,<br><u>2012</u> | Additions By:  |                   | Balance,<br>December 31,<br><u>2012</u> |
|--|---|--|-------------------|---|
|  |   | <u>Operating</u><br>Budget<br>Capital<br><u>Outlay</u> | <u>Ordinance</u>  |   |
| Structures and Improvements                  | \$ 761,290                              | \$ 26,837  |                   | \$ 788,127                              |
| Water Storage Shed                           |   |  | \$ 323,331        | 323,331                                 |
| Computer Hardware/Software-Equipment         | 144,265                                 | 9,528  |                   | 153,793                                 |
| Regulating Station                           | 6,102                                   |  |                   | 6,102                                   |
| Hydro Generator-Equipment                    | 7,732                                   |  |                   | 7,732                                   |
| Mill Road Substation                         | 579,995                                 |  | 53,684            | 633,679                                 |
| Brae Boulevard Substation                    | 1,686,887                               |  |                   | 1,686,887                               |
| Poles, Towers and Fixtures                   | 443,821                                 |  |                   | 443,821                                 |
| Cable & Wires                                | 1,017,376                               |  |                   | 1,017,376                               |
| Underground Conduit                          | 107,584                                 |  |                   | 107,584                                 |
| Underground Conductors & Devices             | 195,411                                 |  |                   | 195,411                                 |
| Line Transformers                            | 591,898                                 |  |                   | 591,898                                 |
| Services                                     | 329,420                                 |  |                   | 329,420                                 |
| Installation of Customers' Services          | 8,817                                   |  |                   | 8,817                                   |
| Office Furniture, Etc.-Equipment             | 223,088                                 | 7,100  |                   | 230,188                                 |
| Vehicles/Equipment                           | 1,108,754                               | 24,318   |                   | 1,133,072                               |
| Meters & Current Transformers                | 304,273                                 |  |                   | 304,273                                 |
| Street Lighting & Signal System              | 317,750                                 |  |                   | 317,750                                 |
| Tools, Shop & Garage Equipment               | 232,351                                 |  |                   | 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                | 49,280                                  | 5,759  |                   | 55,039                                  |
| Store Equipment                              | 12,880                                  |  |                   | 12,880                                  |
| Laboratory Equipment                         | 6,397                                   |  |                   | 6,397                                   |
| Miscellaneous Equipment                      | 89,935                                  |  |                   | 89,935                                  |
| Bear's Nest Village- Regulating Station      | 713,408                                 |  |                   | 713,408                                 |
| Construction of Additional Voltage Regulator | 149,395                                 |  |                   | 149,395                                 |
| Construction of Mini-Substation              | 349,860                                 |  |                   | 349,860                                 |
| Recreational Lighting-Equipment              | 7,550                                   |  |                   | 7,550                                   |
| Scada System                                 | 116,728                                 | 300  |                   | 117,028                                 |
| Construction Services                        | 200,757                                 |  |                   | 200,757                                 |
| Improvement to Utility Garage                | 225,962                                 |  |                   | 225,962                                 |
| Improvement to Electric System               | 223,977                                 |  | \$ -              | 223,977                                 |
| Conversion Mill Road Substation & Museum     | 250,000                                 |  |                   | 250,000                                 |
| Replace Brae Road Transformer                | 244,881                                 |  |                   | 244,881                                 |
| Pick-up Trucks                               | 64,113                                  |  | -                 | 64,113                                  |
| Aerial Bucket Truck                          | 153,752                                 | -  | 181,120           | 334,872                                 |
|  | <u>\$ 11,242,025</u>                    | <u>\$ 73,842</u>                                       | <u>\$ 558,135</u> | <u>\$ 11,874,002</u>                    |
| 2013 Budget Appropriations                   |   | <u>\$ 73,842</u>                                       |                   |   |

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

| <u>Ord.<br/>No.</u> | <u>Improvement Description</u>                                | <u>Balance,<br/>December 31,<br/>2012</u> | <u>2013<br/>Authorizations<br/>Deferred<br/>Reserve<br/>for<br/>Amortization</u> | <u>Costs to<br/>Fixed<br/>Capital</u> | <u>Balance,<br/>December 31,<br/>2013</u> |
|---------------------|---|---|--|---------------------------------------|---|
| 2003-05             | Improvement to Electric System                                | \$ 1,023                                  |  |                                       | \$ 1,023                                  |
| 2010-15             | Acquisition of Aerial Bucket Truck                            | 26,248                                    |  |                                       | 26,248                                    |
| 2011-21/<br>2012-10 | Various Public Impvts./Acqu. of Vehicle                       | 377,218                                   |  | \$ 377,015                            | 203                                       |
| 2012-04             | Acquisition of Aerial Bucket Truck                            | 200,000                                   |  | 181,120                               | 18,880                                    |
| 2013-08             | Purchase of Electric Distribution<br>Infrastructure Materials | -   | \$ 150,000   | -                                     | 150,000                                   |
|                     |   | <u>\$ 604,489</u>                         | <u>\$ 150,000</u>  | <u>\$ 558,135</u>                     | <u>\$ 196,354</u>                         |

EXHIBIT E-13

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

| <u>Date<br/>Authorized</u> | <u>Purpose</u>  | <u>Net<br/>Amount<br/>Authorized</u> | <u>1/5 of Net<br/>Amount<br/>Authorized</u> | <u>Balance<br/>December 31,<br/>2012</u> | <u>Reduced in<br/>2013</u> | <u>Balance<br/>December 31,<br/>2013</u> |
|----------------------------|-----------------|--------------------------------------|---|--|----------------------------|--|
| 12/11/2012                 | Hurricane Sandy | \$ 225,000                           | \$ 45,000                                   | \$ 225,000                               | \$ 172,573                 | \$ 52,427                                |
|                            |                 |                                      |   | <u>\$ 225,000</u>                        | <u>\$ 172,573</u>          | <u>\$ 52,427</u>                         |
|                            |                 |                                      |   |  | \$ 45,000                  |  |
|                            |                 |                                      |   |  | <u>127,573</u>             |  |
|                            |                 |                                      |   |  | <u>\$ 172,573</u>          |  |

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

|                            |                  |
|----------------------------|------------------|
| Balance, December 31, 2012 | \$ 37,388        |
| Decreased by:              |                  |
| Receipts from Current Fund | <u>\$ 37,388</u> |

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

|  |                   |
|--|-------------------|
| Balance, December 31, 2012                       | \$ 745,458        |
| Increased by:                                    |                   |
| Cash Received by Electric Utility Operating Fund |                   |
| Serial Bond Proceeds                             | \$ 100,000        |
| Premium on Serial Bonds                          | <u>1,001</u>      |
|  | <u>101,001</u>    |
|  | 846,459           |
| Decreased by:                                    |                   |
| Payments made by Electric Utility Operating Fund |                   |
| Improvement Authorizations                       | 377,730           |
| Contracts Payable                                | <u>199,181</u>    |
|  | <u>576,911</u>    |
| Balance, December 31, 2013                       | <u>\$ 269,548</u> |

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

|                            |                  |
|----------------------------|------------------|
| Balance, December 31, 2012 | <u>\$ 16,106</u> |
| Balance, December 31, 2013 | <u>\$ 16,106</u> |

**BOROUGH OF PARK RIDGE  
STATEMENT OF 2012 APPROPRIATION RESERVES  
ELECTRIC UTILITY OPERATING FUND**

|   | Balance,<br>December 31,<br><u>2012</u> | Encumbrances<br><u>Cancelled</u> | Balance<br>After<br><u>Modification</u> | Paid or<br><u>Charged</u> | <u>Cancelled</u>  | Balance<br><u>Lapsed</u> |
|---|---|----------------------------------|---|---------------------------|-------------------|--------------------------|
| <b>OPERATING</b>  |   |                                  |   |                           |                   |                          |
| Salaries and Wages  | \$ 9,047                                | \$ 12,957                        | \$ 22,004                               |                           |                   | \$ 22,004                |
| Other Expenses  | 42,507                                  |                                  | 42,507                                  | \$ 2,680                  |                   | 39,827                   |
| Group Health Insurance  | 20,155                                  | 3,263                            | 23,418                                  |                           |                   | 23,418                   |
| Purchase of Electric Current  | 133,617                                 |                                  | 133,617                                 | 275                       |                   | 133,342                  |
| Hurricane Sandy Extraordinary Expense<br>Other Expenses                         | 141,106                                 | -                                | 141,106                                 | 13,533                    | \$ 127,573        | -                        |
| <b>Total Operating</b>  | <u>346,432</u>                          | <u>16,220</u>                    | <u>362,652</u>                          | <u>16,488</u>             | <u>127,573</u>    | <u>218,591</u>           |
| <b>CAPITAL IMPROVEMENTS</b>   |   |                                  |   |                           |                   |                          |
| Capital Improvement Fund<br>Capital Outlay                                      | <u>72,593</u>                           | <u>1,071</u>                     | <u>73,664</u>                           | -                         | -                 | <u>73,664</u>            |
| <b>Total Capital Improvements</b>   | <u>72,593</u>                           | <u>1,071</u>                     | <u>73,664</u>                           | -                         | -                 | <u>73,664</u>            |
| <b>DEFERRED CHARGES AND STATUTORY</b>   |   |                                  |   |                           |                   |                          |
| Statutory Expenditures<br>Contribution to<br>Public Employees Retirement System | 7                                       |                                  | 7                                       |                           |                   | 7                        |
| Social Security System (O.A.S.I.)   | <u>6,902</u>                            | -                                | <u>6,902</u>                            | -                         | -                 | <u>6,902</u>             |
| <b>Total Deferred Charges and Statutory<br/>Expenditures</b>                    | <u>6,909</u>                            | -                                | <u>6,909</u>                            | -                         | -                 | <u>6,909</u>             |
|   | <u>\$ 425,934</u>                       | <u>\$ 17,291</u>                 | <u>\$ 443,225</u>                       | <u>\$ 16,488</u>          | <u>\$ 127,573</u> | <u>\$ 299,164</u>        |
|   |   |                                  |   | <u>\$ 16,488</u>          |                   |                          |
|   |   |                                  |   |                           | <u>\$ 127,573</u> |                          |

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

|   |               |                   |
|---|---------------|-------------------|
| Balance, December 31, 2012                                |               | \$ 538,424        |
| Increased by:   |               |                   |
| Charges to 2013 Budget Appropriations                     |               | <u>620,268</u>    |
|   |               | 1,158,692         |
| Decreased by:   |               |                   |
| Cash Disbursements  | \$ 521,133    |                   |
| Cancelled Encumbrances Restored to Appropriation Reserves | <u>17,291</u> |                   |
|   |               | <u>538,424</u>    |
| Balance, December 31, 2013                                |               | <u>\$ 620,268</u> |

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

|  |  |                  |
|--|--|------------------|
| Balance, December 31, 2012                       |  | \$ 199,181       |
| Increased by:                                    |  |                  |
| Charges to Improvement Authorizations            |  | <u>10,635</u>    |
|  |  | 209,816          |
| Decreased by:                                    |  |                  |
| Payments made by Electric Utility Operating Fund |  | <u>199,181</u>   |
| Balance, December 31, 2013                       |  | <u>\$ 10,635</u> |

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

|                            |  |                 |
|----------------------------|--|-----------------|
| Balance, December 31, 2012 |  | \$ 2,001        |
| Decreased by:              |  |                 |
| Cancelled to Operations    |  | <u>\$ 2,001</u> |

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

|  |                  |
|--|------------------|
| Balance, December 31, 2012                 | \$ 10,237        |
| Increased by:                              |                  |
| Budget Appropriation for Interest on Bonds | <u>53,054</u>    |
|  | 63,291           |
| Decreased by:                              |                  |
| Interest Paid                              | <u>50,291</u>    |
| Balance, December 31, 2013                 | <u>\$ 13,000</u> |

EXHIBIT E-22

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

|  |               |
|--|---------------|
| Increased by:                              |               |
| Budget Appropriation for Interest on Bonds | \$ 3,338      |
| Decreased by:                              |               |
| Interest Paid                              | <u>2,494</u>  |
| Balance, December 31, 2013                 | <u>\$ 844</u> |

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

| Ord.<br>No.         | <u>Improvement Description</u>                                | <u>Ordinance<br/>Amount</u> | <u>Balance,<br/>December 31, 2012</u> |                   | <u>2013<br/>Authorizations<br/>Capital<br/>Improvement<br/>Fund</u> |                   | <u>Balance,<br/>December 31, 2013</u> |             |
|---------------------|---|-----------------------------|---------------------------------------|-------------------|---|-------------------|---------------------------------------|-------------|
|                     |   |                             | <u>Funded</u>                         | <u>Unfunded</u>   | <u>Paid or<br/>Charged</u>  | <u>Funded</u>     | <u>Unfunded</u>                       |             |
|                     |   |                             |                                       |                   |   |                   |                                       |             |
| 2003-05             | Improvements to Electric System                               | \$ 250,000                  | \$ 1,023                              | -                 | \$ 1,023  | -                 | \$ 1,023                              | -           |
| 2010-15<br>2011-21/ | Acquisition of Aerial Bucket Truck                            | 180,000                     | 26,248                                | -                 | 26,248  | -                 | 26,248                                | -           |
| 2012-10             | Var Pub. Impvts./Acqu. of Vehicle                             | 415,000                     | 191,164                               | \$ 100,000        | \$ 290,961  | 203               | 203                                   | -           |
| 2012-04             | Acquisition of Aerial Bucket Truck                            | 200,000                     | 18,880                                | -                 | 18,880  | -                 | 18,880                                | -           |
| 2013-08             | Purchase of Electric Distribution<br>Infrastructure Materials | 150,000                     | -                                     | -                 | 150,000   | 97,404            | 52,596                                | -           |
|                     |   |                             | <u>\$ 237,315</u>                     | <u>\$ 100,000</u> | <u>\$ 150,000</u>   | <u>\$ 388,365</u> | <u>\$ 98,950</u>                      | <u>\$ -</u> |
|                     | Payments made by Electric Utility Operating Fund              |                             |                                       |                   | \$ 377,730  |                   |                                       |             |
|                     | Contracts Payable   |                             |                                       |                   | <u>10,635</u>   |                   | <u>388,365</u>                        |             |

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

| Purpose                                  | Date of Issue | Amount of Original Issue | Maturity of Bonds Outstanding at December 31, 2013 |            | Interest Rate | Balance, December 31, 2012 | Increased         | Decreased         | Balance, December 31, 2013 |
|--|---------------|--------------------------|--|------------|---------------|----------------------------|-------------------|-------------------|----------------------------|
|  |               |                          | Date   | Amount     |               |                            |                   |                   |                            |
| Electric Utility Bonds                   | 10/15/2007    | \$ 1,693,000             | 2014-16  | \$ 125,000 | 3.875%        | \$ 1,143,000               |                   |                   | \$ 1,018,000               |
|  |               |                          | 2017-18  | 150,000    | 3.875%        |                            |                   |                   |                            |
|  |               |                          | 2019   | 175,000    | 3.875%        |                            |                   |                   |                            |
|  |               |                          | 2020   | 168,000    | 4.000%        |                            |                   |                   |                            |
| Electric Utility Bonds                   | 8/15/2012     | 695,000                  | 2014   | 95,000     | 1.000%        | 695,000                    |                   | 95,000            | 600,000                    |
|  |               |                          | 2015-18  | 100,000    | 2.000%        |                            |                   |                   |                            |
|  |               |                          | 2019   | 105,000    | 2.000%        |                            |                   |                   |                            |
| Electric Utility Bonds                   | 8/15/2013     | 100,000                  | 2014-15  | 15,000     | 1.000%        | -                          | \$ 100,000        | -                 | 100,000                    |
|  |               |                          | 2016-17  | 15,000     | 2.000%        |                            |                   |                   |                            |
|  |               |                          | 2018-19  | 20,000     | 2.000%        |                            |                   |                   |                            |
|  |               |                          |  |            |               | <u>\$ 1,838,000</u>        | <u>\$ 100,000</u> | <u>\$ 220,000</u> | <u>\$ 1,718,000</u>        |
| Due from Electric Utility Operating Fund |               |                          |  |            |               |                            | <u>\$ 100,000</u> |                   |                            |
| Paid by Budget Appropriation             |               |                          |  |            |               |                            |                   | <u>\$ 220,000</u> |                            |

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

|   |                   |
|---|-------------------|
| Balance, December 31, 2012                          | \$ 426,500        |
| Decreased by:                                       |                   |
| Appropriation to Finance Improvement Authorizations | <u>150,000</u>    |
| Balance, December 31, 2013                          | <u>\$ 276,500</u> |

EXHIBIT E-26

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

|  |                      |
|--|----------------------|
| Balance, December 31, 2012                                     | \$ 9,781,384         |
| Increased by:  |                      |
| Serial Bonds Paid by Operating Budget                          | \$ 220,000           |
| Capital Outlay Operating Budget:<br>2013 Budget Appropriations | <u>73,842</u>        |
|  | <u>293,842</u>       |
| Balance, December 31, 2013                                     | <u>\$ 10,075,226</u> |

EXHIBIT E-27

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

| Ord.<br>No. | <u>Improvement Description</u> | Balance,<br>December 31,<br><u>2012</u> | Fixed<br>Capital<br><u>Authorized</u> | Balance,<br>December 31,<br><u>2013</u> |
|-------------|--------------------------------|---|---------------------------------------|---|
| 03-05       | Improvement of Electric System | \$ 1,023                                |                                       | \$ 1,023                                |
| 13-08       | Improvement of Electric System | <u>-</u>                                | <u>\$ 150,000</u>                     | <u>150,000</u>                          |
|             |                                | <u>\$ 1,023</u>                         | <u>\$ 150,000</u>                     | <u>\$ 151,023</u>                       |
|             | Capital Improvement Fund       |   | <u>\$ 150,000</u>                     |   |

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

|                            |                 |
|----------------------------|-----------------|
| Increased by:              |                 |
| Cash Receipts              | \$ <u>4,500</u> |
| Balance, December 31, 2013 | \$ <u>4,500</u> |

**STATEMENT OF OVERPAYMENTS  
ELECTRIC UTILITY OPERATING FUND**

|  |                  |
|--|------------------|
| Balance, December 31, 2012                                 | \$ 12,853        |
| Increased by:  |                  |
| Overpayments Received                                      | <u>14,973</u>    |
|  | 27,826           |
| Decreased by:  |                  |
| Overpayments Applied to Power and Light Charges Receivable | <u>12,853</u>    |
| Balance, December 31, 2013                                 | \$ <u>14,973</u> |

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

|                            |                  |
|----------------------------|------------------|
| Increased by:              |                  |
| Cash Receipts              | \$ <u>52,427</u> |
| Balance, December 31, 2013 | \$ <u>52,427</u> |

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

| <u>Purpose</u>  | <u>Date of Issue</u> | <u>Date of Maturity</u>                 | <u>Int. Rate</u> | <u>Balance December 31, 2012</u> | <u>Increased</u>  | <u>Decreased</u>  | <u>Balance December 31, 2013</u> |
|-----------------|----------------------|---|------------------|----------------------------------|-------------------|-------------------|----------------------------------|
| Hurricane Sandy | 12/28/2012           | 8/16/2013                               | 1.75 %           | \$ 225,000                       |                   | \$ 225,000        |                                  |
| Hurricane Sandy | 8/16/2013            | 8/15/2014                               | 1.25             | -                                | \$ 180,000        | -                 | \$ 180,000                       |
|                 |                      |   |                  | <u>\$ 225,000</u>                | <u>\$ 180,000</u> | <u>\$ 225,000</u> | <u>\$ 180,000</u>                |
|                 |                      | Renewals                                |                  |                                  | \$ 180,000        | \$ 180,000        |                                  |
|                 |                      | Paid by Electric Utility Operating Cash |                  |                                  | -                 | 45,000            |                                  |
|                 |                      |   |                  |                                  | <u>\$ 180,000</u> | <u>\$ 225,000</u> |                                  |

EXHIBIT E-32

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

| <u>Ord. No.</u> | <u>Purpose</u>  | <u>Balance, December 31, 2012</u> | <u>Serial Bonds Issued</u> | <u>Balance, December 31, 2013</u> |
|-----------------|---|-----------------------------------|----------------------------|-----------------------------------|
| 1996-05         | Installation of Underground Electric - Bear's Nest II | \$ 126,107                        |                            | \$ 126,107                        |
| 2011-21/2012-10 | Various Public Impvts.and Acquisition of Vehicle      | 100,000                           | \$ 100,000                 | -                                 |
|                 |   | <u>\$ 226,107</u>                 | <u>\$ 100,000</u>          | <u>\$ 126,107</u>                 |

**UTILITY TRUST FUND**

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

|   |               |                   |
|---|---------------|-------------------|
| Balance, December 31, 2012                  |               | \$ 701,459        |
| Increased by Receipts:                      |               |                   |
| Water Utility Deposits                      | \$ 38,700     |                   |
| Electric Utility Deposits                   | <u>94,699</u> |                   |
|   |               | <u>133,399</u>    |
|   |               | 834,858           |
| Decreased by Disbursements:                 |               |                   |
| Payments to Electric Utility Operating Fund | <u>49</u>     |                   |
|   |               | <u>49</u>         |
| Balance, December 31, 2013                  |               | <u>\$ 834,809</u> |

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

|  | Balance,<br>December 31,<br><u>2012</u> | <u>Increases</u>  | <u>Decreases</u> | Balance,<br>December 31,<br><u>2013</u> |
|--|---|-------------------|------------------|---|
| Water Utility                          | \$ 414,477                              | \$ 38,700         | \$ 16,206        | \$ 436,971                              |
| Electric Utility                       | <u>213,141</u>                          | <u>94,699</u>     | <u>35,334</u>    | <u>272,506</u>                          |
|  | <u>\$ 627,618</u>                       | <u>\$ 133,399</u> | <u>\$ 51,540</u> | <u>\$ 709,477</u>                       |
| Cash Receipts                          |   | \$ 113,599        |                  |   |
| Due to Water Utility Operating Fund    |   |                   | \$ 16,206        |   |
| Due to Electric Utility Operating Fund |   | <u>-</u>          | <u>35,334</u>    |   |
|  |   | <u>\$ 113,599</u> | <u>\$ 51,540</u> |   |

EXHIBIT F-3

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

|   |                  |
|---|------------------|
| Balance, December 31, 2012                    | \$ 24,973        |
| Increased by:                                 |                  |
| Payments made by Water Utility Operating Fund | <u>16,206</u>    |
| Balance, December 31, 2013                    | <u>\$ 41,179</u> |

EXHIBIT F-4

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

|  |                  |
|--|------------------|
| Balance, December 31, 2012                       | \$ 48,868        |
| Increased by:                                    |                  |
| Payments made by Electric Utility Operating Fund | <u>35,334</u>    |
|  | 84,202           |
| Decreased by:                                    |                  |
| Payments to Electric Utility Operating Fund      | <u>49</u>        |
| Balance, December 31, 2013                       | <u>\$ 84,153</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, 2012  | \$ 170,254        | \$ -           |
| Increased by Receipts:      |                   |                |
| Membership Fees             | \$ 222,225        |                |
| Miscellaneous Revenue       | <u>33,745</u>     |                |
|                             | <u>255,970</u>    | <u>-</u>       |
|                             | 426,224           | -              |
| Decreased by Disbursements: |                   |                |
| 2013 Appropriations         | 203,254           |                |
| Encumbrances Payable        | 3,002             |                |
| Petty Cash                  | <u>250</u>        |                |
|                             | <u>206,506</u>    | <u>-</u>       |
| Balance, December 31, 2013  | <u>\$ 219,718</u> | <u>\$ -</u>    |

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

|   | Balance,<br>December 31,<br><u>2013</u> |
|---|---|
| Fund Balance                              | \$ 50                                   |
| Capital Improvement Fund                  | 16,000                                  |
| Due from Swim Pool Utility Operating Fund | (6,804)                                 |
| Grants Receivable                         | (23,801)                                |
| Improvement Authorizations:               |   |
| Ord.                                      |   |
| <u>No.</u> <u>Description</u>             |   |
| 92    Improvement to Swim Pool            | (500)                                   |
| 06-10 Pool Rehabilitation                 | (3,560)                                 |
| 10-06 ADA Improvements - Bathrooms        | <u>18,615</u>                           |
|   | <u>\$ -</u>                             |

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

|                            |    |     |
|----------------------------|----|-----|
| Balance, December 31, 2012 | \$ | 250 |
| Increased by:              |    |     |
| Cash Receipt               |    | 250 |
| Balance, December 31, 2013 | \$ | 500 |

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

| <u>Ord.</u> | <u>No.</u> | <u>Grantor</u>                    | <u>Balance</u> | <u>Balance</u> |                   |
|-------------|------------|-----------------------------------|----------------|----------------|-------------------|
|             |            |                                   | December 31,   | December 31,   |                   |
|             |            |                                   | 2012           | 2013           |                   |
|             |            |                                   |                |                | <u>Balance</u>    |
|             |            |                                   |                |                | <u>Pledged to</u> |
|             |            |                                   |                |                | Improvement       |
|             |            |                                   |                |                | Authorizations    |
| 10-06       |            | Community Development Block Grant | \$ 23,801      | \$ 23,801      | \$ 23,801         |
|             |            |                                   | \$ 23,801      | \$ 23,801      | \$ 23,801         |

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

|   |    |        |
|---|----|--------|
| Balance, December 31, 2012 (Due From)                     | \$ | 5,196  |
| Decreased by:   |    |        |
| 2013 Budget Appropriation - Cost of Improvement Ord. 6-10 |    | 12,000 |
| Balance, December 31, 2013 (Due To)                       | \$ | 6,804  |

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

|                            |    |           |
|----------------------------|----|-----------|
| Balance, December 31, 2012 | \$ | <u>13</u> |
| Balance, December 31, 2013 | \$ | <u>13</u> |

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

|                               | Balance,<br>December 31,<br><u>2012</u> | Balance,<br>December 31,<br><u>2013</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                   | <u>1,146</u>                            | <u>1,146</u>                            |
|                               | <u>\$ 1,060,861</u>                     | <u>\$ 1,060,861</u>                     |

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

| <u>Ord #</u> | <u>Improvement Description</u> | <u>Ordinance</u> |               | <u>Balance,</u>     | <u>Balance,</u>     |
|--------------|--------------------------------|------------------|---------------|---------------------|---------------------|
|              |                                | <u>Date</u>      | <u>Amount</u> | <u>December 31,</u> | <u>December 31,</u> |
|              |                                |                  |               | <u>2012</u>         | <u>2013</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 2012 APPROPRIATION RESERVES  
SWIM POOL UTILITY OPERATING FUND**

|                     | Balance,<br>December 31,<br><u>2012</u> | Balance<br>After<br><u>Modification</u> | Balance<br><u>Lapsed</u> |
|---------------------|---|---|--------------------------|
| OPERATING           |   |   |                          |
| Salaries and Wages  | \$ 68                                   | \$ 68                                   | \$ 68                    |
| Other Expenses      | <u>7,493</u>                            | <u>7,493</u>                            | <u>7,493</u>             |
| <br>Total Operating | <br><u>7,561</u>                        | <br><u>7,561</u>                        | <br><u>7,561</u>         |
|                     | <br><u>\$ 7,561</u>                     | <br><u>\$ 7,561</u>                     | <br><u>\$ 7,561</u>      |

EXHIBIT G-14

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

|                                       |                 |
|---------------------------------------|-----------------|
| Balance, December 31, 2012            | \$ 3,002        |
| Increased by:                         |                 |
| Charges to 2013 Budget Appropriations | <u>3,775</u>    |
|                                       | 6,777           |
| Decreased by:                         |                 |
| Cash Disbursements                    | <u>3,002</u>    |
| Balance, December 31, 2013            | <u>\$ 3,775</u> |

EXHIBIT G-15

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

|                            |               |
|----------------------------|---------------|
| Balance, December 31, 2012 | \$ 320        |
| Decreased by:              |               |
| Cancelled                  | <u>\$ 320</u> |

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

| Ord.<br>No. | Improvement Description       | Ordinance<br>Date | Amount     | Balance,<br>December 31, 2012 |                  | Balance,<br>December 31, 2013 |                  |
|-------------|-------------------------------|-------------------|------------|-------------------------------|------------------|-------------------------------|------------------|
|             |                               |                   |            | Funded                        | Unfunded         | Funded                        | Unfunded         |
| 06-10       | Pool Rehabilitation           | 9/5/2006          | \$ 120,000 | \$ 24,440                     | \$ 24,440        | \$ 24,440                     |                  |
| 10-06       | ADA Improvements to Bathrooms | 3/15/2010         | 99,228     | -                             | \$ 18,615        | \$ 18,615                     | -                |
|             |                               |                   |            |                               | <u>\$ 18,615</u> | <u>\$ 18,615</u>              | <u>\$ 24,440</u> |

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

|                            |                  |
|----------------------------|------------------|
| Balance, December 31, 2012 | \$ <u>16,000</u> |
| Balance, December 31, 2013 | \$ <u>16,000</u> |

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

|   |                     |
|---|---------------------|
| Balance, December 31, 2012                                | \$ 1,044,801        |
| Increased by:   |                     |
| 2013 Budget Appropriation - Cost of Improvement Ord. 6-10 | <u>12,000</u>       |
| Balance, December 31, 2013                                | \$ <u>1,056,801</u> |

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

| <u>Ord.</u> | <u>Improvement Description</u>   | Balance<br>December 31,<br><u>2012</u> | Balance,<br>December 31,<br><u>2013</u> |
|-------------|----------------------------------|--|---|
| 10-06       | ADA Improvements to<br>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.<br/>No.</u> | <u>Purpose</u>           | Balance,<br>December 31,<br><u>2012</u> | Funded by<br>Budget<br><u>Appropriation</u> | Balance,<br>December 31,<br><u>2013</u> |
|---------------------|--------------------------|---|---|---|
| 92                  | Improvement to Swim Pool | \$ 500                                  |   | \$ 500                                  |
| 06-10               | Pool Rehabilitation      | <u>40,000</u>                           | <u>\$ 12,000</u>                            | <u>28,000</u>                           |
|                     |                          | <u>\$ 40,500</u>                        | <u>\$ 12,000</u>                            | <u>\$ 28,500</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, 2012                            | \$ 12,434    | \$ 1,902          | \$ 10,532         |
| Increased by:   |              |                   |                   |
| State Aid   | 62,100       |                   | 62,100            |
| Cash Receipts from Current Fund                       | 200          | 100               | 100               |
|   | 74,734       | 2,002             | 72,732            |
| Decreased by:   |              |                   |                   |
| Public Assistance Expenditures Eligible for State Aid | 55,330       | -                 | 55,330            |
| Cash Payments to Current Fund                         | 100          | -                 | 100               |
| Balance, December 31, 2013                            | \$ 19,304    | \$ 2,002          | \$ 17,302         |

EXHIBIT H-2

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

|                                 |          |
|---------------------------------|----------|
| Balance, December 31, 2012      | \$ 2,345 |
| Increased by:                   |          |
| Cash Received from Current Fund | 200      |
|                                 | 2,545    |
| Decreased by:                   |          |
| Cash Payments to Current Fund   | 100      |
| Balance, December 31, 2013      | \$ 2,445 |

**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, 2012 | \$ 10,089        | \$ 1,902          | \$ 8,187          |
| Increased by:              |                  |                   |                   |
| Revenues                   | <u>62,100</u>    | <u>-</u>          | <u>62,100</u>     |
|                            | 72,189           | 1,902             | 70,287            |
| Decreased by:              |                  |                   |                   |
| Expenditures               | <u>55,330</u>    | <u>-</u>          | <u>55,330</u>     |
| Balance, December 31, 2013 | <u>\$ 16,859</u> | <u>\$ 1,902</u>   | <u>\$ 14,957</u>  |

EXHIBIT H-4

**STATEMENT OF PUBLIC ASSISTANCE REVENUES**

|                     | <u>Total</u>     | <u>Account #1</u> | <u>Account #2</u> |
|---------------------|------------------|-------------------|-------------------|
| State Aid Payments  | <u>\$ 62,100</u> | <u>-</u>          | <u>\$ 62,100</u>  |
| Total Revenues      | 62,100           | -                 | 62,100            |
| Due to Current Fund | <u>200</u>       | <u>\$ 100</u>     | <u>100</u>        |
| Total Receipts      | <u>\$ 62,300</u> | <u>\$ 100</u>     | <u>\$ 62,200</u>  |

EXHIBIT H-5

**STATEMENT OF PUBLIC ASSISTANCE EXPENDITURES**

|  | <u>Total</u>     | <u>Account #1</u> | <u>Account #2</u> |
|--|------------------|-------------------|-------------------|
| Current Year Assistance Reported         |                  |                   |                   |
| Maintenance                              | \$ 12,157        |                   | \$ 12,157         |
| Temporary Rental Assistance              | 28,376           |                   | 28,376            |
| Emergency Assistance - Rent              | 9,593            |                   | 9,593             |
| Emergency Assistance - Security Deposits | 3,450            |                   | 3,450             |
| Emergency Assistance - Utilities         | 200              |                   | 200               |
| Emergency Assistance - Relocation Cost   | 1,050            |                   | 1,050             |
| Transportation                           | <u>504</u>       | <u>-</u>          | <u>504</u>        |
| Total Payments Reported/Expenditures     | 55,330           | -                 | 55,330            |
| Due to Current Fund                      | <u>100</u>       | <u>-</u>          | <u>100</u>        |
| Total Disbursements                      | <u>\$ 55,430</u> | <u>\$ -</u>       | <u>\$ 55,430</u>  |

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

**PART II**

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**GOVERNMENT AUDITING STANDARDS**

**YEAR ENDED DECEMBER 31, 2013**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
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MARK SACO, CPA

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

### INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Park Ridge as of and for the year ended December 31, 2013, and the related notes to the financial statements, and have issued our report thereon dated July 29, 2014. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was modified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund financial statements.

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

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. 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 responses as item 2013-002 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying schedule of findings and responses as items 2013-001 and 2013-002.

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**

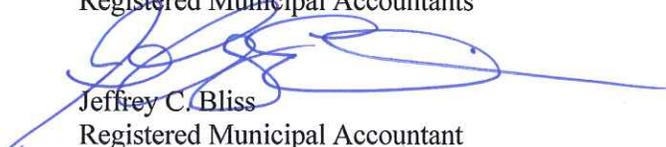
The Borough of Park Ridge's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Borough of Park Ridge's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we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

### **Purpose of this Report**

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

*Lerch, Vinci & Higgins, LLP*

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

  
Jeffrey C. Bliss

Registered Municipal Accountant  
RMA Number CR00429

Fair Lawn, New Jersey  
July 29, 2014



**BOROUGH OF PARK RIDGE  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2013**

| State Grant Program                                     | Account Number     | Grant Year | Grant Award | 2013 Grant/Loan Receipts | Balance, January 1, 2013 | Revenue Realized | Expended  | Adjustment | Balance, December 31, 2013 | Cumulative Expended |
|---|--------------------|------------|-------------|--------------------------|--------------------------|------------------|-----------|------------|----------------------------|---------------------|
| Drug and Alcohol Municipal Alliance                     | N/A                | 2012       | \$ 5,681    | -                        | \$ -                     | \$ 5,681         | -         | -          | \$ 5,681                   | -                   |
|   |                    | 2011       | 711         | -                        | 711                      | -                | 711       | -          | -                          | 711                 |
|   |                    | 2010       | 10,952      | -                        | 10,952                   | -                | -         | -          | 10,952                     | -                   |
|   |                    | 2008       | 23,500      | -                        | 5,499                    | -                | 2,940     | -          | 2,559                      | 20,941              |
| Clean Communities Grant Program                         | 042-4900-765-004   | 2013       | 16,566      | \$ 16,566                | -                        | -                | -         | -          | -                          | -                   |
|   |                    | 2012       | 14,110      | -                        | 14,110                   | -                | -         | -          | 14,110                     | -                   |
|   |                    | 2011       | 14,305      | -                        | 9,655                    | -                | -         | -          | 9,655                      | 4,650               |
|   |                    | 2010       | 14,708      | -                        | 7,799                    | -                | -         | -          | 7,799                      | 6,909               |
|   |                    | 2009       | 14,112      | -                        | 14,112                   | -                | 13,066    | -          | 1,046                      | 13,066              |
| Drunk Driving Enforcement Fund                          | 1110-448-031020-22 | 2008       | 2,893       | -                        | 181                      | -                | 181       | -          | 2,893                      |                     |
| Alcohol Education and Rehabilitation                    | 098-9735-760-001   | 2013       | 897         | 897                      | -                        | -                | -         | -          | -                          | -                   |
|   |                    | 2012       | 540         | -                        | -                        | 540              | -         | -          | 540                        | -                   |
|   |                    | 2011       | 323         | -                        | 323                      | -                | -         | -          | 323                        | -                   |
|   |                    | 2010       | 704         | -                        | 704                      | -                | -         | -          | 704                        | -                   |
|   |                    | 2008       | 1,189       | -                        | 1,059                    | -                | -         | -          | 1,059                      | 130                 |
| Department of Community Affairs Domestic Violence Grant | N/A                | Prior      | 2,178       | -                        | 2,178                    | -                | -         | 2,178      | -                          |                     |
| Body Armour Replacement Fund                            | 066-1020-718-001   | 2013       | 2,441       | 2,441                    | -                        | -                | -         | -          | -                          | -                   |
|   |                    | 2012       | 1,989       | -                        | -                        | 1,989            | -         | -          | 318                        | 1,671               |
|   |                    | 2011       | 1,948       | -                        | 1,948                    | -                | -         | -          | 1,948                      | -                   |
|   |                    | 2010       | 2,859       | -                        | 2,009                    | -                | -         | -          | 2,009                      | 850                 |
|   |                    | 2007       | 1,914       | -                        | 484                      | -                | -         | -          | 484                        | 1,430               |
| Recycling Tonnage Grant                                 | 042-4900-752-001   | 2013       | 13,293      | 13,293                   | -                        | -                | -         | -          | -                          | -                   |
|   |                    | 2012       | 11,252      | -                        | -                        | 11,252           | -         | -          | 11,252                     | -                   |
|   |                    | 2011       | 11,315      | -                        | 9,691                    | -                | 9,691     | -          | -                          | 11,315              |
|   |                    | 2010       | 19,658      | -                        | 19,395                   | -                | 19,395    | -          | -                          | 19,658              |
|   |                    | 2009       | 10,913      | -                        | 8,807                    | -                | 8,807     | -          | -                          | 10,913              |
| NJEDA Hazardous - Discharge Site                        | N/A                | Prior      | 2,406       | -                        | 2,406                    | -                | -         | 2,406      | -                          |                     |
| Department of Human Services General Assistance         | 054-7500-100-250   | 2013       | 62,100      | 62,100                   | 8,187                    | 62,100           | 55,330    | -          | 14,957                     | 55,330              |
|   |                    |            |             |                          |                          |                  |           |            |                            |                     |
|   |                    |            | \$ 106,100  | \$ 95,672                | \$ 111,792               | \$ -             | \$ 89,980 |            |                            |                     |

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

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

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

**BOROUGH OF PARK RIDGE  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2013**

**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                    | \$ 260,564        | \$ 33,572        | \$ 294,136        |
| Water Utility Operating Fund    | 3,008             |                  | 3,008             |
| Electric Utility Operating Fund | 162,729           |                  | 162,729           |
| Public Assistance Fund          | <u>-</u>          | <u>62,100</u>    | <u>62,100</u>     |
|                                 | <u>\$ 426,301</u> | <u>\$ 95,672</u> | <u>\$ 521,973</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, 2013**

**NOTE 5 STATE LOANS OUTSTANDING**

The Borough's state loans outstanding at December 31, 2013, which are not required to be reported on the schedules of expenditures of federal awards and state financial assistance, are as follows:

| <u>Loan Program</u>                                       | <u>State Account Number</u> | <u>Total</u>       |
|---|-----------------------------|--------------------|
| Green Trust Loan Program -<br>Memorial Field Improvements | 042-4800-533-02             | \$ 387,560         |
| Mill Pond Dam Improvements                                |                             | <u>1,156,000</u>   |
|   |                             | <u>\$1,543,560</u> |

**BOROUGH OF PARK RIDGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

*Part I – Summary of Auditor's Results*

**Financial Statements**

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

**Federal Awards Section**

Not Applicable

**State Awards Section**

Not Applicable

**BOROUGH OF PARK RIDGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

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 2013-001** – 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, 2013 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** – We noted effective May 1, 2014 the Borough enrolled in the New Jersey State Health Benefits Plan (SHBP) which is a cost sharing multi-employer health benefit plan. As such, under GASB statement 45 a separate actuary report of the OPEB liability and related disclosures are not required. Therefore, a recommendation is not deemed warranted related to this finding.

**Response** – Management has reviewed this finding and has indicated that effective May 1, 2014 the Borough was enrolled in the New Jersey State Health Benefits Plan (SHBP).

**BOROUGH OF PARK RIDGE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

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 2013-002** – Our audit revealed expenditures without appropriation as a result of grant awards which were expended prior to the approval of a special item of revenue and appropriation (i.e. Chapter 159) budget modification.

**Criteria or Specific Requirement** – N.J.S.A. 40A:4-87 – Special Item of Revenue and Appropriation.

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

**Context** – \$61,261 of grant awards were expended without a properly approved appropriation being made available.

**Effect** – Funds were expended without an approved appropriation resulting in a deferred charge which is required to be raised in the subsequent year's budget.

**Cause** – Proper procedures were not followed to ensure an approved appropriation was made available prior to expending grant awards.

**Recommendation** – A special item of revenue and appropriation (i.e., Chapter 159) budget modification be approved by the Governing Body and State prior to the expenditure of grant awards which are obtained subsequent to budget adoption as required by N.J.S.A. 40A:4-87.

**Response** – Management has reviewed this finding and has indicated corrective action has been developed and implemented in 2014 to address this finding.

**BOROUGH OF PARK RIDGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

*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, 2013**

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 2012-1**

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

**Current Status**

See Finding 2013-001.

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

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**PART III**

**SUPPLEMENTARY DATA**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2013**

**BOROUGH OF PARK RIDGE  
SUPPLEMENTARY DATA**

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

|   | <u>Year 2013</u>    |                 | <u>Year 2012</u>    |                 |
|---|---------------------|-----------------|---------------------|-----------------|
|   | <u>Amount</u>       | <u>Percent</u>  | <u>Amount</u>       | <u>Percent</u>  |
| <b>REVENUE AND OTHER INCOME REALIZED</b>  |                     |                 |                     |                 |
| Fund Balance Utilized   | \$ 650,000          | 1.54 %          | \$ 650,000          | 1.59 %          |
| Miscellaneous - From Other Than Local   |                     |                 |                     |                 |
| Property Tax Levies   | 3,069,215           | 7.25            | 2,983,916           | 7.29            |
| Collection of Delinquent Taxes<br>and Tax Title Liens   | 322,050             | 0.76            | 247,607             | 0.61            |
| Collection of Current Tax Levy  | 37,751,689          | 89.24           | 36,627,605          | 89.55           |
| Other Credits to Income   | <u>510,473</u>      | <u>1.21</u>     | <u>394,627</u>      | <u>0.96</u>     |
| Total Income  | <u>42,303,427</u>   | <u>100.00</u> % | <u>40,903,755</u>   | <u>100.00</u> % |
| <b>EXPENDITURES</b>   |                     |                 |                     |                 |
| <b>Budget Expenditures</b>  |                     |                 |                     |                 |
| Municipal Purposes  | 11,989,287          | 29.14 %         | 11,916,886          | 29.61 %         |
| County Taxes  | 4,002,977           | 9.73            | 4,013,168           | 9.97            |
| Local District School Tax   | 25,056,829          | 60.90           | 24,310,114          | 60.40           |
| Other Expenditures  | <u>96,387</u>       | <u>0.23</u>     | <u>5,654</u>        | <u>0.01</u>     |
| Total Expenditures  | <u>41,145,480</u>   | <u>100.00</u> % | <u>40,245,822</u>   | <u>100.00</u> % |
| Excess in Revenue   | 1,157,947           |                 | 657,933             |                 |
| <b>Adjustments to Income before Fund Balance:</b>   |                     |                 |                     |                 |
| Expenditures Included Above Which are by Statute<br>Deferred Charges to Budget of Succeeding Year | <u>61,261</u>       |                 | <u>150,000</u>      |                 |
| Statutory Excess to Fund Balance  | 1,219,208           |                 | 807,933             |                 |
| Fund Balance, January 1   | <u>1,237,303</u>    |                 | <u>1,079,370</u>    |                 |
|   | 2,456,511           |                 | 1,887,303           |                 |
| Less Utilization as Anticipated Revenue   | <u>650,000</u>      |                 | <u>650,000</u>      |                 |
| Fund Balance, December 31   | <u>\$ 1,806,511</u> |                 | <u>\$ 1,237,303</u> |                 |

**BOROUGH OF PARK RIDGE  
SUPPLEMENTARY DATA**

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

|  | <u>Year 2013</u>     |                     | <u>Year 2012</u>     |                     |
|--|----------------------|---------------------|----------------------|---------------------|
|  | <u>Amount</u>        | <u>Percent</u>      | <u>Amount</u>        | <u>Percent</u>      |
| <b>REVENUE AND OTHER INCOME REALIZED</b>         |                      |                     |                      |                     |
| Fund Balance Utilized                            | \$ 541,644           | 13.92 %             | \$ 335,648           | 8.21 %              |
| Water Usage Charges                              | 2,808,918            | 72.18               | 2,528,722            | 61.84               |
| Miscellaneous Charges and Fees                   | 270,493              | 6.95                | 298,313              | 7.30                |
| Reserve for Woodcliff Lake Improvements          |                      |                     | 588,452              | 14.39               |
| Other Credits to Income                          | <u>270,744</u>       | <u>6.95</u>         | <u>338,094</u>       | <u>8.27</u>         |
| <br>Total Income                                 | <br><u>3,891,799</u> | <br><u>100.00</u> % | <br><u>4,089,229</u> | <br><u>100.00</u> % |
| <b>EXPENDITURES</b>                              |                      |                     |                      |                     |
| Operating  | 3,005,600            | 84.39 %             | 3,050,600            | 88.45 %             |
| Capital Improvements                             | 248,000              | 6.96                | 211,500              | 6.13                |
| Debt Service                                     | 96,765               | 2.72                |                      |                     |
| Deferred Charges and Statutory Expenditures      | <u>211,250</u>       | <u>5.93</u>         | <u>187,000</u>       | <u>5.42</u>         |
| <br>Total Expenditures                           | <br><u>3,561,615</u> | <br><u>100.00</u> % | <br><u>3,449,100</u> | <br><u>100.00</u> % |
| Excess in Revenue                                | 330,184              |                     | 640,129              |                     |
| Adjustments to Income before Fund Balance:       |                      |                     |                      |                     |
| Expenditures Included Above Which are by Statute |                      |                     |                      |                     |
| Deferred Charges to Budget of Succeeding Year    | <u>-</u>             |                     | <u>25,000</u>        |                     |
| Statutory Excess to Fund Balance                 | 330,184              |                     | 665,129              |                     |
| Fund Balance, January 1                          | <u>751,781</u>       |                     | <u>422,300</u>       |                     |
|  | 1,081,965            |                     | 1,087,429            |                     |
| Less Utilization as Anticipated Revenue          | <u>541,644</u>       |                     | <u>335,648</u>       |                     |
| Fund Balance, December 31                        | <u>\$ 540,321</u>    |                     | <u>\$ 751,781</u>    |                     |

**BOROUGH OF PARK RIDGE  
SUPPLEMENTARY DATA**

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

|  | <u>Year 2013</u>    |                 | <u>Year 2012</u>    |                 |  |
|--|---------------------|-----------------|---------------------|-----------------|--|
|  | <u>Amount</u>       | <u>Percent</u>  | <u>Amount</u>       | <u>Percent</u>  |  |
| <b>REVENUE AND OTHER INCOME REALIZED</b>         |                     |                 |                     |                 |  |
| Fund Balance Utilized                            | \$ 1,118,760        | 9.79 %          | \$ 796,335          | 7.42 %          |  |
| Light and Power Charges                          | 9,859,919           | 86.25           | 9,580,812           | 89.30           |  |
| FEMA Reimbursements                              | 110,301             | 0.96            |                     |                 |  |
| Miscellaneous Charges and Fees                   | 41,358              | 0.36            | 91,048              | 0.85            |  |
| Other Credits to Income                          | 301,165             | 2.64            | 261,064             | 2.43            |  |
|  | <u>11,431,503</u>   | <u>100.00</u> % | <u>10,729,259</u>   | <u>100.00</u> % |  |
| <b>EXPENDITURES</b>                              |                     |                 |                     |                 |  |
| Operating  | 9,923,900           | 94.29 %         | 9,323,700           | 93.51 %         |  |
| Capital Improvements                             | 93,500              | 0.89            | 293,500             | 2.94            |  |
| Debt Service                                     | 276,392             | 2.63            | 174,135             | 1.75            |  |
| Deferred Charges and Statutory Expenditures      | 230,845             | 2.19            | 180,000             | 1.81            |  |
|  | <u>10,524,637</u>   | <u>100.00</u> % | <u>9,971,335</u>    | <u>100.00</u> % |  |
| Excess in Revenue                                | 906,866             |                 | 757,924             |                 |  |
| Adjustments to Income before Fund Balance:       |                     |                 |                     |                 |  |
| Expenditures Included Above Which are by Statute |                     |                 |                     |                 |  |
| Deferred Charges to Budget of Succeeding Year    | -                   |                 | 225,000             |                 |  |
| Statutory Excess to Fund Balance                 | 906,866             |                 | 982,924             |                 |  |
| Fund Balance, January 1                          | <u>1,301,558</u>    |                 | <u>1,114,969</u>    |                 |  |
|  | 2,208,424           |                 | 2,097,893           |                 |  |
| Less Utilization as Anticipated Revenue          | <u>1,118,760</u>    |                 | <u>796,335</u>      |                 |  |
| Fund Balance, December 31                        | <u>\$ 1,089,664</u> |                 | <u>\$ 1,301,558</u> |                 |  |

**BOROUGH OF PARK RIDGE  
SUPPLEMENTARY DATA**

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

|   | <u>Year 2013</u>      |                     | <u>Year 2012</u>      |                     |
|---|-----------------------|---------------------|-----------------------|---------------------|
|   | <u>Amount</u>         | <u>Percent</u>      | <u>Amount</u>         | <u>Percent</u>      |
| <b>REVENUE AND OTHER INCOME REALIZED</b>    |                       |                     |                       |                     |
| Fund Balance Utilized                       |                       |                     | \$ 12,290             | 4.35 %              |
| Membership Fees                             | \$ 222,225            | 84.22 %             | 231,440               | 81.98               |
| Miscellaneous Fees                          | 33,745                | 12.79               | 37,182                | 13.17               |
| Other Credits to Income                     | <u>7,881</u>          | <u>2.99</u>         | <u>1,391</u>          | <u>0.49</u>         |
| <br>Total Income                            | <br><u>263,851</u>    | <br><u>100.00</u> % | <br><u>282,303</u>    | <br><u>100.00</u> % |
| <br><b>EXPENDITURES</b>                     |                       |                     |                       |                     |
| Operating                                   | 200,658               | 90.91 %             | 228,618               | 91.93 %             |
| Debt Service                                |                       |                     | 58                    | 0.02                |
| Deferred Charges and Statutory Expenditures | <u>20,067</u>         | <u>9.09</u>         | <u>20,010</u>         | <u>8.05</u>         |
| <br>Total Expenditures                      | <br><u>220,725</u>    | <br><u>100.00</u> % | <br><u>248,686</u>    | <br><u>100.00</u> % |
| <br>Excess in Revenue                       | <br>43,126            |                     | <br>33,617            |                     |
| <br>Fund Balance, January 1                 | <br><u>164,804</u>    |                     | <br><u>143,477</u>    |                     |
|   | 207,930               |                     | 177,094               |                     |
| <br>Less Utilization as Anticipated Revenue | <br><u>-</u>          |                     | <br><u>12,290</u>     |                     |
| <br>Fund Balance, December 31               | <br><u>\$ 207,930</u> |                     | <br><u>\$ 164,804</u> |                     |

**BOROUGH OF PARK RIDGE  
SUPPLEMENTARY DATA**

**Comparative Schedule of Tax Rate Information**

|                 | <u>2013</u>    | <u>2012</u>    | <u>2011</u> (1) |
|-----------------|----------------|----------------|-----------------|
| <u>Tax Rate</u> | <u>\$2.375</u> | <u>\$2.279</u> | <u>\$2.189</u>  |

Apportionment of Tax Rate

|                       |       |       |       |
|-----------------------|-------|-------|-------|
| Municipal             | .524  | .502  | .482  |
| Library               | .036  | .037  | .039  |
| County                | .247  | .244  | .221  |
| County – Open Space   | .003  | .003  | .002  |
| Local District School | 1.565 | 1.493 | 1.445 |

Assessed Valuation

|      |                        |                        |
|------|------------------------|------------------------|
| 2013 | <u>\$1,601,644,938</u> |                        |
| 2012 |                        | <u>\$1,628,911,681</u> |
| 2011 |                        | <u>\$1,626,607,839</u> |

(1) The Borough had a property revaluation, which was effective for the calendar year 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<br/>of<br/>Collection</u> |
|-------------|-----------------|-------------------------|---|
| 2013        | \$ 38,091,150   | \$ 37,851,689           | 99.37%                                  |
| 2012        | 37,181,486      | 36,777,605              | 98.91%                                  |
| 2011        | 35,660,980      | 35,401,467              | 99.27%                                  |

**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<br/>Year</u> | <u>Amount of<br/>Tax Title<br/>Liens</u> | <u>Amount of<br/>Delinquent<br/>Taxes</u> | <u>Total<br/>Delinquent</u> | <u>Percentage<br/>of<br/>Tax Levy</u> |
|-----------------------------|--|---|-----------------------------|---------------------------------------|
| 2013                        | -  | \$ 199,746                                | \$ 199,746                  | 0.52%                                 |
| 2012                        | -  | 322,340                                   | 322,340                     | 0.87%                                 |
| 2011                        | -  | 247,886                                   | 247,886                     | 0.70%                                 |

**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> |
|-------------|---------------|
| 2013        | \$100,650     |
| 2012        | 100,650       |
| 2011        | 100,650       |

**Comparison of Water Utility Levies**

| <u>Year</u> | <u>Levy</u> | <u>Cash Collections(*)</u> | <u>Percentage<br/>of Collection</u> |
|-------------|-------------|----------------------------|-------------------------------------|
| 2013        | \$2,858,537 | \$2,808,918                | 98.26%                              |
| 2012        | 2,437,189   | 2,528,722                  | 103.76%                             |
| 2011        | 2,364,646   | 2,383,345                  | 100.79%                             |

**Comparison of Electric Utility Levies**

| <u>Year</u> | <u>Levy</u>  | <u>Cash Collections(*)</u> | <u>Percentage<br/>of Collection</u> |
|-------------|--------------|----------------------------|-------------------------------------|
| 2013        | \$ 9,824,277 | \$9,859,919                | 100.36%                             |
| 2012        | 9,571,972    | 9,580,812                  | 100.09%                             |
| 2011        | 9,856,644    | 10,031,244                 | 101.77%                             |

\*Includes collection of prior year receivables.

**BOROUGH OF PARK RIDGE  
SUPPLEMENTARY DATA**

**Comparative Schedule of Fund Balances**

|                                  | <u>Year</u> | <u>Balance,<br/>December 31</u> | <u>Utilized<br/>In Budget of<br/>Succeeding Year</u> |
|----------------------------------|-------------|---------------------------------|--|
| Current Fund                     | 2013        | \$1,806,511                     | \$680,700  |
|                                  | 2012        | 1,237,303                       | 650,000  |
|                                  | 2011        | 1,079,370                       | 650,000  |
|                                  | 2010        | 691,325                         | 505,000  |
|                                  | 2009        | 823,535                         | 640,000  |
| Water Utility Fund               | 2013        | \$540,321                       | \$267,512  |
|                                  | 2012        | 751,781                         | 541,644  |
|                                  | 2011        | 422,300                         | 335,648  |
|                                  | 2010        | 951,841                         | 762,800  |
|                                  | 2009        | 959,564                         | 830,721  |
| Electric Utility Operating Fund  | 2013        | \$1,089,664                     | \$945,480  |
|                                  | 2012        | 1,301,558                       | 1,118,760  |
|                                  | 2011        | 1,114,969                       | 796,335  |
|                                  | 2010        | 741,886                         | 634,479  |
|                                  | 2009        | 852,277                         | 694,491  |
| Swim Pool Utility Operating Fund | 2013        | \$207,930                       | \$14,750   |
|                                  | 2012        | 164,804                         | -0-  |
|                                  | 2011        | 143,477                         | 12,290   |
|                                  | 2010        | 100,501                         | 18,800   |
|                                  | 2009        | 26,100                          | 10,288   |

**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<br/>Corporate or<br/>Personal<br/>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<br>– 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 \$160,000 at year end.

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

- **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 exist at year end 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 which remained outstanding at year end. This resulted in a deficit balance in the reserve account of \$61,821 at December 31,2013.

**Recommendation** – Receivable balances due from vendors for police outside duty services be reviewed and cleared of record in a timely manner.

**Swim Pool Utility**

- **Finding** – Our audit of the Swim Pool revenue collections revealed that deposits slips and cash register tapes were not located for audit. In addition, 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.

**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 available for audit.

**Public Assistance**

- **Finding** - Our audit of expenditures for public assistance revealed certain rental lease agreements were not available to support monthly rental payments.

**Recommendation** – Rental lease agreements be made available for audit.

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

**GENERAL COMMENTS (Continued)**

**Current Year Findings**

**Finance**

- **Finding** – Our audit revealed that the Green Acres loan receivable balance in the amount of \$23,000 remains uncollected at year end. The final loan amortization schedule has been delayed pending submission of the final drawdown request by the Borough.

**Recommendation** – The final drawdown requests be completed to ensure collection of the Green Acres loan balance due at year end.

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

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

**Payroll**

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

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

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

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

**Public Assistance**

- **Finding** – Our audit revealed that a client was not formally notified of a termination of benefits resulting in a court judgment for the payment of \$8,300 of back rent.

**Recommendation** – Clients and landlords be notified of a termination in public assistance benefits in a timely manner.

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

**GENERAL COMMENTS (Continued)**

**Current Year Findings (Continued)**

**Purchasing**

- **Finding** – Aggregate change orders in excess of twenty percent (20%) of the original contract award were not approved in the minutes prior to the work being performed or advertised in the official newspaper as required by the New Jersey Administrative Code (N.J.A.C. 5:30-11.9).

**Recommendation** – Vendor change orders in excess of twenty percent (20%) of the original contract award be authorized by resolution of the governing body prior to execution of the change order and be advertised in the official newspaper as required by N.J.A.C. 5:30-11.9.

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

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

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$17,500. The Borough has adopted a resolution increasing the threshold to \$36,000 and has appointed the Director of Operations as qualified purchasing agent in accordance with regulations established by the Division of Local Government Services.

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

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

Barrier Free Bathroom Improvements  
2013 Road Improvement Project  
Single Axle Dump Truck  
Testing and Analysis of Potable Water  
Activated Carbon Replacement (Wells #9 and #15)

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

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

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

**GENERAL COMMENTS (Continued)**

**Collection of Interest of Delinquent Taxes**

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

The Governing Body on January 1, 2013 adopted the following resolution authorizing interest to be charged on delinquent taxes and water accounts:

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

|  |            |
|--|------------|
| First 10 Days of Tax Payments  | No Penalty |
| Thereafter, from the Due Date of<br>Tax Payments for the 1st \$1,500 | 8%         |
| Thereafter, the Balance in Excess<br>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 10, 2013.

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> |
|-------------|------------------------|
| 2013        | 0                      |
| 2012        | 0                      |
| 2011        | 0                      |
| 2010        | 0                      |

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

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

**GENERAL COMMENTS (Continued)**

**Suggestions to Management**

- Outstanding grant receivable balances and unexpended improvement authorization balances be reviewed in the various Capital Funds of the Borough.
- A review be made of all Other Trust Fund escrow and reserve account balances and old and inactive accounts be cleared of record.

**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. A special item of revenue and appropriation (i.e., Chapter 159) budget modification be approved by the Governing Body and State prior to the expenditure of grant awards which are obtained subsequent to budget adoption as required by N.J.S.A. 40A:4-87.
- \* 2. The net payroll and payroll agency account balances be reviewed and any excess balances be cleared of record.
- \* 3. Monthly bank reconciliations for the Other Trust Fund accounts be completed on a timely basis and reconciling items be reviewed and cleared of record.
- \* 4. Receivable balances due from vendors for police outside duty services be reviewed and cleared of record in a timely manner.
5. The final drawdown requests be completed to ensure collection of the Green Acres loan balance due at year end.
6. All transactions of the various escrow accounts in the Other Trust Fund be recorded and posted in the general ledger on a monthly basis.

**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 available for audit.

**Payroll**

It is recommended that:

1. Payroll taxes and withholdings made by the third party payroll service provider be verified for remittance to the respective federal and state agencies.
2. Detailed attendance records to account for employee compensated absences be maintained in a central file and location for all employees of the Borough.

**Public Assistance**

It is recommended that:

- \* 1. Rental lease agreements be made available for audit.
- 2. Clients and landlords be notified of a termination in public assistance benefits in a timely manner.

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

**RECOMMENDATIONS**

**Purchasing**

It is recommended that vendor change orders in excess of twenty percent (20%) of the original contract award be authorized by resolution of the governing body prior to execution of the change orders and be advertised in the official newspaper as required by N.J.A.C. 5:30-11.9.

\* \* \* \* \*

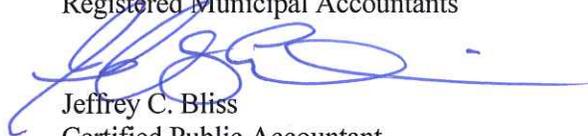
A review was performed on all prior year recommendations and corrective action was taken on all, except the recommendations denoted with an asterisk (\*).

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

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

*LERCH, VINCI & HIGGINS, LLP*

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Registered Municipal Accountants



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