

**BOROUGH OF PARK RIDGE
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2011**

**BOROUGH OF PARK RIDGE
TABLE OF CONTENTS**

<u>Exhibits</u>		<u>Page</u>
 <u>PART I</u>		
	Independent Auditor's Report	1-2
A	Comparative Balance Sheets – Regulatory Basis -Current Fund	3-4
A-1	Comparative Statements of Operations and Changes in Fund Balance - Regulatory Basis - Current Fund	5
A-2	Statement of Revenues – Regulatory Basis – Current Fund	6-7
A-3	Statement of Expenditures – Regulatory Basis – Current Fund	8-13
B	Comparative Balance Sheets – Regulatory Basis -Trust Funds	14-15
B-1	Statement of Revenues – Regulatory Basis – Open Space Preservation Trust Fund	16
B-2	Statement of Appropriations-Regulatory Basis – Open Space Preservation Trust Fund	16
C	Comparative Balance Sheets – Regulatory Basis - General Capital Fund	17
C-1	Comparative Statements of Changes in Fund Balance – Regulatory Basis General Capital Fund	18
D	Comparative Balance Sheets – Regulatory Basis - Water Utility Fund	19-20
D-1	Comparative Statements of Operations and Changes in Operating Fund Balance - Regulatory Basis - Water Utility Operating Fund	21
D-2	Comparative Statements of Changes in Fund Balance – Regulatory Basis – Water Utility Capital Fund	22
D-3	Statement of Revenues – Regulatory Basis - Water Utility Operating Fund	23
D-4	Statement of Expenditures – Regulatory Basis - Water Utility Operating Fund	24
E	Comparative Balance Sheets – Regulatory Basis – Electric Utility Fund	25-26
E-1	Comparative Statements of Operations and Changes in Fund Balance - Regulatory Basis – Electric Utility Operating Fund	27
E-2	Comparative Statements of Changes in Fund Balance – Regulatory Basis – Electric Utility Fund	28
E-3	Statement of Revenues – Regulatory Basis - Electric Utility Operating Fund	29
E-4	Statement of Expenditures – Regulatory Basis - Electric Utility Operating Fund	30
F	Comparative Balance Sheets – Regulatory Basis – Utility Trust Fund	31
G	Comparative Balance Sheets – Regulatory Basis – Swim Pool Utility Fund	32-33
G-1	Comparative Statements of Operations and Changes in Operating Fund Balance - Regulatory Basis – Swim Pool Utility Operating Fund	34
G-2	Comparative Statements of Changes in Fund Balance – Regulatory Basis – Swim Pool Utility Capital Fund	35
G-3	Statement of Revenues – Regulatory Basis – Swim Pool Utility Operating Fund	36
G-4	Statement of Expenditures – Regulatory Basis – Swim Pool Utility Operating Fund	37
H	Comparative Balance Sheets – Regulatory Basis - Public Assistance Fund	38
I	Comparative Balance Sheets – Regulatory Basis – General Fixed Assets Account Group	39
	Notes to Financial Statements	40-71

**BOROUGH OF PARK RIDGE
TABLE OF CONTENTS**

<u>Exhibits</u>		<u>Page</u>
<u>Supplementary Schedules</u>		
<u>Current Fund</u>		
A-4	Statement of Current Cash and Investments – Collector/Treasurer	72
A-5	Statement of Change Funds	73
A-6	Statement of Petty Cash Funds	73
A-7	Statement of Due from State of New Jersey Senior Citizens’ and Veterans’ Deductions	74
A-8	Statement of Grant Receivables	75
A-9	Statement of Taxes Receivable and Analysis of Property Tax Levy	76
A-10	Statement of Property Acquired for Taxes – Assessed Valuation	77
A-11	Statement of Revenue Accounts Receivable	78
A-12	Statement of Deferred Charges – Special Emergency Authorization (40A:4-53)	79
A-13	Statement of Deferred Charges – Emergency Authorization	79
A-14	Statement of 2010 Appropriation Reserves	80-81
A-15	Statement of Encumbrances Payable	82
A-16	Statement of Accounts Payable	82
A-17	Statement of Prepaid Taxes	82
A-18	Statement of Tax Overpayments	83
A-19	Statement of County Taxes Payable	83
A-20	Statement of Local District School Tax Payable	83
A-21	Statement of Fees Payable	84
A-22	Statement of Prepaid Revenue and Contributions	84
A-23	Statement of Special Emergency Notes	84
A-24	Statement of Due to Library	85
A-25	Statement of Reserve for Tax Appeals	85
A-26	Statement of Miscellaneous Reserves	86
A-27	Statement of Reserve for Appropriated Grants	87
A-28	Statement of Reserve for Grants – Unappropriated	87
<u>Trust Funds</u>		
B-3	Statement of Trust Funds Cash	88
B-4	Statement of Due to State of New Jersey – Dog License Fees – Animal Control Fund	89
B-5	Statement of Due To Current Fund - Animal Control Fund	89
B-6	Statement of Reserve for Animal Control Fund Expenditures – Animal Control Fund	89
B-7	Statement of Due to State – Unemployment Claims – Unemployment Insurance Trust Fund	90
B-8	Statement of Reserve for Unemployment Insurance Benefits – Unemployment Insurance Trust Fund	90
B-9	Statement of Due to Current Fund – Open Space Preservation Trust Fund	90
B-10	Statement of Reserve for Open Space Expenditures - Municipal Open Space Preservation Trust Fund	91
B-11	Statement of Reserve for Affordable Housing – Affordable Housing Trust Fund	91
B-12	Statement of Due to Swim Pool Utility Capital Fund – Other Trust Fund	91
B-13	Statement of Developers Escrow – Other Trust Fund	92
B-14	Statement of Payroll Deductions Payable – Other Trust Fund	92
B-15	Statement of Due to Current Fund – Other Trust Fund	92
B-16	Statement of Miscellaneous Reserves and Deposits – Other Trust Fund	93

**BOROUGH OF PARK RIDGE
TABLE OF CONTENTS**

<u>Exhibits</u>		<u>Page</u>
<u>General Capital Fund</u>		
C-2	Statement of General Capital Cash and Investments	94
C-3	Analysis of General Capital Cash and Investments	95
C-4	Statement of Grants Receivable	96
C-5	Statement of Other Accounts Receivable	96
C-6	Statement of Due from Current Fund	97
C-7	Statement of Deferred Charges to Future Taxation - Funded	97
C-8	Statement of Deferred Charges to Future Taxation - Unfunded	98
C-9	Statement of Contracts Payable	99
C-10	Statement of Capital Improvement Fund	99
C-11	Statement of Due to Open Space Preservation Trust Fund	99
C-12	Statement of Improvement Authorizations	100
C-13	Statement of Bond Anticipation Notes	101
C-14	Statement of General Serial Bonds	102
C-15	Statement of Green Trust Loan Payable	103
C-16	Statement of Reserve for Grant Proceeds	104
C-17	Statement of Reserve for Payment of Debt Service	104
C-18	Statement of Bonds and Notes Authorized But Not Issued	105
<u>Water Utility Fund</u>		
D-5	Statement of Cash – Collector/Treasurer	106
D-6	Analysis of Cash – Water Utility Capital Fund	106
D-7	Statement of Change Funds – Water Utility Operating Fund	107
D-8	Statement of Water Rents Receivable – Water Utility Operating Fund	107
D-9	Statement of Other Accounts Receivable – Water Utility Operating Fund	107
D-10	Statement of Woodcliff Lake Surcharge Receivable – Water Utility Operating Fund	108
D-11	Statement of Fixed Capital – Water Utility Capital Fund	109
D-12	Statement of Fixed Capital Authorized and Uncompleted – Water Utility Capital Fund	110
D-13	Statement of Due from Current Fund – Water Utility Operating Fund	111
D-14	Statement of Due from/to Electric Utility Operating Fund – Water Utility Operating Fund	111
D-15	Statement of Due from Water Utility Operating Fund – Water Utility Capital Fund	111
D-16	Statement of Due from Other Trust Fund – Water Utility Operating Fund	111
D-17	Statement of 2010 Appropriation Reserves – Water Utility Operating Fund	112
D-18	Statement of Encumbrances Payable – Water Utility Operating Fund	113
D-19	Statement of Accounts Payable – Water Utility Operating Fund	113
D-20	Statement of Contracts Payable – Water Utility Capital Fund	113
D-21	Statement of Improvement Authorizations – Water Utility Capital Fund	114
D-22	Statement of Capital Improvement Fund – Water Utility Capital Fund	115
D-23	Statement of Reserve for Amortization – Water Utility Capital Fund	115
D-24	Statement of Deferred Reserve for Amortization – Water Utility Capital Fund	115
D-25	Statement of Reserve for Well #20 – Water Utility Capital Fund	116
D-26	Statement of Miscellaneous Reserves – Water Utility Operating Fund	116
D-27	Statement of Bonds and Notes Authorized But Not Issued – Water Utility Capital Fund	117

**BOROUGH OF PARK RIDGE
TABLE OF CONTENTS**

<u>Exhibits</u>		<u>Page</u>
<u>Electric Utility Fund</u>		
E-5	Statement of Cash – Collector/Treasurer	118
E-6	Analysis of Cash – Electric Utility Capital Fund	118
E-7	Statement of Change Funds – Electric Utility Operating Fund	119
E-8	Statement of Light and Power Charges Receivable – Electric Utility Operating Fund	119
E-9	Statement of Other Accounts Receivable – Electric Utility Operating Fund	119
E-10	Statement of Fixed Capital – Electric Utility Capital Fund	120
E-11	Statement of Fixed Capital Authorized and Uncompleted – Electric Utility Capital Fund	121
E-12	Statement of Due from Current Fund – Electric Utility Operating Fund	122
E-13	Statement of Due from Electric Utility Operating Fund – Electric Utility Capital Fund	122
E-14	Statement of Due from Other Trust Fund – Electric Utility Operating Fund	122
E-15	Statement of 2010 Appropriation Reserves – Electric Utility Operating Fund	123
E-16	Statement of Encumbrances Payable – Electric Utility Operating Fund	123
E-17	Statement of Contracts Payable – Electric Utility Capital Fund	124
E-18	Statement of Accounts Payable – Electric Utility Operating Fund	124
E-19	Statement of Accrued Interest on Bonds – Electric Utility Operating Fund	124
E-20	Statement of Improvement Authorizations – Electric Utility Capital Fund	125
E-21	Statement of Serial Bonds – Electric Utility Capital Fund	125
E-22	Statement of Capital Improvement Fund – Electric Utility Capital Fund	126
E-23	Statement of Reserve for Amortization – Electric Utility Capital Fund	126
E-24	Statement of Deferred Reserve for Amortization – Electric Utility Capital Fund	126
E-25	Statement of Reserve for Payment of Debt – Electric Utility Capital Fund	127
E-26	Statement of Bonds and Notes Authorized But Not Issued – Electric Utility Capital Fund	128
<u>Utility Trust Fund</u>		
F-1	Statement of Cash – Utility Trust Fund	129
F-2	Statement of Deposit Payable	130
F-3	Statement of Due to Water Utility Operating Fund – Utility Trust Fund	130
F-4	Statement of Due to Electric Utility Operating Fund – Utility Trust Fund	130
<u>Swim Pool Utility Fund</u>		
G-5	Statement of Cash – Collector/Treasurer – Swim Pool Utility Fund	131
G-6	Analysis of Cash – Swim Pool Utility Capital Fund	131
G-7	Statement of Petty Cash	132
G-8	Statement of Grant Receivable – Swim Pool Utility Capital Fund	132
G-9	Statement of Due From/to Swim Pool Utility Capital Fund – Swim Pool Utility Operating Fund	132
G-10	Statement of Due to Current Fund – Swim Pool Utility Operating Fund	133
G-11	Statement of Due to General Capital Fund – Swim Pool Utility Operating Fund	133
G-12	Statement of Fixed Capital – Swim Pool Utility Capital Fund	134
G-13	Statement of Fixed Capital Authorized and Uncompleted – Swim Pool Utility Capital Fund	135

**BOROUGH OF PARK RIDGE
TABLE OF CONTENTS**

Exhibits

Page

Swim Pool Utility Fund (Continued)

G-14	Statement of 2010 Appropriation Reserves – Swim Pool Utility Operating Fund	136
G-15	Statement of Encumbrances Payable – Swim Pool Utility Operating Fund	136
G-16	Statement of Accounts Payable – Swim Pool Utility Operating Fund	137
G-17	Statement of Accrued Interest on Notes – Swim Pool Utility Operating Fund	137
G-18	Statement of Improvement Authorizations – Swim Pool Utility Capital Fund	138
G-19	Statement of Bond Anticipation Notes Payable – Swim Pool Utility Capital Fund	138
G-20	Statement of Capital Improvement Fund – Swim Pool Utility Capital Fund	139
G-21	Statement of Reserve for Amortization – Swim Pool Utility Capital Fund	139
G-22	Statement of Deferred Reserve for Amortization – Swim Pool Utility Capital Fund	139
G-23	Statement of Bonds and Notes Authorized But Not Issued – Swim Pool Utility Capital Fund	140

Public Assistance Fund

H-1	Statement of Public Assistance Cash - Treasurer	141
H-2	Statement of Due to Current Fund – Public Assistance Fund	141
H-3	Statement of Reserve for Public Assistance Expenditures	142
H-4	Statement of Public Assistance Revenues	142
H-5	Statement of Public Assistance Expenditures	142

PART II

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	143-144
Schedule of Expenditures of Federal Awards	145
Schedule of Expenditures of State Financial Assistance	146
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	147-148
Schedule of Findings and Responses	149-151
Summary Schedule of Prior Year Audit Findings	152-153

**BOROUGH OF PARK RIDGE
TABLE OF CONTENTS**

	<u>Page</u>
 <u>PART III</u>	
Comparative Statements of Operations and Changes in Fund Balance - Current Fund	154
Comparative Statements of Operations and Changes in Fund Balance - Water Utility Operating Fund	155
Comparative Statements of Operations and Changes in Fund Balance - Electric Utility Operating Fund	156
Comparative Statements of Operations and Changes in Fund Balance - Swim Pool Utility Operating Fund	157
Comparative Schedule of Tax Rate Information	158
Comparison of Tax Levies and Collection	158
Delinquent Taxes and Tax Title Liens	159
Property Acquired by Tax Title Lien Liquidation	159
Comparison of Water Utility Levies	159
Comparison of Electric Utility Levies	159
Comparative Schedule of Fund Balances	160
Officials in Office and Surety Bonds	161
General Comments	162-164
Appreciation	164
Recommendations	165-166

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

PART I

**REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2011**

LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208
FAIR LAWN, NJ 07410
TELEPHONE (201) 791-7100
FACSIMILE (201) 791-3035
WWW.LVHCPA.COM

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
RALPH M. PICONE, CPA, RMA, PSA
EDWARD N. KERE, CPA

INDEPENDENT AUDITOR'S REPORT

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

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, 2011 and 2010 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, 2011. These financial statements are the responsibility of the Borough of Park Ridge's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as discussed in the fourth paragraph, 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 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Park Ridge's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described more fully in Note 1, the Borough has prepared these financial statements using accounting practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and the accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In addition, the financial statements of the Length of Service Awards Program (LOSAP) 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 Fund financial statements as part of our audit of the Borough's financial statements. The LOSAP Fund financial activities are included in the Borough's Trust Fund, and represent 30 percent and 25 percent of the assets and liabilities, respectively, of the Borough's Trust Funds as of December 31, 2011 and 2010.

INDEPENDENT AUDITOR'S REPORT (Continued)

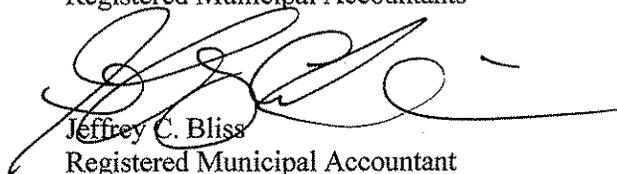
In our opinion, because of the effects of the Borough preparing its financial statements on the basis of accounting discussed in the third paragraph, the financial statements referred to previously do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Park Ridge as of December 31, 2011 and 2010, or the changes in its financial position, or, where applicable, its cash flows for the years then ended. Further, the Borough has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Fund financial statements been audited, the financial statements - regulatory basis referred to previously 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, 2011 and 2010 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 the expenditures - regulatory basis of the various funds for the year ended December 31, 2011 on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated August 3, 2012 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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 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 and schedules of expenditures of federal awards and 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. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole on the basis of accounting described in Note 1.

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
August 3, 2012

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2011 AND 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
ASSETS			
Cash and Investments	A-4	\$ 3,327,724	\$ 2,181,332
Cash - Change Funds	A-5	75	175
Cash - Petty Cash Fund	A-6	1,050	1,050
Due from State of New Jersey - Senior Citizens' and Veterans' Deductions	A-7	586	250
Grant Receivables	A-8	-	23,561
		<u>3,329,435</u>	<u>2,206,368</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-9	247,886	231,180
Property Acquired for Taxes - Assessed Valuation	A-10	100,650	100,650
Revenue Accounts Receivable	A-11	12,534	9,263
Due from Animal Control Fund	B-5	2,695	
Due from Other Trust Fund	B-15	27,000	35,315
Due from Open Space Preservation Trust Fund	B-9	9,977	55,897
Due from Electric Utility Operating Fund	E-12	51,840	25,601
Due from Swim Pool Utility Operating Fund	G-10	1,200	
Due from Public Assistance Fund	H-2	2,345	2,000
		<u>456,127</u>	<u>459,906</u>
Deferred Charges			
Emergency Authorizations	A-13	100,000	
Special Emergency Authorizations	A-12	546,000	126,000
		<u>646,000</u>	<u>126,000</u>
Total Assets		<u>\$ 4,431,562</u>	<u>\$ 2,792,274</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2011 AND 2010**

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3,A-14	\$ 714,203	\$ 535,266
Encumbrances Payable	A-15	524,904	147,322
Accounts Payable	A-16	31,620	11,367
Prepaid Taxes	A-17	258,866	284,623
Tax Overpayments	A-18		70
County Taxes Payable	A-19	5,629	5,447
Fees Payable	A-21	3,222	2,566
Prepaid Revenues and Contributions	A-22		40,293
Special Emergency Notes	A-23	538,000	110,000
Due to Library	A-24		4,920
Due to General Capital Fund	C-6	554,891	242,191
Due to Water Utility Operating Fund	D-13	5,213	2,061
Reserve for:			
Tax Appeals	A-25	158,950	125,395
Miscellaneous Reserves	A-26	6,396	59,243
Appropriated Grant Reserves	A-27	62,763	32,350
Unappropriated Grant Reserves	A-28	<u>31,408</u>	<u>37,929</u>
		2,896,065	1,641,043
Reserve for Receivables and Other Assets	A	456,127	459,906
Fund Balance	A-1	<u>1,079,370</u>	<u>691,325</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 4,431,562</u>	<u>\$ 2,792,274</u>

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 505,000	\$ 640,000
Miscellaneous Revenue Anticipated	A-2	2,546,158	2,487,144
Receipts from Delinquent Taxes	A-2	231,180	268,061
Receipts from Current Taxes	A-2	35,401,467	34,128,169
Non-Budget Revenue	A-2	232,758	172,163
Other Credits to Income			
Unexpended Balances of Appropriation Reserves	A-14	257,165	147,008
Statutory Excess - Animal Control Fund	B-5	2,695	
Cancelled Prior Year Accounts Payable	A-16	5,632	
Cancelled Miscellaneous Reserves	A-26	776	
Cancelled Other Trust Fund Reserves	B-15	4,168	
Interfunds and Other Receivables Liquidated	A-1	-	13,000
		<u>39,186,999</u>	<u>37,855,545</u>
Total Revenue			
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries & Wages	A-3	3,630,251	3,652,122
Other Expenses	A-3	5,879,880	5,282,892
Capital Improvements	A-3	137,000	85,000
Debt Service	A-3	1,105,083	1,018,633
Deferred Charges and Statutory Expenditures	A-3	934,877	1,012,261
County Taxes	A-19	3,629,068	3,840,894
Local District School Tax	A-20	23,505,631	22,453,756
Interfunds and Other Receivables Created	A	22,164	112,197
		<u>38,843,954</u>	<u>37,457,755</u>
Total Expenditures			
Excess in Revenue		343,045	397,790
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-12,A-13	550,000	110,000
Statutory Excess to Fund Balance		893,045	507,790
FUND BALANCE, JANUARY 1	A	691,325	823,535
		1,584,370	1,331,325
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	505,000	640,000
FUND BALANCE, DECEMBER 31	A	<u>\$ 1,079,370</u>	<u>\$ 691,325</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, 2011

	Reference	Budget	Added By: 40A:4-87	Realized	Excess or (Deficit)
FUND BALANCE ANTICIPATED	A-1	\$ 505,000	-	\$ 505,000	-
MISCELLANEOUS REVENUES					
Licenses					
Alcoholic Beverages	A-11	8,734		9,766	\$ 1,032
Fees and Permits					
Fire Code Department	A-11	27,000		41,112	14,112
Board of Health	A-11	14,700		26,555	11,855
Fines and Costs - Municipal Court	A-11	110,000		114,551	4,551
Interest and Costs on Taxes	A-11	65,000		48,761	(16,239)
Interest on Investments and Deposits	A-2	7,700		4,553	(3,147)
Joint Insurance Fund Dividend	A-11	6,200		8,476	2,276
Hotel Tax	A-11	210,000		263,669	53,669
Recycling Program	A-11	26,000		37,665	11,665
Cable Television Franchise Fee	A-11	100,000		117,558	17,558
Water Utility Rental Fees	A-11	105,000		105,000	-
Electric Utility Rental Fees	A-11	30,000			(30,000)
Pistol Range Fee	A-11	7,000		9,100	2,100
Tri-Boro Safety Corps.	A-11	50,000		64,151	14,151
Consolidated Municipal Property Tax Relief Aid	A-11	45,005		45,005	-
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	A-11	337,593		337,593	-
Watershed Moratorium Offset Aid	A-11	1,598		1,598	-
Watershed Moratorium Offset Aid - Prior Year	A-26	1,598		1,598	-
Indirect Costs Reimbursement Utilities	A-11	12,000			(12,000)
Uniform Construction Code Fees	A-11	170,000		209,916	39,916
Clean Communities Program - Reserve	A-28	14,708		14,708	-
Recycling Tonnage Program - Reserve	A-28	19,658		19,658	-
Alcohol Education and Rehabilitation Fund - Reserve	A-28	704		704	-
Body Armor Replacement Fund - Reserve	A-28	2,859		2,859	-
Water Utility - Payments in Lieu of Taxes	A-11	100,000		100,000	-
Electric Utility - Payments in Lieu of Taxes	A-11	155,000		155,000	-
Electric Utility Payment in Lieu of Franchise and Gross Receipts Taxes	A-11	500,000		500,000	-
Life Hazard Use Fees	A-11	17,000		14,632	(2,368)
Library Rental Fees	A-11	80,000		81,666	1,666
Excess Sewer User Fees	A-11	70,000		70,408	408
Due from Open Space Trust Fund	B-9	45,920		45,920	-
FEMA Reimbursement	A-11	30,000		30,000	-
Sprint Cell Tower Rent	A-11	70,000	-	63,976	(6,024)
Total Miscellaneous Revenues	A-1	2,440,977	-	2,546,158	105,181
RECEIPTS FROM DELINQUENT TAXES	A-1,A-9	200,000	-	231,180	31,180
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET					
Local Tax For Municipal Purposes		7,841,529		8,115,657	274,128
Minimum Library Tax		631,111	-	631,111	-
Total Amount to be Raised by Taxes	A-2	8,472,640	-	8,746,768	274,128
	A-3	\$ 11,618,617	\$ -	12,029,106	\$ 410,489
Non-Budget Revenue	A-1,A-2			232,758	
				<u>\$ 12,261,864</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, 2011**

	<u>Reference</u>	<u>Realized</u>
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenue from Collections	A-1, A-9	\$ 35,401,467
Less Allocated to School and County Taxes	A-19, A-20	<u>27,134,699</u>
		8,266,768
Add Appropriation Reserve for Uncollected Taxes	A-3	<u>480,000</u>
Amount for Support of Municipal Budget Appropriation	A-2	<u>\$ 8,746,768</u>
Interest on Investments		
Cash Receipts	A-11	\$ 2,314
Due from Other Trust Fund	B-15	1,256
Due from General Capital Fund	C-6	<u>983</u>
	A-2	<u>\$ 4,553</u>
Analysis of Non-Budget Revenue		
Insurance Refunds		\$ 61,824
Sale of Equipment		26,955
Tax Search Printouts		1,234
Parking Permits		20,271
Police Fees		1,722
Smoke Detector Fees		3,565
Snow Removal		26,410
Bid Specs		2,400
Zoning Permits		5,683
Housing Registration		10,655
Police Outside Duty Administration Fees		2,252
Zoning/Planning Board Fees		981
Prior Year Refunds		17,426
DMV Inspection Fees		3,025
PILOT - Lehmann Gardens		11,084
Miscellaneous		<u>37,271</u>
	A-2, A-4	<u>\$ 232,758</u>

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
General Administration					
Salaries and Wages	\$ 79,000	\$ 64,000	\$ 61,691	\$ 2,309	
Other Expenses	9,650	9,650	7,903	1,747	
Mayor and Council					
Salaries and Wages	34,100	38,700	38,700	-	
Other Expenses	12,000	13,000	11,833	1,167	
Municipal Clerk					
Salaries and Wages	116,000	123,000	123,000	-	
Other Expenses	48,500	42,500	41,937	563	
Financial Administration					
Salaries and Wages	58,000	65,500	65,401	99	
Other Expenses	38,510	38,510	20,470	18,040	
Audit Services					
Other Expenses	30,000	30,000	29,500	500	
Revenue Administration					
Salaries and Wages	37,000	37,000	26,973	10,027	
Other Expenses	21,500	19,500	17,719	1,781	
Tax Assessment Administration					
Salaries and Wages	24,200	23,200	23,184	16	
Other Expenses	3,900	5,400	5,128	272	
Legal Services and Costs					
Other Expenses	148,375	148,375	143,964	4,411	
Engineering Services and Costs					
Other Expenses	20,000	20,000	14,393	5,607	
LAND USE ADMINISTRATION					
Planning Board					
Salaries and Wages	32,650	30,650	30,547	103	
Other Expenses	35,990	35,990	14,449	21,541	
Zoning Board of Adjustment					
Salaries and Wages	44,600	39,600	38,263	1,337	
Other Expenses	10,225	9,691	9,321	370	
Zoning Officer					
Salaries and Wages	9,000	9,100	9,029	71	
Other Expenses	6,750	6,750	598	6,152	
Housing Task Force					
Salaries and Wages	9,500	9,500	7,893	1,607	
Other Expenses	1,400	1,400	651	749	
INSURANCE					
General Liability	190,000	190,000	141,419	48,581	
Unemployment Insurance	39,000	39,000	16,350	22,650	
Employee Group Health	1,099,192	1,099,192	1,071,073	28,119	
Employee Group Health Waiver	26,684	26,684	24,384	2,300	
Tri-Boro Ambulance	4,000	4,750	4,743	7	

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, 2011

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Continued)					
PUBLIC SAFETY FUNCTIONS					
Police					
Salaries and Wages	\$ 2,035,700	\$ 2,035,700	\$ 2,030,239	\$ 5,461	
Other Expenses	120,300	115,300	115,300		
Pistol Range					
Other Expenses	17,000	17,000	12,297	4,703	
Police Reserves/EMC					
Salaries and Wages	17,500	17,500	17,267	233	
Other Expenses	17,750	16,750	14,909	1,841	
Tri-Borough Safety Corps					
Other Expenses	251,000	268,000	267,965	35	
Emergency Management Services					
Salaries and Wages	3,000	3,000	2,500	500	
Other Expenses	6,360	3,360	2,123	1,237	
Municipal Court					
Salaries and Wages	26,600	29,400	29,366	34	
Other Expenses	65,674	88,674	60,013	28,661	
Public Defender					
Salaries and Wages	1,001	1,001	1,000	1	
First Aid Organization					
Other Expenses - Contribution	17,500	17,500	17,500		
Fire Department					
Salaries and Wages	47,200	47,200	45,615	1,585	
Other Expenses	90,665	89,665	85,665	4,000	
Fire Hydrant Services	13,500	12,500	12,425	75	
Fire Prevention					
Salaries and Wages	40,325	43,325	42,941	384	
Other Expenses	9,575	9,575	9,305	270	
Municipal Prosecutor					
Contractual	2,375	2,375	2,375	-	
PUBLIC WORKS FUNCTION					
Streets and Road Maintenance					
Salaries and Wages	543,100	543,100	541,480	1,620	
Other Expenses	156,700	256,700	148,074	108,626	
Sewer System					
Salaries and Wages	38,300	38,300	1,552	36,748	
Other Expenses	13,550	13,550	7,176	6,374	
Solid Waste Collection					
Other Expenses - Sanitation	411,000	407,000	406,214	786	
Other Expenses - Recycling	121,375	121,375	115,766	5,609	
Building and Grounds					
Salaries and Wages	76,700	74,700	73,395	1,305	
Other Expenses	60,200	60,200	57,624	2,576	
Vehicle Maintenance					
Salaries and Wages	82,600	80,600	80,513	87	
Other Expenses	57,500	57,500	48,169	9,331	

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, 2011

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Cont'd)					
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries and Wages	\$ 31,500	\$ 21,500	\$ 16,217	\$ 5,283	
Other Expenses	67,295	65,295	62,279	3,016	
Administration of Public Assistance					
Salaries and Wages	8,700	8,800	8,794	6	
Other Expenses	300	330		330	
Aid to Mental Health					
Other Expenses	8,000	8,000	8,000		
Contributions to Social Service Agencies					
Other Expenses	4,500	4,000	4,000		
PARKS AND RECREATION FUNCTIONS					
Recreation Services and Programs					
Other Expenses	18,750	12,750	8,278	4,472	
Senior Citizens					
Salaries and Wages	12,000	12,000	10,960	1,040	
Other Expenses	6,000	6,000	6,000		
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events	2,000	2,000	2,000		
Park Ridge Television					
Salaries and Wages	6,000	6,300	6,240	60	
Other Expenses	2,650	1,900	1,200	700	
Terminal Leave	99,000	80,900	78,006	2,894	
Municipal Services Act					
Other Expenses	12,000	12,000		12,000	
UNIFORM CONSTRUCTION CODE					
APPROPRIATIONS OFFSET BY DEDICATED					
REVENUES (N.J.A.C. 5:23-4-17)					
Construction Code Official					
Salaries and Wages	144,300	144,300	120,634	23,666	
Other Expenses	6,250	7,750	4,488	3,262	
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	90,000	89,850	79,200	10,650	
Telephone	36,000	36,000	35,014	986	
Water	16,000	16,000	9,949	6,051	
Gas and Oil	30,000	28,800	23,696	5,104	
Gasoline	105,000	105,000	96,753	8,247	

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Cont'd)					
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Dumping Fees	\$ 264,500	\$ 264,500	\$ 246,341	\$ 18,159	
Hurricane Irene Damages					
Other Expenses	-	450,000	337,546	112,454	-
Total Operations Within "CAPS"	7,504,521	8,035,467	7,414,879	620,588	-
Contingent	5,000	5,000	-	5,000	-
Total Operations Including Contingent Within "CAPS"	7,509,521	8,040,467	7,414,879	625,588	-
Detail:					
Salaries and Wages	3,659,951	3,630,251	3,533,775	96,476	-
Other Expenses	3,849,570	4,410,216	3,881,104	529,112	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Statutory Expenditures					
Contribution to					
Social Security System	200,000	219,000	218,920	80	
Defined Contribution Plan	500	500	180	320	
Police & Firemen Retirement System	508,245	508,245	508,245		
Public Employees Retirement System	164,420	164,420	164,420	-	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	873,165	892,165	891,765	400	-
Total General Appropriations for Municipal Purposes Within "CAPS"	8,382,686	8,932,632	8,306,644	625,988	-
OPERATIONS - EXCLUDED FROM "CAPS"					
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Recycling Tax	14,000	14,000	10,334	3,666	
SEWERAGE PROCESSING AND DISPOSAL					
Bergen County Utilities Authority-Sewer Fees	624,000	624,000	621,405	2,595	
OTHER COMMON OPERATING FUNCTIONS					
Tax Appeals	50,000	50,000	50,000		
INSURANCE					
Employee Group Health	59,624	59,624	59,624		
EDUCATION FUNCTIONS					
Maintenance of Free Public Library	631,111	631,111	631,111		

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, 2011

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - EXCLUDED FROM "CAPS" (Cont'd)					
PUBLIC SAFETY FUNCTION					
LOSAP					
Fire Department	\$ 40,000	\$ 40,000		\$ 40,000	
Tri-Borough Ambulance	13,000	13,000	-	13,000	-
Total Other Operations Excluded from "CAPS"	<u>1,431,735</u>	<u>1,431,735</u>	<u>\$ 1,372,474</u>	<u>59,261</u>	<u>-</u>
PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES					
Clean Communities Program	14,708	14,708	7,863	6,845	
Body Armor Fund Grant	2,859	2,859	850	2,009	
Alcohol and Rehabilitation Fund	704	704		704	
Recycling Tonnage Grant	19,658	19,658	262	19,396	-
Total Public and Private Programs Offset by Revenues	<u>37,929</u>	<u>37,929</u>	<u>8,975</u>	<u>28,954</u>	<u>-</u>
Total Operations Excluded from "CAPS"	<u>1,469,664</u>	<u>1,469,664</u>	<u>1,381,449</u>	<u>88,215</u>	<u>-</u>
Detail:					
Salaries and Wages					
Other Expenses	<u>1,469,664</u>	<u>1,469,664</u>	<u>1,381,449</u>	<u>88,215</u>	<u>-</u>
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	<u>137,000</u>	<u>137,000</u>	<u>137,000</u>	<u>-</u>	<u>-</u>
Total Capital Improvements Excluded from "CAPS"	<u>137,000</u>	<u>137,000</u>	<u>137,000</u>	<u>-</u>	<u>-</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	625,000	625,000	625,000		
Payment of Bond Anticipation Notes and Capital Notes	75,000	75,000	73,484		\$ 1,516
Interest on Bonds	297,800	297,800	297,793		7
Interest on Notes	74,750	74,804	74,802		2
Green Trust Loan Program: Loan Repayments for Principal and Interest	<u>34,005</u>	<u>34,005</u>	<u>34,004</u>	<u>-</u>	<u>1</u>
Total Municipal Debt Service Excluded from "CAPS"	<u>1,106,555</u>	<u>1,106,609</u>	<u>1,105,083</u>	<u>-</u>	<u>1,526</u>

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, 2011

	<u>Appropriated</u>	<u>Expended</u>	<u>Unexpended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
DEFERRED CHARGES MUNICIPAL- EXCLUDED FROM "CAPS"					
DEFERRED CHARGES					
Special Emergency Authorization	\$ 30,000	\$ 30,000	\$ 30,000		
Deferred Charges - Unfunded					
Ordinance No. 98-9	800	800	800		
Ordinance No. 00-4	5,462	5,462	5,462		
Ordinance No. 01-11	5,650	5,650	5,650		
Ordinance No. 03-41/03-12	<u>800</u>	<u>800</u>	<u>800</u>	-	-
Total Deferred Charges Municipal Excluded from "CAPS"	<u>42,712</u>	<u>42,712</u>	<u>42,712</u>	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>2,755,931</u>	<u>2,755,985</u>	<u>2,666,244</u>	\$ 88,215	\$ 1,526
Subtotal General Appropriations	11,138,617	11,688,617	10,972,888	714,203	1,526
Reserve for Uncollected Taxes	<u>480,000</u>	<u>480,000</u>	<u>480,000</u>	-	-
Total General Appropriations	<u>\$ 11,618,617</u>	<u>\$ 12,168,617</u>	<u>\$ 11,452,888</u>	<u>\$ 714,203</u>	<u>\$ 1,526</u>
	<u>Reference</u>	A-2		A, A-1	A-1
Budget	A-3	\$ 11,618,617			
Emergency Appropriation	A-13	100,000			
Special Emergency Appropriation	A-12	<u>450,000</u>			
		<u>\$ 12,168,617</u>			
Cash Disbursed	A-4		\$ 10,218,272		
Encumbrances Payable	A-15		524,904		
Deferred Charges					
Special Emergency Authorization	A-12		30,000		
Due to General Capital Fund	C-6		149,712		
Reserve for Tax Appeals	A-25		50,000		
Reserve for Uncollected Taxes	A-2		<u>480,000</u>		
			<u>\$ 11,452,888</u>		

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2011 AND 2010**

ASSETS	<u>Reference</u>	<u>2011</u>	<u>2010</u>
ANIMAL CONTROL FUND			
Cash	B-3	\$ <u>11,483</u>	\$ <u>8,113</u>
OTHER TRUST FUND			
Cash	B-3	<u>793,747</u>	<u>1,043,039</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Cash	B-3	<u>58,890</u>	<u>26,913</u>
OPEN SPACE PRESERVATION TRUST FUND			
Cash	B-3	580,367	743,450
Due from General Capital Fund	C-11	<u>48,376</u>	<u>-</u>
		<u>628,743</u>	<u>743,450</u>
AFFORDABLE HOUSING TRUST FUND			
Cash	B-3	<u>636,292</u>	<u>681,255</u>
LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)			
Investments	B	812,839	763,185
Contributions Receivable		<u>86,084</u>	<u>76,470</u>
		<u>898,923</u>	<u>839,655</u>
Total Assets		<u>\$ 3,028,078</u>	<u>\$ 3,342,425</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2011 AND 2010**

LIABILITIES AND RESERVES	<u>Reference</u>	<u>2011</u>	<u>2010</u>
ANIMAL CONTROL FUND			
Due to State of New Jersey	B-4	\$ 113	\$ 107
Due to Current Fund	B-5	2,695	-
Reserve for Animal Control Fund Expenditures	B-6	<u>8,675</u>	<u>8,006</u>
		<u>11,483</u>	<u>8,113</u>
OTHER TRUST FUND			
Due to Current Fund	B-15	27,000	35,315
Due to Water Utility Operating Fund	D-16	10,032	
Due to Electric Utility Operating Fund	E-14	14,955	14,955
Due to Swim Pool Utility Capital Fund	B-12		69,040
Developers Escrow	B-13	323,678	419,393
Payroll Deductions Payable	B-14	173,933	255,006
Miscellaneous Reserves & Deposits	B-16	<u>244,149</u>	<u>249,330</u>
		<u>793,747</u>	<u>1,043,039</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Due to State of New Jersey	B-7	387	24,696
Reserve for Unemployment Insurance Benefits	B-8	<u>58,503</u>	<u>2,217</u>
		<u>58,890</u>	<u>26,913</u>
OPEN SPACE PRESERVATION TRUST FUND			
Due to Current Fund	B-9	9,977	55,897
Reserve for Open Space Expenditures	B-10	<u>618,766</u>	<u>687,553</u>
		<u>628,743</u>	<u>743,450</u>
AFFORDABLE HOUSING TRUST FUND			
Reserve for Affordable Housing	B-11	<u>636,292</u>	<u>681,255</u>
LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)			
Reserve for LOSAP Benefits	B	<u>898,923</u>	<u>839,655</u>
 Total Liabilities and Reserves		 <u>\$ 3,028,078</u>	 <u>\$ 3,342,425</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, 2011**

	<u>Reference</u>	<u>Anticipated (Memo) Budget</u>	<u>Budget After Modification</u>	<u>Realized</u>	<u>Excess or Deficit</u>
Trust Fund Reserve Balance Anticipated	B-10	-	\$ 143,215	\$ 143,215	-
	B-2	\$ -	\$ 143,215	143,215	\$ -

**STATEMENT OF APPROPRIATIONS-REGULATORY BASIS
OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Appropriated (Memo) Budget</u>	<u>Budget After Modification</u>	<u>Expended Paid or Charged</u>	<u>Reserved</u>
Development of Lands for Recreation and Conservation:				
Other Expenses		\$ 3,920	\$ 3,920	
Down Payments on Improvements	-	139,295	139,295	-
	\$ -	\$ 143,215	\$ 143,215	\$ -
Reference	B-1	B-1	B-10	

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2011 AND 2010**

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
ASSETS			
Cash and Investments	C-2,C-3	\$ 778,869	\$ 736,453
Grants Receivable	C-4	419,241	619,642
Other Receivables	C-5		102,714
Due from Current Fund	C-6	554,891	242,191
Due from Swim Pool Utility Operating Fund	G-11	1,800	1,800
Deferred Charges to Future Taxation			
Funded	C-7	8,230,778	8,880,633
Unfunded	C-8	<u>7,446,023</u>	<u>6,630,633</u>
 Total Assets		 <u>\$ 17,431,602</u>	 <u>\$ 17,214,066</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Serial Bonds	C-14	\$ 7,792,000	\$ 8,417,000
Bond Anticipation Notes	C-13	6,389,648	5,122,032
Green Trust Loan	C-15	438,778	463,633
Contracts Payable	C-9	931,976	677,618
Due to Open Space Preservation Trust Fund	C-11	48,376	
Improvement Authorizations			
Funded	C-12	710,538	1,285,955
Unfunded	C-12	729,632	902,225
Capital Improvement Fund	C-10	16,743	20,817
Reserve for Grant Proceeds	C-16		249,685
Reserve for Payment of Debt	C-17	256,035	3,888
Fund Balance	C-1	<u>117,876</u>	<u>71,213</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 17,431,602</u>	 <u>\$ 17,214,066</u>

There were bonds and notes authorized but not issued on December 31, 2011 and 2010 of \$1,157,660 and \$1,536,781 respectively. (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, 2011 AND 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Balance, January 1	C	\$ 71,213	\$ 33,305
Increased by:			
Funded Improvement Authorizations Cancelled	C-12	423,426	
Cancelled Reserve for Grant Proceeds	C-16	16,685	
Premium on Sale of Notes	C	<u>-</u>	<u>37,908</u>
		511,324	71,213
Decreased by:			
Cancelled Grants Receivable	C-4	290,734	
Cancelled Other Accounts Receivable	C-5	<u>102,714</u>	<u>-</u>
Balance, December 31	C	<u>\$ 117,876</u>	<u>\$ 71,213</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2011 AND 2010**

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
ASSETS			
OPERATING FUND			
Cash	D-5	\$ 3,453,926	\$ 3,722,425
Cash - Change Fund	D-7	25	25
Due from Current Fund	D-13	5,213	2,061
Due from Other Trust Fund	D-16	10,032	
Due from Utility Trust Fund	F-3	836	
Due from Electric Utility Operating Fund	D-14	-	711
		<u>3,470,032</u>	<u>3,725,222</u>
Receivables With Full Reserves			
Water Rents Receivable	D-8	194,782	213,481
Other Accounts Receivable	D-9	37,838	35,977
Woodcliff Lake Surcharge Receivable	D-10	26,052	23,547
		<u>258,672</u>	<u>273,005</u>
Total Operating Fund		<u>3,728,704</u>	<u>3,998,227</u>
CAPITAL FUND			
Due from Water Utility Operating Fund	D-15	35,563	70,899
Fixed Capital	D-11	11,184,134	11,070,930
Fixed Capital Authorized and Uncompleted	D-12	827,149	935,031
Total Capital Fund		<u>12,046,846</u>	<u>12,076,860</u>
		<u>\$ 15,775,550</u>	<u>\$ 16,075,087</u>

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2011 AND 2010
(Continued)

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	D-4,D-17	\$ 388,104	\$ 157,527
Encumbrances Payable	D-18	103,273	141,570
Accounts Payable	D-19	2,906	6,707
Due to Water Utility Capital Fund	D-15	35,563	70,899
Due to Electric Utility Operating Fund	D-14	24,701	
Miscellaneous Reserves	D-26	<u>2,493,185</u>	<u>2,396,678</u>
		3,047,732	2,773,381
Reserve for Receivables	D	258,672	273,005
Fund Balance	D-1	<u>422,300</u>	<u>951,841</u>
Total Operating Fund		<u>3,728,704</u>	<u>3,998,227</u>
CAPITAL FUND			
Contracts Payable	D-20	413,947	
Improvement Authorization			
Funded	D-21		13,255
Unfunded	D-21	170,975	739,885
Capital Improvement Fund	D-22	506,669	506,669
Reserve for Amortization	D-23	10,914,283	10,717,706
Deferred Reserve for Amortization	D-24	-	13,255
Reserve for Well #20	D-25		65,000
Fund Balance	D-2	<u>40,972</u>	<u>21,090</u>
Total Capital Fund		<u>12,046,846</u>	<u>12,076,860</u>
		<u>\$ 15,775,550</u>	<u>\$ 16,075,087</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2011 and 2010 of \$1,097,000 and \$1,275,000 respectively. (See Exhibit D-27)

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, 2011 AND 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	D-3	\$ 762,800	\$ 830,721
Water Rents	D-3	2,383,345	2,609,088
Miscellaneous Fees	D-3	273,089	303,136
Employee Health Benefit Contributions	D-1		17,433
Other Credits			
Appropriation Reserves Lapsed	D-17	146,890	324,112
Cancellation of Accounts Payable	D-19	2,007	229
Prior Year Outstanding Checks Voided	D-5	<u>29,928</u>	<u>-</u>
 Total Income		 <u>3,598,059</u>	 <u>4,084,719</u>
 EXPENDITURES			
Operating	D-4	2,942,300	2,843,500
Capital Improvements	D-4	236,500	247,500
Deferred Charges and Statutory Expenditures	D-4	<u>186,000</u>	<u>170,721</u>
 Total Expenditures		 <u>3,364,800</u>	 <u>3,261,721</u>
 Excess in Revenue		 233,259	 822,998
 Fund Balance, January 1,	 D	 <u>951,841</u>	 <u>959,564</u>
		1,185,100	1,782,562
 Decreased by:			
Utilized as Anticipated Revenue	D-1,D-3	<u>762,800</u>	<u>830,721</u>
 Balance, December 31,	 D	 <u>\$ 422,300</u>	 <u>\$ 951,841</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE- REGULATORY BASIS
WATER UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Balance, January 1	D	\$ 21,090	\$ 21,090
Increased by:			
Funded Improvement Authorizations Cancelled	D-24	<u>19,882</u>	<u>-</u>
Balance, December 31,	D	<u>\$ 40,972</u>	<u>\$ 21,090</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	D-1	\$ 762,800	\$ 762,800	
Water Rents	D-1,D-8	2,399,000	2,383,345	\$ (15,655)
Miscellaneous	D-1,D-3	<u>303,000</u>	<u>273,089</u>	<u>(29,911)</u>
	D-4	<u>\$ 3,464,800</u>	<u>3,419,234</u>	<u>\$ (45,566)</u>

Analysis of Realized Revenue

Miscellaneous:

Fire Sprinkler	D-9	\$ 59,251
Hydrants	D-9	29,260
Other Billing Charges	D-9	808
Mobile Antenna Rents	D-5	159,203
Interest on Investments	D-5	855
Miscellaneous Fees	D-5	<u>23,712</u>
	D-3	<u>\$ 273,089</u>

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries and Wages	\$ 1,197,000	\$ 1,197,000	\$ 1,087,963	\$ 109,037	
Other Expenses	1,477,000	1,477,000	1,251,929	175,071	\$ 50,000
Group Health Insurance	318,300	318,300	313,697	4,603	-
	<u>2,992,300</u>	<u>2,992,300</u>	<u>2,653,589</u>	<u>288,711</u>	<u>50,000</u>
Total Operating					
CAPITAL IMPROVEMENTS					
Capital Improvement Fund	25,000	25,000	25,000	-	
Capital Outlay	261,500	261,500	113,306	98,194	50,000
	<u>286,500</u>	<u>286,500</u>	<u>138,306</u>	<u>98,194</u>	<u>50,000</u>
Total Capital Improvements					
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures					
Contribution to					
Public Employees Retirement System	94,000	94,000	93,079	921	
Social Security System (O.A.S.I.)	92,000	92,000	91,722	278	-
	<u>186,000</u>	<u>186,000</u>	<u>184,801</u>	<u>1,199</u>	<u>-</u>
Total Deferred Charges and Statutory Expenditures					
	<u>\$ 3,464,800</u>	<u>\$ 3,464,800</u>	<u>\$ 2,976,696</u>	<u>\$ 388,104</u>	<u>\$ 100,000</u>

	<u>Reference</u>	D-3	D-1	D, D-1
Cash Disbursed	D-5		\$ 2,848,423	
Encumbrances Payable	D-18		103,273	
Due to Water Utility Capital Fund	D-15		<u>25,000</u>	
			<u>\$ 2,976,696</u>	

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
ELECTRIC UTILITY FUND
AS OF DECEMBER 31, 2011 AND 2010**

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
ASSETS			
OPERATING FUND			
Cash	E-5	\$ 2,037,859	\$ 1,836,037
Cash - Change Fund	E-7	50	50
Due from Other Trust Fund	E-14	14,955	14,955
Due from Water Utility Operating Fund	D-14	24,701	
Due from Utility Trust Fund	F-4	<u>1,517</u>	<u>-</u>
		<u>2,079,082</u>	<u>1,851,042</u>
Receivables With Full Reserves			
Light and Power Charges Receivable	E-8	362,232	536,832
Other Accounts Receivable	E-9	<u>18,917</u>	<u>18,203</u>
		<u>381,149</u>	<u>555,035</u>
Total Operating Fund		<u>2,460,231</u>	<u>2,406,077</u>
CAPITAL FUND			
Due from Electric Utility Operating Fund	E-13	44,639	183,446
Fixed Capital	E-10	10,892,089	10,698,130
Fixed Capital Authorized and Uncompleted	E-11	<u>531,429</u>	<u>217,578</u>
Total Capital Fund		<u>11,468,157</u>	<u>11,099,154</u>
		<u>\$ 13,928,388</u>	<u>\$ 13,505,231</u>

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
ELECTRIC UTILITY FUND
AS OF DECEMBER 31, 2011 AND 2010
(Continued)

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	E-4,E-15	\$ 314,379	\$ 266,652
Encumbrances Payable	E-16	541,017	616,178
Accounts Payable	E-18	2,001	5,323
Accrued Interest on Bonds	E-19	10,237	11,245
Due to Current Fund	E-12	51,840	25,601
Due to Water Utility Operating Fund	D-14		711
Due to Electric Utility Capital Fund	E-13	<u>44,639</u>	<u>183,446</u>
		964,113	1,109,156
Reserve for Receivables	E	381,149	555,035
Fund Balance	E-1	<u>1,114,969</u>	<u>741,886</u>
 Total Operating Fund		 <u>2,460,231</u>	 <u>2,406,077</u>
CAPITAL FUND			
Serial Bonds	E-21	1,268,000	1,393,000
Contracts Payable	E-17	36,782	152,086
Improvement Authorizations			
Funded	E-20	-	37,578
Unfunded	E-20	300,840	27,914
Capital Improvement Fund	E-22	326,500	271,500
Reserve for Amortization	E-23	9,497,982	9,073,792
Deferred Reserve for Amortization	E-24	36,429	37,578
Reserve for Payment of Debt	E-25		105,231
Fund Balance	E-2	<u>1,624</u>	<u>475</u>
 Total Capital Fund		 <u>11,468,157</u>	 <u>11,099,154</u>
		<u>\$ 13,928,388</u>	<u>\$ 13,505,231</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2011 and 2010 of \$621,107 and \$411,338 respectively. (See Exhibit E-26)

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, 2011 AND 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	E-3	\$ 634,479	\$ 694,491
Light and Power Charges	E-3	10,031,244	9,903,981
Miscellaneous Fees	E-3	154,629	47,882
Employee Health Benefit Contributions	E-1		15,116
Other Credits to Income			
Appropriation Reserves Lapsed	E-15	277,315	339,253
Prior Year Outstanding Checks Voided	E-5	27,705	
Cancellation of Accounts Payable	E-18	661	-
		<u>11,126,033</u>	<u>11,000,723</u>
Total Income			
EXPENDITURES			
Operating	E-4	9,503,000	9,813,500
Capital Improvements	E-4	258,500	229,500
Debt Service	E-4	177,971	157,045
Deferred Charges and Statutory Expenditures	E-4	179,000	166,637
Refund of Prior Year Revenues	E-1	-	49,941
		<u>10,118,471</u>	<u>10,416,623</u>
Total Expenditures			
Excess in Revenue		1,007,562	584,100
Fund Balance, January 1,	E	<u>741,886</u>	<u>852,277</u>
		1,749,448	1,436,377
Decreased by:			
Utilized as Anticipated Revenue	E-1, E-3	<u>634,479</u>	<u>694,491</u>
Balance, December 31,	E	<u>\$ 1,114,969</u>	<u>\$ 741,886</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, 2011 AND 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Balance, January 1	E	\$ 475	\$ 475
Increased by:			
Funded Improvement Authorizations Cancelled	E-24	<u>1,149</u>	<u>-</u>
Balance, December 31,	E	<u>\$ 1,624</u>	<u>\$ 475</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
ELECTRIC UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	E-1	\$ 634,479	\$ 634,479	
Light and Power Charges	E-1,E-8	9,440,000	10,031,244	\$ 591,244
Miscellaneous	E-1,E-3	<u>45,000</u>	<u>154,629</u>	<u>109,629</u>
	E-4	<u>\$ 10,119,479</u>	<u>10,820,352</u>	<u>\$ 700,873</u>

Analysis of Realized Revenue

Miscellaneous:

Interest on Investments	E-5	\$ 2,234
Dusk to Dawn Fees	E-9	19,881
Miscellaneous Fees	E-5	<u>132,514</u>
	E-3	<u>\$ 154,629</u>

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
ELECTRIC UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries and Wages	\$ 1,060,000	\$ 1,060,000	\$ 897,128	\$ 162,872	
Other Expenses	530,500	530,500	530,296	204	
Group Health Insurance	334,500	334,500	329,200	5,300	
Purchase of Electric Current	6,973,000	6,923,000	6,829,641	93,359	
Franchise & Gross Receipts Taxes-Current Fund	500,000	500,000	500,000		
Payment in Lieu of Taxes - Current Fund	<u>155,000</u>	<u>155,000</u>	<u>155,000</u>	<u>-</u>	<u>-</u>
Total Operating	<u>9,553,000</u>	<u>9,503,000</u>	<u>9,241,265</u>	<u>261,735</u>	<u>-</u>
CAPITAL IMPROVEMENTS					
Capital Improvement Fund	5,000	55,000	55,000		
Capital Outlay	<u>203,500</u>	<u>203,500</u>	<u>158,090</u>	<u>45,410</u>	<u>-</u>
Total Capital Improvements	<u>208,500</u>	<u>258,500</u>	<u>213,090</u>	<u>45,410</u>	<u>-</u>
MUNICIPAL DEBT SERVICE -					
Payment of Bond Principal	125,000	125,000	125,000		
Interest on Bonds	<u>53,979</u>	<u>53,979</u>	<u>52,971</u>	<u>-</u>	<u>\$ 1,008</u>
Total Municipal Debt Service	<u>178,979</u>	<u>178,979</u>	<u>177,971</u>	<u>-</u>	<u>1,008</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures					
Contribution to					
Public Employees Retirement System	97,000	97,000	96,583	417	
Social Security System (O.A.S.I.)	<u>82,000</u>	<u>82,000</u>	<u>75,183</u>	<u>6,817</u>	<u>-</u>
Total Deferred Charges and Statutory Expenditures	<u>179,000</u>	<u>179,000</u>	<u>171,766</u>	<u>7,234</u>	<u>-</u>
	<u>\$ 10,119,479</u>	<u>\$ 10,119,479</u>	<u>\$ 9,804,092</u>	<u>\$ 314,379</u>	<u>\$ 1,008</u>
	<u>Reference</u>	E-3	E-1	E, E-1	
Cash Disbursed	E-5		\$ 9,128,115		
Encumbrances Payable	E-16		541,017		
Accrued Interest on Bonds	E-19		52,971		
Due to Current Fund	E-12		26,989		
Due to Electric Utility Capital Fund	E-13		<u>55,000</u>		
			<u>\$ 9,804,092</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, 2011 AND 2010

ASSETS	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Cash	F-1	\$ 628,159	\$ 600,370
		<u>\$ 628,159</u>	<u>\$ 600,370</u>
LIABILITIES AND RESERVES			
Deposits Payable			
Water Customers	F-2	\$ 413,974	\$ 405,374
Electric Customers	F-2	211,832	194,996
Due to Water Utility Operating Fund	F-3	836	
Due to Electric Utility Operating Fund	F-4	<u>1,517</u>	<u>-</u>
Total Liabilities and Reserves		<u>\$ 628,159</u>	<u>\$ 600,370</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SWIM POOL UTILITY FUND
AS OF DECEMBER 31, 2011 AND 2010**

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
ASSETS			
OPERATING FUND			
Cash	G-5	\$ 218,712	\$ 105,258
Petty Cash	G-7	250	250
Due from Swim Pool Utility Capital Fund	G-9	<u>-</u>	<u>18,236</u>
Total Operating Fund		<u>218,962</u>	<u>123,744</u>
CAPITAL FUND			
Grants Receivable	G-8	30,188	72,440
Due from Other Trust Fund	B-12		69,040
Due from Swimming Pool Utility Operating Fund	G-9	56,417	
Fixed Capital	G-12	1,060,861	980,248
Fixed Capital Authorized and Uncompleted	G-13	<u>43,055</u>	<u>248,668</u>
Total Capital Fund		<u>1,190,521</u>	<u>1,370,396</u>
		<u>\$ 1,409,483</u>	<u>\$ 1,494,140</u>

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SWIM POOL UTILITY FUND
AS OF DECEMBER 31, 2011 AND 2010
(Continued)

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	G-4,G-14	\$ 416	\$ 20,487
Encumbrances Payable	G-15	15,022	180
Accounts Payable	G-16		526
Accrued Interest on Notes	G-17	630	250
Due to Current Fund	G-10	1,200	
Due to General Capital Fund	G-11	1,800	1,800
Due to Swim Pool Utility Capital Fund	G-9	<u>56,417</u>	<u>-</u>
		75,485	23,243
Fund Balance	G-1	<u>143,477</u>	<u>100,501</u>
Total Operating Fund		<u>218,962</u>	<u>123,744</u>
CAPITAL FUND			
Bond Anticipation Note	G-19	80,000	80,000
Due to Swim Pool Utility Operating Fund	G-9		18,236
Improvement Authorizations			
Funded	G-18	18,615	67,254
Unfunded	G-18	24,440	107,188
Capital Improvement Fund	G-20	16,000	16,000
Reserve for Amortization	G-21	1,032,801	940,188
Deferred Reserve for Amortization	G-22	18,615	141,480
Fund Balance	G-2	<u>50</u>	<u>50</u>
Total Capital Fund		<u>1,190,521</u>	<u>1,370,396</u>
		<u>\$ 1,409,483</u>	<u>\$ 1,494,140</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2011 and 2010 of \$52,500 and \$67,248 respectively. (See Exhibit G-23)

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING FUND BALANCE -
REGULATORY BASIS
SWIM POOL UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	G-3	\$ 18,800	\$ 10,288
Membership Fees	G-3	228,388	218,733
Miscellaneous Fees	G-3	31,389	31,553
Capital Improvement Fund	G-3		15,000
Other Credits			
Cancelled Accounts Payable	G-16	526	
Appropriation Reserves Lapsed	G-14	<u>17,828</u>	<u>57,403</u>
 Total Income		 <u>296,931</u>	 <u>332,977</u>
 EXPENDITURES			
Operating	G-4	213,375	214,640
Capital Improvements	G-4		1,000
Debt Service	G-4	1,580	2,050
Deferred Charges and Statutory Expenditures	G-4	<u>20,200</u>	<u>30,598</u>
 Total Expenditures		 <u>235,155</u>	 <u>248,288</u>
 Excess in Revenue		 61,776	 84,689
 Fund Balance, January 1,	 G	 <u>100,501</u>	 <u>26,100</u>
		162,277	110,789
Decreased by:			
Utilized as Anticipated Revenue	G-1,G-3	<u>18,800</u>	<u>10,288</u>
 Balance, December 31,	 G	 <u>\$ 143,477</u>	 <u>\$ 100,501</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, 2011 AND 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Balance, January 1	G	\$ <u>50</u>	\$ <u>50</u>
Balance, December 31,	G	\$ <u>50</u>	\$ <u>50</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
SWIM POOL UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	G-1	\$ 18,800	\$ 18,800	
Membership Fees	G-1,G-5	218,625	228,388	\$ 9,763
Miscellaneous	G-1,G-3	<u>24,400</u>	<u>31,389</u>	<u>6,989</u>
	G-4	<u>\$ 261,825</u>	<u>\$ 278,577</u>	<u>\$ 16,752</u>

Analysis of Realized Revenue

Miscellaneous			
Pictures		\$ 245	
Swim Lessons		9,312	
Fines		3,210	
Guest Fees		15,415	
Snack Bar Concession Fee		2,550	
Miscellaneous		<u>657</u>	
	G-3,G-5	<u>\$ 31,389</u>	

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SWIM POOL UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries and Wages	\$ 107,000	\$ 107,000	\$ 100,795	\$ 5	\$ 6,200
Other Expenses	<u>132,575</u>	<u>132,575</u>	<u>112,419</u>	<u>156</u>	<u>20,000</u>
Total Operating	<u>239,575</u>	<u>239,575</u>	<u>213,214</u>	<u>161</u>	<u>26,200</u>
DEBT SERVICE					
Interest on Notes	<u>2,050</u>	<u>2,050</u>	<u>1,580</u>	<u>-</u>	<u>470</u>
Total Debt Service	<u>2,050</u>	<u>2,050</u>	<u>1,580</u>	<u>-</u>	<u>470</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Deferred Charges					
Cost of Improvements-Ord. 6-10	12,000	12,000	12,000		-
Statutory Expenditures					
Contribution to Social Security System (O.A.S.I.)	<u>8,200</u>	<u>8,200</u>	<u>7,945</u>	<u>255</u>	<u>-</u>
Total Deferred Charges and Statutory Expenditures	<u>20,200</u>	<u>20,200</u>	<u>19,945</u>	<u>255</u>	<u>-</u>
	<u>\$ 261,825</u>	<u>\$ 261,825</u>	<u>\$ 234,739</u>	<u>\$ 416</u>	<u>\$ 26,670</u>
<u>Reference</u>	G-3		G-1	G,G-1	G,G-1
	<u>Reference</u>				
Cash Disbursed	G-5		\$ 206,137		
Encumbrances Payable	G-15		15,022		
Due to Swim Pool Utility Capital Fund	G-9		12,000		
Accrued Interest on Notes	G-17		<u>1,580</u>		
	G-4		<u>\$ 234,739</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, 2011 AND 2010**

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
ASSETS			
Cash	H-1	\$ <u>10,076</u>	\$ <u>13,281</u>
		<u>\$ 10,076</u>	<u>\$ 13,281</u>
LIABILITIES AND RESERVES			
Due to Current Fund	H-2	\$ 2,345	\$ 2,000
Reserve for Public Assistance	H-3	<u>7,731</u>	<u>11,281</u>
		<u>\$ 10,076</u>	<u>\$ 13,281</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
Land	\$ 14,933,696	\$ 14,838,300
Buildings and Building Improvements	5,515,900	5,515,900
Machinery and Equipment	<u>7,151,655</u>	<u>6,740,644</u>
	<u>\$ 27,601,251</u>	<u>\$ 27,094,844</u>
Investment in Fixed Assets	<u>\$ 27,601,251</u>	<u>\$ 27,094,844</u>

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NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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, volunteer fire department or volunteer ambulance squad, which are considered component units under GAAP. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The Borough has the following funds and account group:

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

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

Animal Control Fund - This fund is used to account for fees collected from dog 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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes.

General Fixed Assets Account Group - This account group is used to account for all general fixed assets of the Borough, other than those accounted for in the water, electric and swim pool utility funds. The Borough's infrastructure is not reported in the account group.

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 per N.J.S.A. 40A:4 et seq.

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

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

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2011 and 2010 the Borough Council increased the original current fund budget by \$550,000 and \$118,205, respectively. The increase in 2011 was attributable to a special emergency resolution for Hurricane Irene storm damage in the amount of \$450,000 and an emergency resolution for the October 2011 Nor'easter storm response and clean-up costs in the amount of \$100,000. The increase in 2010 was attributable to an emergency resolution for the reassessment of real property in the amount of \$110,000 and additional aid allotted to the Borough in the amount of \$8,205. In addition, the governing body approved several budget transfers during 2011 and 2010.

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

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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 \$2,000 and an estimated useful life in excess of two years.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

General Fixed Assets (Continued)

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

Fixed Assets purchased after December 31, 2008 are stated at 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, 2010 balances to conform to the December 31, 2011 presentation.

**BOROUGH OF PARK RIDGE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Comparative Data - Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Borough's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

C. Basic Financial Statements

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

NOTE 2 DEPOSITS AND INVESTMENTS

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

Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2011 and 2010, the book value of the Borough's deposits were \$12,516,453 and \$11,678,381 and bank and brokerage firm balances of the Borough's deposits amounted to \$12,940,096 and \$12,245,551, 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>2011</u>	<u>2010</u>
Insured	<u>\$ 12,940,096</u>	<u>\$ 12,245,551</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2011 and 2010, the Borough’s bank balances were not exposed to custodial credit risk.

Investments

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

As of December 31, 2011 and 2010, the Borough had the following investments:

	2011		2010	
	Fair Value	Book	Fair Value	Book
	<u>(LOSAP Only)</u>	<u>Value</u>	<u>(LOSAP Only)</u>	<u>Value</u>
Investment:				
MBIA Assets Management Program				
Investment Fund (Government Securities)		\$ 21,101		\$ 21,095
Lincoln Financial Group				
LOSAP Investment Fund (Unaudited)	\$ 812,839	-	\$ 763,185	-
	<u>\$ 812,839</u>	<u>\$ 21,101</u>	<u>\$ 763,185</u>	<u>\$ 21,095</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial risk. As of December 31, 2011 and 2010, \$833,940 and \$784,280 of the Borough’s investments was exposed to custodial credit risk as follows:

	<u>2011</u>	<u>2010</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)	\$ 812,839	\$ 763,185
Book Value	<u>21,101</u>	<u>21,095</u>
	<u>\$ 833,940</u>	<u>\$ 784,280</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, 2011 and 2010, the Borough’s investment in Lincoln Financial Group was rated Baa2, respectively and MBIA Inc., was rated B2 and Ba3, respectively by Moody’s Investor Services.

Concentration of Credit Risk – The Borough places no limit in the amount the Borough may invest in any one issuer. More than five (5) percent of the Borough’s investments are in Lincoln Financial Group. These investments are 97% of the Borough’s total investments as of December 31, 2011 and 2010.

The fair value of the above-listed investments were based on quoted market prices provided by the respective investment fund.

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 3 TAXES AND UTILITY RENTS RECEIVABLE

Receivables at December 31, 2011 consisted of the following:

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

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

Receivables at December 31, 2010 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Electric Utility</u>	<u>Total</u>
<u>2010</u>				
Property Taxes	\$ 231,180			\$ 231,180
Utility Rents and Charges	<u>-</u>	<u>\$ 273,005</u>	<u>\$ 555,035</u>	<u>828,040</u>
	<u>\$ 231,180</u>	<u>\$ 273,005</u>	<u>\$ 555,035</u>	<u>\$ 1,059,220</u>

In 2010, the Borough collected \$268,061, \$173,924 and \$400,759 from delinquent taxes, water utility rents and electric utility rents which represented 100%, 100% and 100% respectively of the delinquent tax, water and electric charges receivable at December 31, 2009.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 4 MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for both general capital and utility funds. 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>2011</u>	<u>2010</u>
Issued		
General		
Bonds, Notes and Loans	\$ 14,620,426	\$ 14,002,665
Electric Utility		
Bonds	1,268,000	1,393,000
Swim Pool Utility		
Notes	<u>80,000</u>	<u>80,000</u>
	15,968,426	15,475,665
Less Funds Temporarily Held to Pay Bonds, Notes and Loans	<u>437,320</u>	<u>137,299</u>
Net Debt Issued	15,531,106	15,338,366
Authorized But Not Issued		
General		
Bonds and Notes	1,157,660	1,536,781
Water Utility		
Bonds and Notes	1,097,000	1,275,000
Electric Utility		
Bonds and Notes	621,107	411,338
Swim Pool Utility		
Bonds and Notes	<u>52,500</u>	<u>67,248</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 18,459,373</u>	<u>\$ 18,628,733</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 4 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of .81% and .79% at December 31, 2011 and 2010, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2011</u>			
General Debt	\$ 15,778,086	\$ 357,320	\$ 15,420,766
School Debt	12,655,000	12,655,000	-
Utility Debt	<u>3,118,607</u>	<u>3,118,607</u>	<u>-</u>
Total	<u>\$ 31,551,693</u>	<u>\$ 16,130,927</u>	<u>\$ 15,420,766</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2010</u>			
General Debt	\$ 15,539,446	\$ 32,068	\$ 15,507,378
School Debt	12,880,713	12,880,713	-
Utility Debt	<u>3,226,586</u>	<u>3,226,586</u>	<u>-</u>
Total	<u>\$ 31,646,745</u>	<u>\$ 16,139,367</u>	<u>\$ 15,507,378</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>2011</u>	<u>2010</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 66,008,087	\$ 68,029,495
Net Debt	<u>15,470,766</u>	<u>15,507,378</u>
Remaining Borrowing Power	<u>\$ 50,537,321</u>	<u>\$ 52,522,117</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 4 MUNICIPAL DEBT (Continued)

Long-Term Debt

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

General Obligation Bonds

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

	<u>2011</u>	<u>2010</u>
\$5,970,000, 2003 Bonds, due in annual installments of \$350,000 to \$375,000 through June 2022, interest at 3.25% to 3.50%	\$ 3,940,000	\$ 4,290,000
\$4,827,000, 2007 Bonds, due in annual installments of \$275,000 to \$350,000 through October, 2023, interest at 3.875 to 4.00%	<u>3,852,000</u>	<u>4,127,000</u>
	<u>\$ 7,792,000</u>	<u>\$ 8,417,000</u>

General Intergovernmental Loans Payable

The Borough has entered into a loan agreement with the New Jersey Department of Environmental Protection for the financing relating to the Memorial Field improvements. 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>2011</u>	<u>2010</u>
\$500,000, 2008 Loans, due in semi - annual installments of \$12,614 to \$16,833 through July, 2026, interest at 2.00%	<u>\$ 438,778</u>	<u>\$ 463,633</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 4 MUNICIPAL DEBT (Continued)

Utility Bonds

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

Electric Utility

	<u>2011</u>	<u>2010</u>
\$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%	\$ 1,268,000	\$ 1,393,000
	<u>\$ 1,268,000</u>	<u>\$ 1,393,000</u>

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2011 is as follows:

Calendar Year	<u>General</u>		<u>Electric Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2012	\$ 675,354	\$ 284,412	\$ 125,000	\$ 49,138	\$ 1,133,904
2013	675,864	260,901	125,000	44,291	1,106,056
2014	676,384	237,382	125,000	39,448	1,078,214
2015	701,914	213,852	125,000	34,604	1,075,370
2016	702,455	189,341	125,000	29,760	1,046,556
2017-2021	3,595,776	570,798	643,000	63,821	4,873,395
2022-2026	<u>1,203,031</u>	<u>55,098</u>	<u>-</u>	<u>-</u>	<u>1,258,129</u>
	<u>\$ 8,230,778</u>	<u>\$ 1,811,784</u>	<u>\$ 1,268,000</u>	<u>\$ 261,062</u>	<u>\$ 11,571,624</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 4 MUNICIPAL DEBT (Continued)

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years 2011 and 2010 were as follows:

	Balance, December 31, <u>2010</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2011</u>	Due Within <u>One Year</u>
<u>2011</u>					
General Capital Fund					
Bonds Payable	\$ 8,417,000		\$ 625,000	\$ 7,792,000	\$ 650,000
Intergovernmental Loans Payable	<u>463,633</u>	<u>-</u>	<u>24,855</u>	<u>438,778</u>	<u>25,354</u>
General Capital Fund Long-Term Liabilities	<u>\$ 8,880,633</u>	<u>\$ -</u>	<u>\$ 649,855</u>	<u>\$ 8,230,778</u>	<u>\$ 675,354</u>
Electric Capital Fund					
Bonds Payable	\$ 1,393,000	\$ -	\$ 125,000	\$ 1,268,000	\$ 125,000
Electric Capital Fund Long-Term Liabilities	<u>\$ 1,393,000</u>	<u>\$ -</u>	<u>\$ 125,000</u>	<u>\$ 1,268,000</u>	<u>\$ 125,000</u>
	Balance, December 31, <u>2009</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2010</u>	Due Within <u>One Year</u>
<u>2010</u>					
General Capital Fund					
Bonds Payable	\$ 9,042,000		\$ 625,000	\$ 8,417,000	\$ 625,000
Intergovernmental Loans Payable	<u>487,998</u>	<u>\$ -</u>	<u>24,365</u>	<u>463,633</u>	<u>24,855</u>
General Capital Fund Long-Term Liabilities	<u>\$ 9,529,998</u>	<u>\$ -</u>	<u>\$ 649,365</u>	<u>\$ 8,880,633</u>	<u>\$ 649,855</u>
Electric Capital Fund					
Bonds Payable	\$ 1,493,000	\$ -	\$ 100,000	\$ 1,393,000	\$ 125,000
Electric Capital Fund Long-Term Liabilities	<u>\$ 1,493,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ 1,393,000</u>	<u>\$ 125,000</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 4 MUNICIPAL DEBT (Continued)

Short-Term Debt

The Borough's short-term capital debt activity for the years 2011 and 2010 was as follows:

	Balance, December 31, <u>2010</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2011</u>
<u>2011</u>				
Bond Anticipation Notes				
General Capital Fund	\$ 5,122,032	\$ 6,389,648	\$ 5,122,032	\$ 6,389,648
Swim Pool Capital Fund	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>
Total	<u>\$ 5,202,032</u>	<u>\$ 6,469,648</u>	<u>\$ 5,202,032</u>	<u>\$ 6,469,648</u>
	Balance, December 31, <u>2009</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2010</u>
<u>2010</u>				
Bond Anticipation Notes				
General Capital Fund	\$ 3,200,000	\$ 5,122,032	\$ 3,200,000	\$ 5,122,032
Swim Pool Capital Fund	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>
Total	<u>\$ 3,280,000</u>	<u>\$ 5,202,032</u>	<u>\$ 3,280,000</u>	<u>\$ 5,202,032</u>

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 for the years 2011 and 2010 as follows:

	Balance, December 31, <u>2010</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2011</u>
<u>2011</u>				
Special Emergency Notes	<u>\$ 110,000</u>	<u>\$ 538,000</u>	<u>\$ 110,000</u>	<u>\$ 538,000</u>
Total	<u>\$ 110,000</u>	<u>\$ 538,000</u>	<u>\$ 110,000</u>	<u>\$ 538,000</u>
	Balance, December 31, <u>2009</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2010</u>
<u>2010</u>				
Special Emergency Notes	<u>\$ 120,000</u>	<u>\$ 110,000</u>	<u>\$ 120,000</u>	<u>\$ 110,000</u>
Total	<u>\$ 120,000</u>	<u>\$ 110,000</u>	<u>\$ 120,000</u>	<u>\$ 110,000</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 5 FIXED ASSETS

General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years 2011 and 2010.

	Balance, December 31, <u>2010</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2011</u>
<u>2011</u>				
Land	\$ 14,838,300	\$ 221,396	\$ 126,000	\$ 14,933,696
Buildings and Building Improvements	5,515,900			5,515,900
Machinery and Equipment	<u>6,740,644</u>	<u>904,688</u>	<u>493,677</u>	<u>7,151,655</u>
	<u>\$ 27,094,844</u>	<u>\$ 1,126,084</u>	<u>\$ 619,677</u>	<u>\$ 27,601,251</u>
	Balance, December 31, <u>2009</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2010</u>
<u>2010</u>				
Land	\$ 14,838,300			\$ 14,838,300
Buildings and Building Improvements	5,515,900			5,515,900
Machinery and Equipment	<u>6,759,548</u>	<u>\$ 61,604</u>	<u>\$ 80,508</u>	<u>6,740,644</u>
	<u>\$ 27,113,748</u>	<u>\$ 61,604</u>	<u>\$ 80,508</u>	<u>\$ 27,094,844</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 5 FIXED ASSETS (Continued)

Utility Fund Fixed Assets

The following is a summary of changes in the water utility fund fixed assets for the years 2011 and 2010.

<u>Water Utility Fund</u>	Balance December 31, <u>2010</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2011</u>
<u>2011</u>				
Fixed Capital				
Land and Land Rights	\$ 12,887			\$ 12,887
Structures and System Improvements	8,091,590	\$ 19,082		8,110,672
Vehicles and Equipment	2,966,453	94,122	-	3,060,575
	<u>\$ 11,070,930</u>	<u>\$ 113,204</u>	<u>\$ -</u>	<u>\$ 11,184,134</u>
	Balance December 31, <u>2009</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2010</u>
<u>2010</u>				
Fixed Capital				
Land and Land Rights	\$ 12,887			\$ 12,887
Structures and System Improvements	7,800,089	\$ 291,501		8,091,590
Vehicles and Equipment	2,893,504	72,949	-	2,966,453
	<u>\$ 10,706,480</u>	<u>\$ 364,450</u>	<u>\$ -</u>	<u>\$ 11,070,930</u>
<u>Electric Utility Fund</u>	Balance December 31, <u>2010</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2011</u>
<u>2011</u>				
Fixed Capital				
Structures and System Improvements	\$ 8,651,172	\$ 115,809		\$ 8,766,981
Vehicles and Equipment	2,046,958	78,150	-	2,125,108
	<u>\$ 10,698,130</u>	<u>\$ 193,959</u>	<u>\$ -</u>	<u>\$ 10,892,089</u>
	Balance December 31, <u>2009</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2010</u>
<u>2010</u>				
Fixed Capital				
Structures and System Improvements	\$ 8,534,729	\$ 116,443		\$ 8,651,172
Vehicles and Equipment	2,007,937	39,021	-	2,046,958
	<u>\$ 10,542,666</u>	<u>\$ 155,464</u>	<u>\$ -</u>	<u>\$ 10,698,130</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 5 FIXED ASSETS (Continued)

Utility Fund Fixed Assets (Continued)

The following is a summary of changes in the swim pool utility fund fixed assets for the year 2011 and 2010.

<u>Swim Pool Utility Fund</u>	Balance December 31, <u>2010</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2011</u>
<u>2011</u>				
Fixed Capital				
Land and Land Improvements	\$ 43,376			\$ 43,376
Pool Facilities and Improvements	876,476	\$ 80,613		957,089
Furniture & Equipment	<u>60,396</u>	<u>-</u>	<u>-</u>	<u>60,396</u>
	<u>\$ 980,248</u>	<u>\$ 80,613</u>	<u>\$ -</u>	<u>\$ 1,060,861</u>
	Balance December 31, <u>2009</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2010</u>
<u>2010</u>				
Fixed Capital				
Land and Land Improvements	\$ 43,376			\$ 43,376
Pool Facilities and Improvements	876,476			876,476
Furniture & Equipment	<u>60,396</u>	<u>-</u>	<u>-</u>	<u>60,396</u>
	<u>\$ 980,248</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 980,248</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 6 DUE TO/FROM OTHER FUNDS

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

	<u>2011</u>		<u>2010</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 95,057	\$ 560,104	\$ 118,813	\$ 244,252
Trust Fund:				
Animal Control		2,695		
Other Trust		51,987		119,310
Open Space Preservation	48,376	9,977		55,897
General Capital Fund	556,691	48,376	243,991	
Water Utility:				
Operating	16,081	60,264	2,772	70,899
Capital	35,563		70,899	
Electric Utility:				
Operating	41,173	96,479	14,955	209,758
Capital	44,639		183,446	
Utility Trust Fund		2,353		
Swim Pool Utility:				
Operating		59,417	18,236	1,800
Capital	56,417		69,040	18,236
Public Assistance Fund	-	2,345	-	2,000
 Total	 <u>\$ 893,997</u>	 <u>\$ 893,997</u>	 <u>\$ 722,152</u>	 <u>\$ 722,152</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 funds.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 7 FUND BALANCES APPROPRIATED

Under the regulatory basis of accounting, fund balances in the Current Fund and Utility Operating Funds are comprised of cash surplus (fund balance) and non-cash surplus (fund balance). All or part of cash surplus as of December 31 may be anticipated in the subsequent year's budget. The non-cash surplus portion of fund balance may be utilized in the subsequent year's budget with the prior written consent of the Director of the Division of Local Government Services if certain guidelines are met as to its availability. Fund balances at December 31, which were appropriated and included as anticipated revenue in their own respective fund's budget for the succeeding year were as follows:

	Fund Balance December 31, <u>2011</u>	Utilized in Subsequent <u>Year's Budget</u>	Fund Balance December 31, <u>2010</u>	Utilized in Subsequent <u>Year's Budget</u>
Current Fund				
Cash Surplus	\$ 970,784	\$ 650,000	\$ 651,514	\$ 505,000
Non-Cash Surplus	<u>108,586</u>	<u>-</u>	<u>39,811</u>	<u>-</u>
	<u>\$ 1,079,370</u>	<u>\$ 650,000</u>	<u>\$ 691,325</u>	<u>\$ 505,000</u>
Water Utility Operating Fund				
Cash Surplus	\$ 422,300	\$ 335,648	\$ 951,841	\$ 762,800
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 422,300</u>	<u>\$ 335,648</u>	<u>\$ 951,841</u>	<u>\$ 762,800</u>
Electric Utility Operating Fund				
Cash Surplus	\$ 1,114,969	\$ 796,335	\$ 741,886	\$ 634,479
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,114,969</u>	<u>\$ 796,335</u>	<u>\$ 741,886</u>	<u>\$ 634,479</u>
Swim Pool Utility Operating Fund				
Cash Surplus	\$ 143,477	\$ 12,290	\$ 100,501	\$ 18,800
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 143,477</u>	<u>\$ 12,290</u>	<u>\$ 100,501</u>	<u>\$ 18,800</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 8 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

	<u>Balance</u> <u>December 31,</u>	<u>Subsequent Year</u> <u>Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Budgets</u>
<u>2011</u>			
Current Fund			
Emergency Appropriation	\$ 100,000	\$ 100,000	
Special Emergency Authorizations (40A:4-55)	546,000	120,000	\$ 426,000
<u>2010</u>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	\$ 126,000	\$ 30,000	\$ 96,000

NOTE 9 COMPENSATED ABSENCES

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

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$923,935 and \$958,828 at December 31, 2011 and 2010, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS

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

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

Public Employees' Retirement System (PERS) – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement healthcare for those eligible employees whose local employers elected to do so, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and, if applicable, 25 years for post-retirement healthcare coverage.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Borough employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership.

Other Pension Funds

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

The cost of living increase for PFRS and PERS are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required contributions for the system.

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

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

Basis of Accounting

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Investment Valuation

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

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

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:

- New members of PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and to attain age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is 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), will be 60 percent instead of 65 percent of the member's final compensation plus 1 percent for each year of creditable service over 25 years but not to exceed 30 years.
- Active member contribution rates will increase. 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 and PERS Prosecutors Part active member rates increase from 8.5 percent to 10 percent. For Fiscal Year 2012, the member contribution rates increase in October 2011. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Funded Status and Funding Progress

As of July 1, 2010, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS, is 70.5 percent with an unfunded actuarial accrued liability of \$36.3 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 65.2 percent and \$25.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 78.5 percent and \$10.7 billion, respectively.

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

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

Actuarial Methods and Assumptions

In the July 1, 2010 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (1) 8.25 percent for investment rate of return for all the retirement systems; and (2) 5.45 percent for projected salary increases for all the retirement systems except PFRS.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 6.50% for PERS, 10.00% for PFRS and 5.50% for DCRP of employees' annual compensation.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Annual Pension Cost (APC)

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2011 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, 2011, 2010 and 2009, the Borough was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2011	\$ 508,245	\$ 355,416	\$ 180
2010	403,406	297,858	None
2009	546,588	256,181	None

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS

Plan Description

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

Funding Policy

The required contribution is funded on a pay-as-you-go basis. For the years 2011, 2010 and 2009, the Borough paid \$819,828, \$682,936, and \$618,400, respectively for post-retirement health coverage premiums for eligible retirees and their dependents.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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>121,287</u>
Total Annual OPEB Cost (Expense)	2,257,687
Contributions Made	<u>819,828</u>
Increase in Net OPEB Obligation	1,437,859
Net OPEB Obligation - Beginning of Year	<u>3,032,184</u>
Net OPEB Obligation - End of Year	<u>\$ 4,470,043</u>

The Borough's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years 2011, 2010 and 2009 were as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net</u> <u>OPEB</u> <u>Obligations</u>
2011	\$ 2,257,687	36.31%	\$ 4,470,043
2010	2,197,120	31.08%	3,032,184
2009	2,136,400	28.95%	1,518,000

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 zero, 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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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 amortization based on 30 years. The remaining amortization period at December 31, 2011 was twenty-seven (27) years

NOTE 12 RISK MANAGEMENT

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

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

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 12 RISK MANAGEMENT (Continued)

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

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

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

<u>Year Ended</u> <u>December 31</u>	<u>Budget</u> <u>Appropriation</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2011	\$ 39,000	\$ 43,010	\$ 45,874	\$ 58,503
2010	39,000	None	43,111	2,217
2009	None	None	30,965	6,328

NOTE 13 CONTINGENT LIABILITIES

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

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2011 and 2010. 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, 2011 and 2010, the Borough reserved \$158,950 and \$125,395, 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, 2011 and 2010, 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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 14 FEDERAL ARBITRAGE REGULATIONS

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2011 and 2010, the Borough has not estimated its determined arbitrage earnings due to the IRS, if any.

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

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

The Borough of Park Ridge has contributed \$1,459 and \$1,417 for 2011 and 2010, respectively, for each eligible volunteer fire department member into the Plan. The Borough also contributed a one-third (1/3) share of \$1,459 and \$1,417 for 2011 and 2010, respectively for each eligible volunteer Tri-Boro Ambulance Corp member into the Plan. In addition, the Boroughs of Montvale and Woodcliff Lake also contribute a one-third (1/3) share each of \$1,459 and \$1,417 for 2011 and 2010, respectively, for each eligible Tri-Boro Ambulance Corp. member.

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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 15 LENGTH OF SERVICE AWARD PROGRAM (LOSAP) (Continued)

Reporting Requirements

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

NOTE 16 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

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

<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
<u>2011</u>		
Mill Pond Dam Rehabilitation	\$ 89,000	2012
6 th St. and Leroy Place Improvements	168,000	2012
Self-Contained Breathing Apparatus	225,000	2012
Restoration at Mill Brook and Pascack Brook at Sulak Lane	197,000	2012
2011 Roll-Off Container Truck	170,000	2012
Arsenic Treatment System Well #13	416,000	2012
<u>2010</u>		
Mill Pond Dam Rehabilitation	\$126,000	2011
Mill Road Powerhouse	108,000	2011
Impvt. To 5 th Street Section I	157,200	2011
Hydraulic Aerial Lift	152,300	2011
Impvt. To 5 th Street Section II	150,000	2011

NOTE 17 SUBSEQUENT EVENTS

Bond Anticipation Notes

On February 3, 2012 the Borough issued Bond Anticipation Notes in the amount of \$5,819,000 to temporarily finance expenditures related to various capital projects. The Borough awarded the sale of said notes to Jefferies & Company, Inc. at an interest rate of 1.25%. These notes dated February 3, 2012 will mature on August 16, 2012.

Debt Authorized

On various dates the Borough adopted Bond Ordinances authorizing the issuance \$1,911,000 in Bonds or Bond Anticipation Notes to fund certain capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

Serial Bonds

On July 24, 2012 the Borough adopted a resolution for the issuance of \$5,160,000 of General Obligation Bonds consisting of \$3,215,000 of General Improvement Bonds, \$695,000 of Electric Utility Bonds and \$1,250,000 of Water Utility Bonds for the purpose of funding various capital improvements of the Borough. As of the date of this report the Borough has not issued nor awarded the sale of said bonds.

CURRENT FUND

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

Balance, December 31, 2010		\$ 2,181,332
Increased by:		
Non-Budget Revenue	\$ 232,758	
Change Funds	100	
Taxes Receivable	35,241,938	
Revenue Accounts Receivable	2,438,179	
NJ Senior Citizen and Veteran's Deductions.	105,750	
Grant Receivables	2,456	
Prepaid Taxes	258,866	
Fees Payable	11,310	
Special Emergency Notes	538,000	
Tax Overpayments	60,404	
Reserve for Grants - Unappropriated	31,408	
Received for Other Trust Fund	6,039	
Received from Open Space Preservation Trust Fund	45,920	
Received for General Capital Fund	360,000	
Received for Water Utility Operating Fund	3,152	
Received from Electric Utility Operating Fund	<u>750</u>	
		<u>39,337,030</u>
		41,518,362
Decreased by Disbursements:		
2011 Budget Appropriations	10,218,272	
2010 Appropriation Reserves	281,767	
Encumbrances Payable	73,764	
Accounts Payable	5,735	
Tax Overpayment Refunds	60,474	
County Taxes Payable	3,628,886	
Local District School Tax Payable	23,505,631	
Fees Payable	10,654	
Prepaid Revenues and Contributions	20,000	
Due to Library	4,920	
Reserve for Tax Appeals	16,445	
Miscellaneous Reserves	42,773	
Reserve for Grants- Appropriated	7,859	
Special Emergency Notes	110,000	
Payments made for General Capital Fund	174,924	
Payments made for Electric Utility Operating Fund	26,989	
Payments made for Swim Pool Utility Operating Fund	1,200	
Payments to Public Assistance Fund	<u>345</u>	
		<u>38,190,638</u>
Balance, December 31, 2011		<u>\$ 3,327,724</u>

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

Balance, December 31, 2010		\$ 175
Decreased by:		
Cash Returned to Treasurer		<u>100</u>
Balance, December 31, 2011		<u>\$ 75</u>

Analysis of Balance

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

Balance, December 31, 2010		<u>\$ 1,050</u>
Balance, December 31, 2011		<u>\$ 1,050</u>

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

Balance, December 31, 2010		\$	250
Increased by:			
Senior Citizens' Deductions per Tax Duplicate 2011	\$	11,250	
Veterans' Deductions per Tax Duplicate 2011		94,250	
Senior Citizens/Veterans Deductions Allowed By Tax Collector-2011		<u>625</u>	
			<u>106,125</u>
			106,375
Decreased by:			
Receipts from State of New Jersey		105,750	
Veterans' Deductions Disallowed by Tax Collector-2011		<u>39</u>	
			<u>105,789</u>
Balance, December 31, 2011		\$	<u>586</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF GRANT RECEIVABLES**

	Balance, December 31, <u>2010</u>	<u>Received</u>
Bergen County Open Space	\$ 21,105	\$ 21,105
Municipal Alliance on Alcoholism & Drug Abuse	1,789	1,789
Over the Limit Under Arrest	<u>667</u>	<u>667</u>
	<u>\$ 23,561</u>	<u>\$ 23,561</u>
Cash Receipts		\$ 2,456
Due from General Capital Fund		<u>21,105</u>
		<u>\$ 23,561</u>

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

Year	Balance, December 31, 2010	2011 Levy	Senior Citizens' and Veterans' Deductions Disallowed	Cash Collections 2010	2011	Senior Citizens' and Veterans' Deductions Allowed	Remitted, Abated or Cancelled	Balance, December 31, 2011
2010	\$ 231,180	-	-	-	\$ 231,180	-	-	-
2011	-	\$ 35,660,980	39	\$ 284,623	35,010,758	\$ 106,125	\$ 11,627	\$ 247,886
	\$ 231,180	\$ 35,660,980	\$ 39	\$ 284,623	\$ 35,241,938	\$ 106,125	\$ 11,627	\$ 247,886

Analysis of 2011 Property Tax Levy

TAX YIELD	
General Purpose Tax	\$ 35,606,446
Added and Omitted Taxes (54:4-63.10 et seq.)	<u>54,534</u>
	\$ 35,660,980
TAX LEVY	
Local District School Taxes	\$ 23,505,631
County Taxes - General	\$ 3,579,323
County Open Space Preservation Tax	44,116
Due County for Added and Omitted Taxes (54:4-63.10 et seq.)	<u>5,629</u>
	3,629,068
Local Tax for Municipal Purposes	7,841,529
Minimum Library Tax	631,111
Add Additional Tax Levies	<u>53,641</u>
	<u>8,526,281</u>
	<u>\$ 35,660,980</u>

**STATEMENT OF PROPERTY ACQUIRED FOR TAXES-
ASSESSED VALUATION**

Balance, December 31, 2010	<u>\$ 100,650</u>
Balance, December 31, 2011	<u>\$ 100,650</u>

BOROUGH OF PARK RIDGE
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, December 31, <u>2010</u>	Accrued in <u>2011</u>	Collected in <u>2011</u>	Balance, December 31, <u>2011</u>
Borough Clerk				
Licenses				
Alcoholic Beverages		\$ 9,766	\$ 9,766	
Fire Code Department				
Fees and Permits		41,112	41,112	
Health Officer and Registrar				
Fees and Permits		26,555	26,555	
Municipal Court				
Fines and Costs	\$ 9,263	117,822	114,551	\$ 12,534
Interest and Cost on Taxes		48,761	48,761	
Interest on Investments		2,314	2,314	
Joint Insurance Fund Dividend		8,476	8,476	
Hotel Tax		263,669	263,669	
Recycling Program		37,665	37,665	
Cable Television Franchise Fee		117,558	117,558	
Water Utility Rental Fees		105,000	105,000	
Pistol Range Fee		9,100	9,100	
Tri-Boro Safety Corps		64,151	64,151	
Consolidated Municipal Property Tax Relief Aid		45,005	45,005	
Energy Receipts Tax		337,593	337,593	
Watershed Moratorium Offset Aid		1,598	1,598	
Uniform Construction Code Fees		209,916	209,916	
Electric Utility Payment in Lieu of Franchise & Gross Receipts Taxes		500,000	500,000	
Life Hazard Use Fees		14,632	14,632	
Library Rental Fees		81,666	81,666	
Water Utility - Payments in Lieu of Taxes		100,000	100,000	
Electric Utility - Payments in Lieu of Taxes		155,000	155,000	
Excess Sewer User Fees		70,408	70,408	
FEMA Reimbursement		30,000	30,000	
Sprint Cell Tower Rent	-	63,976	63,976	-
	<u>\$ 9,263</u>	<u>\$ 2,461,743</u>	<u>\$ 2,458,472</u>	<u>\$ 12,534</u>
Cash Receipts			\$ 2,438,179	
Prepaid Revenue Applied-Fire Prevention Fees			<u>20,293</u>	
			<u>\$ 2,458,472</u>	

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

<u>Date</u>	<u>Purpose</u>	<u>Net</u>	<u>1/5 of Net</u>	<u>Balance,</u>	<u>Added</u>	<u>Raised</u>	<u>Balance,</u>
<u>Authorized</u>		<u>Amount</u>	<u>Amount</u>	<u>December 31,</u>	<u>in 2011</u>	<u>in 2011</u>	<u>December 31,</u>
		<u>Authorized</u>	<u>Authorized</u>	<u>2010</u>	<u>in 2011</u>	<u>Budget</u>	<u>2011</u>
2007	Revision & Codification of Ordinance	\$ 20,000	\$ 4,000	\$ 8,000	\$	4,000	\$ 4,000
2007	Preparation of Tax Map	20,000	4,000	8,000		4,000	4,000
2010	Reassessment of Real Property	110,000	22,000	110,000		22,000	88,000
2011	Hurricane Irene Storm Damage	450,000	90,000	-	\$ 450,000	-	450,000
					\$ 450,000	\$ 30,000	\$ 546,000

STATEMENT OF DEFERRED CHARGES - EMERGENCY AUTHORIZATION

	<u>Amount</u>	<u>Balance,</u>
	<u>Resulting</u>	<u>December 31,</u>
	<u>from 2011</u>	<u>2011</u>
Emergency Authorization	\$ 100,000	\$ 100,000
	\$ 100,000	\$ 100,000

**BOROUGH OF PARK RIDGE
STATEMENT OF 2010 APPROPRIATION RESERVES**

	Balance, December 31, 2010	Encumbrance Payable Cancelled	Balance After Modification	Expended	Balance Lapsed
Salaries and Wages					
Mayor and Council	\$ 1,146		\$ 1,146		\$ 1,146
Municipal Clerk	4,372		4,372	\$ 696	3,676
Financial Administration	7	\$ 458	465		465
Revenue Administration	33,500		33,500	21,240	12,260
Tax Assessment Administration	1,557		1,557	158	1,399
Planning Board	3,903		3,903	34	3,869
Zoning Board Adjustment	1,457		1,457		1,457
Uniform Construction Code	2,419		2,419	962	1,457
Zoning Official	1		1	1	-
Housing Task Force	493		493		493
Police	48,932		48,932	35,771	13,161
Police Reserve	3,170		3,170		3,170
Emergency Management Services	83		83		83
Fire Department	58		58		58
Welfare/Administration of Public Service	78		78		78
Fire Prevention/Uniform Fire Code	1,765		1,765	1,765	-
Municipal Prosecutor	375		375		375
Road Repairs and Maintenance	14,662		14,662	6,003	8,659
Public Buildings & Grounds	5,851		5,851	217	5,634
Maintenance of Vehicles	1,465		1,465	873	592
Board of Health	5,597		5,597	439	5,158
Senior Citizen	248		248		248
Park Ridge Television	600		600	600	-
Sewer System	7,379		7,379	7,000	379
Municipal Court	3,468		3,468	372	3,096
Public Defender	17	-	17	-	17
Total Salaries & Wages	<u>142,603</u>	<u>458</u>	<u>143,061</u>	<u>76,131</u>	<u>66,930</u>
Other Expenses					
General Administration	1,420		1,420	989	431
Municipal Clerk	1,742		1,742	1,550	192
Mayor and Council	43	50	93		93
Vision Plan Committee	250		250		250
Financial Administration	1,527		1,527	911	616
Revenue Administration	2	69	71		71
Tax Assessment Administration					
Other Expenses	250		250		250
Reassessment	-	29,000	29,000		29,000
Legal Services & Costs	3,766		3,766	3,397	369
Engineering Services & Costs	11,236		11,236	11,174	62
Planning Board	84		84	47	37
Zoning Board of Adjustment	1,150		1,150	851	299
Uniform Construction Code	1,363		1,363	1,290	73
Zoning Officer	3,494		3,494		3,494
Housing Task Force	170		170		170
Insurance					
Liability Insurance	10,740		10,740	4,779	5,961
Group Insurance for Employees	16,028	8,500	24,528		24,528
Tri-Boro Ambulance	2		2	2	-

**BOROUGH OF PARK RIDGE
STATEMENT OF 2010 APPROPRIATION RESERVES**

	Balance, December 31, 2010	Encumbrance Payable Cancelled	Balance After Modification	Expended	Balance Lapsed
Police	\$ 13,834		\$ 13,834	\$ 807	\$ 13,027
Police Reserve	4,580		4,580		4,580
Pistol Range	1,996		1,996		1,996
Emergency Management Services	3,285		3,285		3,285
Fire					
Other Expenses	3,169		3,169	2,168	1,001
Fire Hydrant Services	679		679		679
TriBoro Safety Corps	4	\$ 16	20		20
Fire Prevention/Uniform Fire Codes	1,515		1,515	1,511	4
Municipal Court	1,686		1,686	68	1,618
Road Repairs and Maintenance	34,605		34,605	33,559	1,046
Solid Waste Collection - Sanitation	50		50		50
Solid Waste Collection - Recycling	22,618		22,618	19,007	3,611
Municipal Services Act	5,667		5,667		5,667
Public Buildings & Grounds	3,663		3,663	2,718	945
Maintenance of Vehicles	17,134		17,134	11,000	6,134
Board of Health	3,682	452	4,134		4,134
Welfare/Administration of Public Service	154	146	300		300
Municipal Alliance	4,452		4,452	4,452	-
Contributions to Social Service Agencies	-	500	500		500
Park Ridge Television	150		150		150
Recreation	7,617		7,617	1,576	6,041
Terminal Leave	5,000		5,000		5,000
Electric	9,882	2,747	12,629		12,629
Telephone/Communication	3,220		3,220	3,197	23
Water	3,120		3,120		3,120
Gas and Oil	9,770		9,770	6,500	3,270
Gasoline	2,217		2,217		2,217
Sewer System	8,359		8,359	8,000	359
Landfill Dumping Fees	24,801		24,801		24,801
Recycling Tax	3,275		3,275		3,275
Contingent	3,800		3,800	3,069	731
Social Security System	45,985		45,985	34,300	11,685
Deferred Compensation Retirement Plan	500		500	330	170
Bergen County Utilities Authority-Sewer Fees	1		1	1	-
Tri Boro Ambulance LOSAP	13,000		13,000	12,482	518
Fire Department LOSAP	40,000		40,000	38,247	1,753
Clean Communities Program	14,113		14,113	14,113	-
Over the Limit	4,400		4,400	4,400	-
Matching Funds for Grants	6,500		6,500	6,500	-
Recycling Tonnage Grant	10,913	-	10,913	10,913	-
	<u>392,663</u>	<u>41,480</u>	<u>434,143</u>	<u>243,908</u>	<u>190,235</u>
Total Other Expenses					
	<u>\$ 535,266</u>	<u>\$ 41,938</u>	<u>\$ 577,204</u>	<u>\$ 320,039</u>	<u>\$ 257,165</u>
Total					
				\$ 281,767	
				<u>38,272</u>	
				<u>\$ 320,039</u>	

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

Balance, December 31, 2010		\$ 147,322
Increased by:		
Charges to 2011 Appropriations		<u>524,904</u>
		672,226
Decreased by:		
Payments	\$ 73,764	
Cancelled Encumbrances Restored to Appropriation Reserves	41,938	
Transferred to Accounts Payable	<u>31,620</u>	
		<u>147,322</u>
Balance, December 31, 2011		<u>\$ 524,904</u>

STATEMENT OF ACCOUNTS PAYABLE

Balance, December 31, 2010		\$ 11,367
Increased by:		
Transferred from Encumbrances Payable		<u>31,620</u>
		42,987
Decreased by:		
Cash Disbursements	\$ 5,735	
Cancelled to Operations	<u>5,632</u>	
		<u>11,367</u>
Balance, December 31, 2011		<u>\$ 31,620</u>

STATEMENT OF PREPAID TAXES

Balance, December 31, 2010		\$ 284,623
Increased by:		
Collection of 2012 Taxes		<u>258,866</u>
		543,489
Decreased by:		
Applied to 2011 Taxes Receivable		<u>284,623</u>
Balance, December 31, 2011		<u>\$ 258,866</u>

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

Balance, December 31, 2010		\$ 70
Increased by:		
Overpayments in 2011		<u>60,404</u>
		60,474
Decreased by:		
Refunds		<u>\$ 60,474</u>

EXHIBIT A-19

STATEMENT OF COUNTY TAXES PAYABLE

Balance, December 31, 2010		\$ 5,447
Increased by:		
2011 Levy		
General County	\$ 3,579,323	
County Open Space Preservation	44,116	
Added and Omitted Taxes (RS 54:4-63.1 et seq.)	<u>5,629</u>	
		<u>3,629,068</u>
		3,634,515
Decreased by:		
Payments		<u>3,628,886</u>
Balance, December 31, 2011		<u>\$ 5,629</u>

EXHIBIT A-20

STATEMENT OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Increased by:		
2011 Calendar Year Levy		\$ 23,505,631
Decreased by:		
Payments		<u>\$ 23,505,631</u>

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

	Balance, December 31, <u>2010</u>	Fees <u>Collected</u>	<u>Payments</u>	Balance, December 31, <u>2011</u>
Due State of New Jersey				
Marriage License Fees	\$ 75	\$ 875	\$ 750	\$ 200
State Construction Fees	<u>2,491</u>	<u>10,435</u>	<u>9,904</u>	<u>3,022</u>
	<u>\$ 2,566</u>	<u>\$ 11,310</u>	<u>\$ 10,654</u>	<u>\$ 3,222</u>

EXHIBIT A-22

STATEMENT OF PREPAID REVENUES AND CONTRIBUTIONS

	Balance, December 31, <u>2010</u>	<u>Decreases</u>	Balance, December 31, <u>2011</u>
Fire Prevention Fees	\$ 20,293	\$ 20,293	
LOSAP Contribution-Woodcliff Lake	<u>20,000</u>	<u>20,000</u>	<u>-</u>
	<u>\$ 40,293</u>	<u>\$ 40,293</u>	<u>\$ -</u>
Applied to Revenue			
Accounts Receivable		\$ 20,293	
Cash Disbursements		<u>20,000</u>	
		<u>\$ 40,293</u>	

EXHIBIT A-23

STATEMENT OF SPECIAL EMERGENCY NOTES

Balance, December 31, 2010	\$ 110,000
Increased by:	
Cash Receipts - Note Proceeds	<u>538,000</u>
	648,000
Decreased by:	
Cash Disbursed - Notes Paid	<u>110,000</u>
Balance, December 31, 2011	<u>\$ 538,000</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF DUE TO LIBRARY**

Balance, December 31, 2010	\$ 4,920
Decreased by:	
Payments Made for Prior Year Library Costs	<u>\$ 4,920</u>

STATEMENT OF RESERVE FOR TAX APPEALS

Balance, December 31, 2010	\$ 125,395
Increased by:	
2011 Budget Appropriation	<u>50,000</u>
	175,395
Decreased by:	
Cash Disbursements	<u>16,445</u>
Balance, December 31, 2011	<u>\$ 158,950</u>

BOROUGH OF PARK RIDGE
STATEMENT OF MISCELLANEOUS RESERVES

	Balance, December 31, <u>2010</u>	Decreases	Balance, December 31, <u>2011</u>
Watershed Moratorium State Aid	\$ 1,598	\$ 1,598	
PKRG	500	500	
Flood Emergency Reserve	44	44	
Revaluation	732	732	
Planning Consultant	26,271	19,875	\$ 6,396
Planning Board Special Study	796	796	
PLB Master Plan	5,930	5,930	
Sprint Security Deposit	7,200	7,200	
Tax Maps	5,400	5,400	
Codification of Ordinances	8,090	8,090	
PLB	463	463	
Outside Lien Holders	<u>2,219</u>	<u>2,219</u>	<u>-</u>
	<u>\$ 59,243</u>	<u>\$ 52,847</u>	<u>\$ 6,396</u>
Cash Disbursements		\$ 42,773	
Anticipated as Miscellaneous Revenue-Budget		1,598	
Cancelled to Operations		776	
Due to Other Trust Fund		<u>7,700</u>	
		<u>\$ 52,847</u>	

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

	Balance, December 31, <u>2010</u>	Transferred from 2010 Appropriation <u>Reserves</u>	Cash <u>Disbursements</u>	Balance, December 31, <u>2011</u>
DWI Enforcement	\$ 181			\$ 181
Click It or Ticket	3,659			3,659
Recycling Tonnage Grant	467	\$ 8,807	\$ 467	8,807
Alcohol Education and Rehab.-DWI Court	1,059			1,059
Domestic Violence Grant	2,178			2,178
Bergen County Recycling	6,040		131	5,909
Clean Communities	5,461	14,113	5,462	14,112
Body Armor Replacement Fund	484			484
Storm Water Planning	3,117			3,117
Police Hazardous Replacement Fund	2,406			2,406
Municipal Alliance on Alcoholism & Drug Abuse	7,298	10,952	1,799	16,451
State of New Jersey - Over the Limit Under Arrest	-	4,400	-	4,400
	<u>\$ 32,350</u>	<u>\$ 38,272</u>	<u>\$ 7,859</u>	<u>\$ 62,763</u>

EXHIBIT A-28

STATEMENT OF RESERVE FOR GRANTS - UNAPPROPRIATED

	Balance, December 31, <u>2010</u>	<u>Receipts</u>	Realized in 2011 <u>Budget</u>	Balance, December 31, <u>2011</u>
Alcohol Ed & Rehabilitation	\$ 704	\$ 323	\$ 704	\$ 323
Body Armor Grant	2,859	1,948	2,859	1,948
Clean Communities	14,708	14,305	14,708	14,305
Recycling Tonnage Grant	19,658	11,315	19,658	11,315
Municipal Alliance		711		711
Over the Limit Under Arrest	-	2,806	-	2,806
	<u>\$ 37,929</u>	<u>\$ 31,408</u>	<u>\$ 37,929</u>	<u>\$ 31,408</u>

TRUST FUNDS

BOROUGH OF PARK RIDGE
STATEMENT OF TRUST FUNDS CASH

	Animal Control	Other Trust	Unemployment Insurance	Open Space	Affordable Housing
Balance, December 31, 2010	\$ 8,113	\$ 1,043,039	\$ 26,913	\$ 743,450	\$ 681,255
Increased by Receipts:					
Interest on Deposits	\$ 1,256	\$ 20,150	\$ 35,533		
Cancelled Outstanding Checks		227,445			
Developers Escrow				121,250	
Receipts for Open Space Trust Fund			39,000		
2011 Budget Appropriation			43,010		
Employee Contributions		6,605,040			
Payroll Deductions Payable	\$ 787				
Due to State of NJ - Registration Fees	5,297				
Dog License Fees		621,132			
Miscellaneous Reserves					
Reserve for Affordable Housing					
	<u>6,084</u>	<u>7,454,873</u>	<u>102,160</u>	<u>156,783</u>	<u>28,731</u>
	14,197	8,497,912	129,073	900,233	709,986
Decreased by Disbursements:					
Developers Escrow		323,160			
Payroll Deductions Payable		6,686,113			
Payments to Current Fund				45,920	
Payments made for General Capital Fund				270,026	
Payments for Swim Pool Utility Capital Fund		69,040			
Dog License Fees Paid to State of NJ	781				
Reserve for Animal Expenditures	1,933				
Due to State - Unemployment Claims			70,183		
Miscellaneous Reserves		625,852			
Reserve for Open Space Expenditures				3,920	
Reserve for Affordable Housing Expenditures					
	<u>2,714</u>	<u>7,704,165</u>	<u>70,183</u>	<u>319,866</u>	<u>73,694</u>
Balance, December 31, 2011	\$ 11,483	\$ 793,747	\$ 58,890	\$ 580,367	\$ 636,292

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

Balance, December 31, 2010	\$ 107
Increased by:	
State Fees Collected	<u>787</u>
	894
Decreased by:	
Payments to State	<u>781</u>
Balance, December 31, 2011	<u>\$ 113</u>

EXHIBIT B-5

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

Increased by:	
Statutory Excess in Reserve for Animal Control Fund	<u>\$ 2,695</u>
Balance, December 31, 2011	<u>\$ 2,695</u>

EXHIBIT B-6

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

Balance, December 31, 2010	\$ 8,006
Increased by:	
Dog License Fees	<u>5,297</u>
	13,303
Decreased by:	
Expenditures Under R.S. 4:19-15.11:	
Cash Disbursements	\$ 1,933
Statutory Excess - Due to Current Fund	<u>2,695</u>
	<u>4,628</u>
Balance, December 31, 2011	<u>\$ 8,675</u>

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

Balance, December 31, 2010		\$ 24,696
Increased by:		
Unemployment Claims		<u>45,874</u>
		70,570
Decreased by:		
Payments to State		<u>70,183</u>
Balance, December 31, 2011		<u>\$ 387</u>

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

Balance, December 31, 2010		\$ 2,217
Increased by:		
Budget Appropriation		
2011 Budget Appropriation	\$ 16,350	
Library Contribution	<u>22,650</u>	
		\$ 39,000
Employee Contributions/Prior Year Reimbursements		43,010
Outstanding Checks Voided		<u>20,150</u>
		<u>102,160</u>
		104,377
Decrease by:		
Unemployment Claims Due to State		<u>45,874</u>
Balance, December 31, 2011		<u>\$ 58,503</u>

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

Balance, December 31, 2010		\$ 55,897
Decreased by:		
Payments to Current Fund		<u>45,920</u>
Balance, December 31, 2011		<u>\$ 9,977</u>

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

Balance, December 31, 2010		\$ 687,553
Increased by:		
Outstanding Checks Voided	\$ 35,533	
Due from General Capital Fund - Grant Reimbursement	<u>38,895</u>	
		<u>74,428</u>
		761,981
Decreased by:		
Due to General Capital - Down Payments on Improvement Authorizations	139,295	
Cash Disbursements	<u>3,920</u>	
		<u>143,215</u>
Balance, December 31, 2011		<u>\$ 618,766</u>

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

Balance, December 31, 2010		\$ 681,255
Increased by:		
Cash Receipts		<u>28,731</u>
		709,986
Decreased by:		
Cash Disbursements		<u>73,694</u>
Balance, December 31, 2011		<u>\$ 636,292</u>

**STATEMENT OF DUE TO SWIM POOL UTILITY CAPITAL FUND
OTHER TRUST FUND**

Balance, December 31, 2010		\$ 69,040
Decreased by:		
Cash Disbursements		<u>\$ 69,040</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF DEVELOPERS ESCROW
OTHER TRUST FUND**

Balance, December 31, 2010	\$ 419,393
Increased by:	
Deposits Collected	<u>227,445</u>
	646,838
Decreased by:	
Cash Disbursements	<u>323,160</u>
Balance, December 31, 2011	<u>\$ 323,678</u>

EXHIBIT B-14

**STATEMENT OF PAYROLL DEDUCTIONS PAYABLE
OTHER TRUST FUND**

Balance, December 31, 2010	\$ 255,006
Increased by:	
Cash Receipts	<u>6,605,040</u>
	6,860,046
Decreased by:	
Cash Disbursements	<u>6,686,113</u>
Balance, December 31, 2011	<u>\$ 173,933</u>

EXHIBIT B-15

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

Balance, December 31, 2010	\$ 35,315
Increased by:	
Other Trust Fund Reserves Cancelled to Operations	\$ 4,168
Interest on Deposit	<u>1,256</u>
	<u>5,424</u>
	40,739
Decreased by:	
Miscellaneous Reserves Transferred from Current Fund	7,700
Other Trust Fund Receipts Deposited in Current Fund	<u>6,039</u>
	<u>13,739</u>
Balance, December 31, 2011	<u>\$ 27,000</u>

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

	Balance, December 31, <u>2010</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2011</u>
Fire Prevention Penalty Fees	\$ 20,771	\$ 18,415	\$ 17,370	\$ 21,816
DARE Donations	21,896	12,628	7,879	26,645
Recreation Fees	17,825	67,795	53,819	31,801
POAA Fees	722	170		892
Tax Sale Premiums	76,100		34,820	41,280
Legal Advertising Escrow Deposits	6,906	2,360	1,975	7,291
Fuel Depot Fees (Community Resale)	27,787	302,486	319,814	10,459
Open Bail Account	812	2	814	
Public Defender Fees	791		791	
Outside Police Duty Fees		112,834	93,760	19,074
Sprint Security Deposit		7,200		7,200
Miscellaneous Fees and Deposits	<u>75,720</u>	<u>110,981</u>	<u>109,010</u>	<u>77,691</u>
	<u>\$ 249,330</u>	<u>\$ 634,871</u>	<u>\$ 640,052</u>	<u>\$ 244,149</u>
Cash Receipts		\$ 621,132		
Cash Disbursements			\$ 625,852	
Due from/to Current Fund		13,739	4,168	
Due to Water Utility Operating Fund		<u>-</u>	<u>10,032</u>	
		<u>\$ 634,871</u>	<u>\$ 640,052</u>	

Analysis of Miscellaneous Fees and Deposits - December 31, 2011

Recreation Fees - First Friends	\$ 8,603
Recreation Fees - Mayor's Golf Outing	6,425
Municipal Alliance - Teen Center Donations	1,683
Sidewalk and Curb Deposits	50,946
Firemen's Convention Deposits	3,600
UCC Penalty Fees	4,000
Park Ridge TV Donations	1,172
Other Deposits	<u>1,262</u>
	<u>\$ 77,691</u>

GENERAL CAPITAL

BOROUGH OF PARK RIDGE
STATEMENT OF GENERAL CAPITAL CASH AND INVESTMENTS

Balance, December 31, 2010		\$ 736,453
Increased by Receipts:		
Grants Receivable	\$ 120,212	
Interest on Investments and Deposits	983	
Receipts for Current Fund	21,105	
Receipts for Open Space Trust Fund	38,895	
Bond Anticipation Notes	982,300	
Reserve for Payment of Debt - Grant Proceeds	<u>19,147</u>	
		<u>1,182,642</u>
		1,919,095
Decreased by Disbursements:		
Improvement Authorizations	736,651	
Contracts Payable	<u>403,575</u>	
		<u>1,140,226</u>
Balance, December 31, 2011		<u>\$ 778,869</u>

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

	Balance, December 31, <u>2011</u>
Fund Balance	\$ 117,876
Capital Improvement Fund	16,743
Reserve for Payment of Debt	256,035
Contracts Payable	931,976
Due to Open Space Trust Fund	48,376
Grants Receivable	(419,241)
Due from Current Fund	(554,891)
Due from Swim Pool Utility Operating Fund	(1,800)
Excess Note Proceeds	101,285
 Improvement Authorizations:	
Ordinance	
<u>Number</u>	
02-6B/04-08 Removal of Gasoline Tank	\$ 637
04-5C-06-7E Mill Pond Park	68,722
05-02 Tax Refunding	4,030
06-7A Rehabilitation of Tennis Courts	1,661
07-07A Improvements to Mill Pond Dam & Engineering Dredging	(921,581)
07-7B Engineering & Design for Dredging Mill Pond	153,000
07-9A Acquisition of New Automotive Vehicle	63,000
07-9B Various Improvements	(390)
07-9D Improvement of Firehouse Building & Lighting	54,872
07-9F Improvement of Leroy Place & Sixth Street	24,012
07-10 Acquisition of New Ladder Truck & Equipment	25,311
07-22 Roads, Sidewalks & Curbs	784
07-23 Installation of Handicapped Lift	(1,270)
08-08 Various Improvements	52,005
09-03 Improvement of Various Roads, Curbs & Sidewalks	43,520
09-06 Improvement of Various Roads, Curbs & Sidewalks	42,456
09-11 Pedestrian Improvements to Train Station	73,048
09-16 Various Improvements & Acquisitions	118,886
10-08 Improvement of Various Roads, Curbs & Sidewalks	30,794
10-25 NJDOT North 5th Street Section I	4,594
10-26 Impvts. To 85 Fairview Ave - Install. Of Trail Sys.	63,569
10-32 Various Capital Improvements	7,982
11-12 Various Equipment and Improvements	10,396
11-20 Acquisition of New Additional or Replacement Equipment and Machinery and a New Automotive Vehicle	39,901
11-24 Acquisition of Certain Real Property from Dean Albanis and Cynthia Albanis	6
11-30 Tax Appeal Refunding	185,076
11-33 Improvement to Mill Pond Park and Davies (Memorial Field) Trailway	137,489
	\$ 778,869

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

Ord. No.	Agency	Balance, December 31 2010	Grant Awards	Grant Proceeds	Cancellations	Balance, December 31, 2011	Balance, Pledged to Improvement Authorization
	Federal Government						
	Dept. of Justice	\$ 87,426			\$ 87,426		
	County of Bergen						
	CDBG	28,900			28,900		
	Spring Valley Rd	107,122			107,122		
	State of New Jersey						
	Department of Trans.	59,596			59,596		
	FD Camera	7,690			7,690		
09-11	DOT Pedestrian Train						
	State of New Jersey	53,459				\$ 53,459	\$ 53,459
10-09	DOT 5th Street Sec II						
	State of New Jersey	200,000		\$ 120,212		79,788	79,788
10-25	DOT 5th Street Sec I						
	State of New Jersey	75,449				75,449	75,449
10-26	County of Bergen Open						
	Open Space		\$ 43,742			43,742	43,742
11-24	County of Bergen Open						
	Open Space		96,250	96,250		-	-
11-24	State of New Jersey -						
	Green Acres		110,701			110,701	110,701
11-33	County of Bergen Open						
	Open Space	-	81,102	25,000	-	56,102	56,102
		<u>\$619,642</u>	<u>\$ 331,795</u>	<u>\$ 241,462</u>	<u>\$ 290,734</u>	<u>\$ 419,241</u>	<u>\$ 419,241</u>
	Cash Receipts			\$ 120,212			
	Due from Open Space Trust Fund			121,250			
	Fund Balance			-	\$ 290,734		
				<u>\$ 241,462</u>	<u>\$ 290,734</u>		

EXHIBIT C-5

STATEMENT OF OTHER ACCOUNTS RECEIVABLE

Balance, December 31, 2010	\$ 102,714
Decreased By:	
Cancellations to Fund Balance	<u>\$ 102,714</u>

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

Balance, December 31, 2010		\$ 242,191
Increased by:		
2011 Budget Appropriation		
Capital Improvement Fund	\$ 137,000	
Deferred Charges - Unfunded	<u>12,712</u>	
		\$ 149,712
Bond Anticipation Notes Deposited in Current Fund		<u>360,000</u>
		<u>509,712</u>
		751,903
Decreased by:		
Interest on Investments		983
Received for Current Fund - Grant Proceeds		21,105
Tax Appeal Refunds Paid by Current Fund - Improvement Authorizations		<u>174,924</u>
		<u>197,012</u>
Balance, December 31, 2011		<u>\$ 554,891</u>

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2010		\$ 8,880,633
Decreased by:		
2011 Budget Appropriations		
General Serial Bonds	\$ 625,000	
Green Trust Loan	<u>24,855</u>	
		<u>649,855</u>
Balance, December 31, 2011		<u>\$ 8,230,778</u>

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

Balance, December 31, 2010		\$ 677,618
Increased by:		
2011 Improvement Authorization Charges		<u>931,976</u>
		1,609,594
Decreased by:		
Cash Disbursements	\$ 403,575	
Cancelled Contracts Restored to Improvement Authorizations	<u>274,043</u>	
		<u>677,618</u>
Balance, December 31, 2011		<u>\$ 931,976</u>

EXHIBIT C-10

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2010		\$ 20,817
Increased by:		
2011 Budget Appropriation Due from Current Fund	\$ 137,000	
Funded Improvement Authorizations Cancelled	<u>8,026</u>	
		<u>145,026</u>
		165,843
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>149,100</u>
Balance, December 31, 2011		<u>\$ 16,743</u>

EXHIBIT C-11

STATEMENT OF DUE TO OPEN SPACE PRESERVATION TRUST FUND

Increased by:		
Payments Made by Open Space Trust Fund	\$ 270,026	
Cash Received for Open Space Trust Fund	<u>38,895</u>	
		\$ 308,921
Decreased by:		
Improvement Authorizations Funded by Open Space Trust Fund	139,295	
Grants Receivable Received in Open Space Trust Fund	<u>121,250</u>	
		<u>260,545</u>
Balance, December 31, 2011		<u>\$ 48,376</u>

BOROUGH OF PARK RIDGE
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Date	Ordinance Amount	Balance, December 31, 2010		2011 Authorizations		Due from Open Space	Contracts Payable Canceled	Authorization Canceled	Paid or Charged	Balance, December 31, 2011		
				Funded	Unfunded	Capital	Imprmt. Fund					Grant Award	Funded	Unfunded
00-2C	Street Lights Program	2000	\$ 25,000	\$ 7,758						\$ 7,272	\$ 486			
01-7E	Improvement of Business District	2001	15,000	4,026						4,026				
02-5/04-5E/06-7D	Improvement to Public Library	2002/04/06	150,000	268						268				
02-6B/04-08	Removal of Gasoline Tanks	2002/04	50,000					\$ 672			35	\$ 637		
04-5C-06-7E	Mill Pond Park	2004/06	150,000	68,722								68,722		
04-5D	Recycling Center Improvements	2004	250,000	178						178				
04-5B	Improvement of Downtown	2004	50,000	4,293						2,443	1,850			
04-13	Multi Purpose Artificial Turf Installation	2004	1,068,000		\$ 204,909					204,909				
05-02	Tax Refunding	2005	460,000	4,030						2,608			4,030	
05-6B	Improvement to Sibbald Avenue	2005	175,000	2,608						106,734				
05-6C	Improvement to Wayne & Oak Street	2005	175,000	106,734										
05-21	Acquisition of Real Property for Recreation	2005	800,000	184,949						184,949				
06-7A	Rehabilitation of Tennis Courts	2006	225,000	107,141					1,661	107,141		1,661		
06-7F	Various Improvements	2006	100,000	7,204						7,204				
07-7A-08-8F	Repairs of Mill Pond Dam	2007/08	1,293,800	71,155						163,264			\$ 234,419	
07-7B	Engineering & Design for Dredging Mill Pond	2007	200,000	200,000						603	47,000	153,000		
07-9A	Acquisition of New Automotive Vehicle	2007	95,000	603								63,000		
07-9D	Improvement of Firehouse Building & Lighting	2007	60,000	54,872							219,538	24,012		
07-9F	Improvement of Leroy Place & Sixth Street	2007	290,000	243,350						65,544	10	25,311		
07-10	Acquisition of New Ladder Truck & Equipment	2007	1,000,000							2,263		784		
07-22	Roads, Sidewalks & Curbs	2007	200,000							2,848				
07-24	Acquisition of Post Office Property	2007	1,220,000											
08-8A	Acquisition of NWR Equipment	2008	80,000											
08-8B	Improvement to Municipal Complex	2008	330,000	3,169						4,157				
08-8C	Acquire of Police Dept. Vehicle	2008	22,000	82						82				
08-8D	Acquisition of Road Equipment	2008	38,000	5,274						4,713				
08-8G	Beautification of Downtown	2008	65,000	19,565							7,375	12,190		
09-03	Road, Curb, Drainage & Sidewalk Improvements	2009	43,520								5,279	42,456		
09-06	Road, Curb, Drainage & Sidewalk Improvements	2009	887,000	73,048								73,048		
09-11	Pedestrian Improvements to Train Station	2009	79,000								103,161	118,886		
09-16	Various Improvements & Acquisitions	2009	454,250	116,997								30,794		
10-08	Road, Curb, Drainage & Sidewalk Improvements	2010	400,000	133,955										
10-09	NIDOT North 5th Street Sec II	2010	200,000											
10-25	NIDOT North 5th Street Sec I	2010	200,000											
10-26	Impvs. to 85 Fairview Ave - Install of Trail Sys.	2010	87,484				\$ 43,742	\$ 43,742						
10-32	Various Capital Improvements	2010	44,450	7,945							195,406	4,594		
10-33	Acquisition of Bucket loader	2010	170,000	8,026							23,915	63,569		
11-07	2011 Various Road Improvements	2011	400,000		\$ 380,000	\$ 20,000				169,526	400,000	169,526		
11-12	Various Equipment and Improvements	2011	97,400		97,400						87,004	10,396		
11-20	Acquisition of New Additional or Replacement Equipment and Machinery and a New Automotive Vehicle	2011	634,000		602,300	31,700					594,099		39,901	
11-24	Acquisition of Certain Real Property from Dean Albanis and Cynthia Albanis to Wit	2011	221,402				206,951	14,451			221,396	6		
11-30	Payment of Amounts Owing to Others for Taxes Levied	2011	360,000		360,000						174,924		185,076	
11-33	Improvements to Mill Pond Park and Davies (Memorial) Field Trailway	2011	162,204				81,102	81,102			24,715	137,489		
				\$ 1,285,955	\$ 902,225	\$ 1,342,300	\$ 149,100	\$ 331,795	\$ 139,295	\$ 274,043	\$ 870,966	\$ 2,113,577	\$ 880,064	\$ 729,632
												Fund Balance		
												Deferred Charges - Unfunded		\$ 423,426
												Capital Improvement Fund		439,514
												Cash Disbursed		8,026
												Due to Open Space Trust Fund		\$ 756,651
												Contracts Payable		270,026
												Due to Current Fund		931,976
														174,924
														\$ 2,113,577

**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, 2010	Increased	Decreased	Balance, December 31, 2011
07-10	Acquisition of New Ladder Truck	2/8/08	2/5/10 2/4/11	2/4/11 2/3/12	1.50 % 0.86	\$ 950,000	\$ 900,000	\$ 950,000	\$ 900,000
07-22	Improvements to Roads & S/W	2/8/08	2/5/10 2/4/11	2/4/11 2/3/12	1.50 % 0.86	190,000	180,000	190,000	180,000
07-24	Acquisition of Post Office Property	2/8/08	2/5/10 2/4/11	2/4/11 2/3/12	1.50 % 0.86	1,160,000	1,145,316	1,160,000	1,145,316
08-06	2008 Road Resurfacing	2/6/09	2/5/10 2/4/11	2/4/11 2/3/12	1.50 % 0.86	261,900	261,900	261,900	261,900
08-08	Various Improvements & Acquisitions	2/6/09	2/5/10 2/4/11	2/4/11 2/3/12	1.50 % 0.86	807,500	807,500	807,500	807,500
09-06	2009 Road, Curb, Drainage and Sidewalks	2/5/10	2/5/10 2/4/11	2/4/11 2/3/12	1.50 % 0.86	844,750	844,750	844,750	844,750
09-16	Various Improvements & Acquisitions	2/5/10	2/5/10 2/4/11	2/4/11 2/3/12	1.50 % 0.86	432,500	432,500	432,500	432,500
00-13	Renovation of High School	12/30/10	12/30/10 9/30/11	9/30/11 2/3/12	1.15 % 1.17	33,541	33,541	33,541	33,541
01-19	Site Remediation	12/30/10	12/30/10 9/30/11	9/30/11 2/3/12	1.15 % 1.17	23,750	23,750	23,750	23,750
04-13	Multi Purpose Artificial Turf Installation	12/30/10	12/30/10 9/30/11	9/30/11 2/3/12	1.15 % 1.17	38,091	38,091	38,091	38,091
10-08	2010 Road, Curb, Drainage and Sidewalks	12/30/10	12/30/10 9/30/11	9/30/11 2/3/12	1.15 % 1.17	380,000	380,000	380,000	380,000
11-07	2011 Various Road Improvements	9/30/11	9/30/11	2/3/12	1.17 %	380,000	380,000	380,000	380,000
11-20	Acquisition of New Additional or Replacement Equipment and Machinery and a New Automotive Vehicle	9/30/11	9/30/11	2/3/12	1.17 %	602,300	602,300	602,300	602,300
11-30	Payments of Amounts Owning to Others for Taxes Levied	12/21/11	12/21/2011	9/28/2012	1.35 %	360,000	360,000	360,000	360,000
						\$ 5,122,032	\$ 6,389,648	\$ 5,122,032	\$ 6,389,648
							\$ 5,047,348	\$ 5,047,348	\$ 5,047,348
							982,300	74,684	
							360,000		
							\$ 6,389,648	\$ 5,122,032	\$ 6,389,648

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

Purpose	Date of Issue	Amount of Original Issue	Maturity of Bonds Outstanding at December 31, 2011	Interest Rate	Balance, December 31, 2010	Increased	Decreased	Balance, December 31, 2011
General Improvements	6/15/2003	\$ 5,970,000	2012-2018	3.25	\$ 4,290,000		\$ 350,000	\$ 3,940,000
			2019-2021	3.50				
			2022	3.50				
General Improvements	10/15/2007	4,827,000	2012-2014	3.875	4,127,000	-	275,000	3,852,000
			2015-2021	3.875				
			2022	3.875				
			2023	4.000				
						<u>\$</u>	<u>\$</u>	<u>\$</u>
						<u>8,417,000</u>	<u>625,000</u>	<u>7,792,000</u>
Paid by Budget Appropriation							<u>\$</u>	<u>625,000</u>

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

Purpose	Date of Issue	Amount of Original Issue	Maturity of Loans Outstanding at December 31, 2011	Interest Rate	Balance, December 31, 2010	Decreased	Balance, December 31, 2011
Memorial Field Improvements	10/20/2008	\$ 500,000	1/23/2012	\$ 12,614	2.00	%	
			7/23/2012	12,740	2.00		
			1/23/2013	12,868	2.00		
			7/23/2013	12,996	2.00		
			1/23/2014	13,126	2.00		
			7/23/2014	13,257	2.00		
			1/23/2015	13,390	2.00		
			7/23/2015	13,524	2.00		
			1/23/2016	13,659	2.00		
			7/23/2016	13,796	2.00		
			1/23/2017	13,934	2.00		
			7/23/2017	14,073	2.00		
			1/23/2018	14,214	2.00		
			7/23/2018	14,356	2.00		
			1/23/2019	14,500	2.00		
			7/23/2019	14,645	2.00		
			1/23/2020	14,791	2.00		
			7/23/2020	14,939	2.00		
			1/23/2021	15,088	2.00		
			7/23/2021	15,239	2.00		
			1/23/2022	15,392	2.00		
			7/23/2022	15,545	2.00		
			1/23/2023	15,701	2.00		
			7/23/2023	15,858	2.00		
			1/23/2024	16,016	2.00		
			7/23/2024	16,177	2.00		
		1/23/2025	16,338	2.00			
		7/23/2025	16,502	2.00			
		1/23/2026	16,667	2.00			
		7/23/2026	16,833	2.00			
					\$ 463,633	\$ 24,855	\$ 438,778
					\$ 463,633	\$ 24,855	\$ 438,778
						\$ 24,855	\$ 24,855

Paid by Budget Appropriation

**BOROUGH OF PARK RIDGE
STATEMENT OF RESERVE FOR GRANT PROCEEDS**

<u>Agency</u>	Balance, December 31, <u>2010</u>	Cancelled Reserve <u>Balances</u>	Balance, December 31, <u>2011</u>
County of Bergen			
Pascack Road Drainage	\$ 4,950	\$ 4,950	
Municipal Field	10,753	10,753	
Open Space	130,000	130,000	
State of New Jersey			
State Library	982	982	
Green Acres Open Space Plan	100,000	100,000	
Sibbald Drive	<u>3,000</u>	<u>3,000</u>	<u>-</u>
	<u>\$ 249,685</u>	<u>\$ 249,685</u>	<u>\$ -</u>
		Fund Balance	\$ 16,685
		Reserve for Debt Service	<u>233,000</u>
			<u>\$ 249,685</u>

EXHIBIT C-17

STATEMENT OF RESERVE FOR PAYMENT OF DEBT SERVICE

Balance, December 31, 2010		\$ 3,888
Increased by:		
Cancelled Reserve for Grant Proceeds	\$ 233,000	
Grant Proceeds	<u>19,147</u>	
		<u>252,147</u>
Balance, December 31, 2011		<u>\$ 256,035</u>

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

Ord. No.	Description	Balance December 31, 2010	2011 Authorizations	Bond Anticipation Notes Issued	Authorizations Canceled	Funded By Budget Approp.	Balance December 31, 2011
98-9	Acquisition of Property	\$ 800				\$ 800	
00-4	Improvement to Ridge Avenue	5,462				5,462	
01-11	Improvement of Pascaack Road Drainage	5,650				5,650	
03-41/03-12	Construction Police & TBS Hdqtrs	800				800	
04-13	Multi Purpose Artificial Turf Installation	204,909			\$ 204,909		
07-07	Improvements to Mill Pond Dam & Engineering Dredg	1,156,000					\$ 1,156,000
07-09	Various Improvements	390					390
07-23	Installation of Handicapped Lift	1,270					1,270
10-33	Acquisition of Bucket Loader	161,500			161,500		
11-07	2011 Various Road Improvements		\$ 380,000	\$ 380,000			
11-20	Acquisition of New Additional or Replacement Equipment and Machinery and a New Automotive Vehicle			602,300			
11-30	Payments of Amounts Owning to Others for Taxes Levied		360,000	360,000			
		\$ 1,536,781	\$ 1,342,300	\$ 1,342,300	\$ 366,409	\$ 12,712	\$ 1,157,660

WATER UTILITY FUND

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

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2010	\$ 3,722,425	\$ -
Increased by Receipts:		
Water Rents	\$ 2,380,193	
Other Accounts Receivable	89,319	
Mobile Antenna Rents	159,203	
Interest on Investments	855	
Miscellaneous Fees	23,712	
Outstanding Checks Voided	29,928	
Received for Electric Utility Operating Fund	25,412	
Woodcliff Lake Surcharge	<u>96,507</u>	
	<u>2,805,129</u>	<u>-</u>
	6,527,554	-
Decreased by Disbursements:		
2011 Appropriations	2,848,423	
2010 Appropriation Reserves	10,739	
Encumbrances Payable	138,562	
Accounts Payable	4,700	
Payments made for Other Trust Fund	10,032	
Payments made for Utility Trust Fund	836	
Payments made for Water Utility Capital Fund	<u>60,336</u>	
	<u>3,073,628</u>	<u>-</u>
Balance, December 31, 2011	<u>\$ 3,453,926</u>	<u>\$ -</u>

EXHIBIT D-6

**ANALYSIS OF CASH
WATER UTILITY CAPITAL FUND**

	Balance, December 31, <u>2011</u>
Fund Balance	\$ 40,972
Capital Improvement Fund	506,669
Contracts Payable	413,947
Due from Water Utility Operating Fund	(35,563)
Improvement <u>Authorizations</u>	
Ord. 96-08/98-11.1 Construction of Well # 20	(69,851)
Ord. 98-11.3 Rehabilitation of Booster # 3	(100,000)
Ord. 04-07 Replacement of Water Mains	(19,702)
Ord. 06-19B Generator Booster	(100,000)
Ord. 2010-16 Various Public Improvements/Acquisitions	(616,031)
Ord. 2011-22 Various Public Improvements/Acquisitions	<u>(20,441)</u>
	<u>\$ -</u>

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

Balance, December 31, 2010		\$ <u>25</u>
Balance, December 31, 2011		\$ <u><u>25</u></u>

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

Balance, December 31, 2010		\$ 213,481
Increased by:		
Water Rents Levied		<u>2,364,646</u>
		2,578,127
Decreased by:		
Water Rents Collected:		
Cash Receipts	\$ 2,380,193	
Due from Current Fund	<u>3,152</u>	
		<u>2,383,345</u>
Balance, December 31, 2011		\$ <u><u>194,782</u></u>

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

Balance, December 31, 2010		\$ 35,977
Increased by:		
Other Water Charges Levied - Fire Sprinkler/Hydrants/Other Billing Charges		<u>91,180</u>
		127,157
Decreased by:		
Other Water Charges Collected:		
Fire Sprinklers	\$ 59,251	
Hydrants	29,260	
Other Billing Charges	<u>808</u>	
		<u>89,319</u>
Balance, December 31, 2011		\$ <u><u>37,838</u></u>

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

Balance, December 31, 2010	\$ 23,547
Increased by:	
Surcharges Levied	<u>99,012</u>
	122,559
Decreased by:	
Surcharges Collected	<u>96,507</u>
Balance, December 31, 2011	<u>\$ 26,052</u>

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

Ordinance #	Improvement Description	Ordinance Date	Ordinance Amount	Balance, December 31, 2010	2011 Authorizations	Cancelled Improvement Authorization	Balance, December 31, 2011
96-8/98-11.1	Construction of Well #20	4/96,5/98	\$ 425,000	\$ 30,149			\$ 30,149
98-11.3	Rehabilitation of Booster #3	5/12/98	190,000	13,255		13,255	-
2004-07	Replacement of Water Mains	5/11/04	150,000	150,000			150,000
2005-03	Treatment of Wells #10 & 15	5/22/05	200,000	6,399		6,399	-
2006-19A	Construction of Well #20	9/5/06	500,000	110,228		110,228	-
2010-16	Various Public Improvements & Acq.	5/11/10	625,000	625,000			625,000
2011-22	Acquisition of Valve Box	7/12/2012	22,000	-	\$ 22,000	-	22,000
				<u>\$ 935,031</u>	<u>\$ 22,000</u>	<u>\$ 129,882</u>	<u>\$ 827,149</u>

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

Balance, December 31, 2010	\$ 2,061
Increased by:	
Cash Received by Current Fund	
Water Rents Receivables	<u>3,152</u>
Balance, December 31, 2011	<u>\$ 5,213</u>

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

Balance, December 31, 2010 (Due from)	\$ 711
Decreased by:	
Cash Received for Electric Utility Operating Fund	<u>25,412</u>
Balance, December 31, 2011 (Due to)	<u>\$ 24,701</u>

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

Balance, December 31, 2010	\$ 70,899
Increased by:	
2011 Budget Appropriation - Capital Improvement Fund	<u>25,000</u>
	95,899
Decreased by:	
Payments Made by Water Utility Operating Fund - Improvement Authorizations	<u>60,336</u>
Balance, December 31, 2011	<u>\$ 35,563</u>

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

Increased by:	
Payments made for Other Trust Fund - Payroll Agency	<u>\$ 10,032</u>
Balance, December 31, 2011	<u>\$ 10,032</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF 2010 APPROPRIATION RESERVES
WATER UTILITY OPERATING FUND**

	Balance, December 31, <u>2010</u>	Cancelled <u>Encumbrances</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING					
Salaries and Wages	\$ 43,125		\$ 43,125	\$ 5,518	\$ 37,607
Other Expenses	9,200		9,200	4,733	4,467
Group Insurance	<u>10,590</u>	<u>-</u>	<u>10,590</u>	<u>-</u>	<u>10,590</u>
 Total Operating	 <u>62,915</u>	 <u>-</u>	 <u>62,915</u>	 <u>10,251</u>	 <u>52,664</u>
CAPITAL IMPROVEMENTS					
Capital Outlay	<u>80,883</u>	<u>\$ 102</u>	<u>80,985</u>	<u>-</u>	<u>80,985</u>
 Total Capital Improvements	 <u>80,883</u>	 <u>102</u>	 <u>80,985</u>	 <u>-</u>	 <u>80,985</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures					
Contribution to Social Security System (O.A.S.I.)	<u>13,729</u>	<u>-</u>	<u>13,729</u>	<u>488</u>	<u>13,241</u>
 Total Deferred Charges and Statutory Expenditures	 <u>13,729</u>	 <u>-</u>	 <u>13,729</u>	 <u>488</u>	 <u>13,241</u>
	<u>\$ 157,527</u>	<u>\$ 102</u>	<u>\$ 157,629</u>	<u>\$ 10,739</u>	<u>\$ 146,890</u>

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

Balance, December 31, 2010		\$ 141,570
Increased by:		
Charges to 2011 Budget Appropriations		<u>103,273</u>
		244,843
Decreased by:		
Transfer to Accounts Payable	\$ 2,906	
Cancelled Encumbrances Restored to Appropriation Reserves	102	
Cash Disbursements	<u>138,562</u>	
		<u>141,570</u>
Balance, December 31, 2011		<u>\$ 103,273</u>

EXHIBIT D-19

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

Balance, December 31, 2010		\$ 6,707
Increased by:		
Transfer from Encumbrances Payable		<u>2,906</u>
		9,613
Decreased by:		
Cash Disbursements	\$ 4,700	
Cancelled Accounts Payable	<u>2,007</u>	
		<u>6,707</u>
Balance, December 31, 2011		<u>\$ 2,906</u>

EXHIBIT D-20

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

Increased by:		
Charges to Improvement Authorizations		<u>\$ 413,947</u>
Balance, December 31, 2011		<u>\$ 413,947</u>

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

Balance, December 31, 2010	\$ 506,669
Increased by:	
2011 Budget Appropriation - Due from Water Operating Fund	25,000
	531,669
Decreased by:	
Prior Period Adjustment - Ordinance 2005-03	25,000
Balance, December 31, 2011	\$ 506,669

EXHIBIT D-23

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

Balance, December 31, 2010	\$ 10,717,706
Increased by:	
Transferred from Reserve for Well #20	\$ 64,772
Capital Outlay Operating Budgets	113,204
Prior Period Adjustment - Capital Improvement Fund Ordinance 2005-03	18,601
	196,577
Balance, December 31, 2011	\$ 10,914,283

EXHIBIT D-24

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

Ord. No.	<u>Improvement Description</u>	Balance December 31, 2010	<u>Increased by:</u>	Cancelled Improvement Authorizations	Balance, December 31, 2011
98-11.3	Rehabilitation of Booster #3	\$ 13,255		\$ 13,255	
2005-03	Treatment of Well #10 and 15	-	\$ 6,627	6,627	-
		\$ 13,255	\$ 6,627	\$ 19,882	\$ -
	Transferred from Reserve for Well #20		\$ 228		
	Prior Period Adjustment - Capital Improvement Fund		6,399		
	Fund Balance		-	\$ 19,882	
			\$ 6,627	\$ 19,882	

**BOROUGH OF PARK RIDGE
STATEMENT OF RESERVE FOR WELL #20
WATER UTILITY CAPITAL FUND**

Balance, December 31, 2010		\$	65,000
Decreased by:			
Transfer to Reserve for Amortization		\$	64,772
Transfer to Deferred Reserve for Amortization			<u>228</u>
			<u>\$ 65,000</u>

EXHIBIT D-26

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

	Balance, December 31, <u>2010</u>	<u>Increase</u>	Balance, December 31, <u>2011</u>
Payment of Water Tank	\$ 9,201		\$ 9,201
Construction of Water Line	1,500		1,500
Woodcliff Lake Improvements	879,909	\$ 96,507	976,416
Handy Harmon Settlement	<u>1,506,068</u>	<u>-</u>	<u>1,506,068</u>
	<u>\$ 2,396,678</u>	<u>\$ 96,507</u>	<u>\$ 2,493,185</u>
Woodcliff Lake Surcharge Collected		<u>\$ 96,507</u>	

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

Ord. No.	<u>Purpose</u>	Balance, December 31, 2010	2011 <u>Authorizations</u>	Cancelled Improvement Authorizations	Transfer from Reserve for Well # 20	Prior Period Adjustment	Balance, December 31, 2011
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
2005-03	Treatment of Well #10 & 15	25,000			\$ 25,000		
2006-19A	Construction of Well #20	175,000		\$ 110,000	\$ 65,000		
2006-19B	Generator Booster	100,000					100,000
2010-16	Various Public Improvements & Acq.	625,000					625,000
2011-22	Various Public Improvements & Acq.	-	\$ 22,000	-	-	-	22,000
		<u>\$ 1,275,000</u>	<u>\$ 22,000</u>	<u>\$ 110,000</u>	<u>\$ 65,000</u>	<u>\$ 25,000</u>	<u>\$ 1,097,000</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, 2010	\$ 1,836,037	\$ -
Increased by Receipts:		
Light and Power Charges	\$ 10,005,832	
Other Accounts Receivable - Dusk to Dawn	19,881	
Outstanding Checks Voided	27,705	
Interest on Investments	2,234	
Miscellaneous Fees	<u>132,514</u>	<u>-</u>
	<u>10,188,166</u>	<u>-</u>
	12,024,203	-
Decreased by Disbursements:		
2011 Appropriations	9,128,115	
2010 Appropriation Reserves	43,576	
Encumbrances Payable	559,938	
Accounts Payable	4,662	
Interest on Bonds	53,979	
Payments made to Current Fund	750	
Payments made for Electric Utility Capital Fund	193,807	
Payments made for Utility Trust Fund	<u>1,517</u>	<u>-</u>
	<u>9,986,344</u>	<u>-</u>
Balance, December 31, 2011	<u>\$ 2,037,859</u>	<u>\$ -</u>

EXHIBIT E-6

**ANALYSIS OF CASH
ELECTRIC UTILITY CAPITAL FUND**

	Balance, December 31, <u>2011</u>
Fund Balance	\$ 1,624
Capital Improvement Fund	326,500
Contracts Payable	36,782
Due from Electric Utility Operating Fund	(44,639)
Ord. Improvement	
No. <u>Authorizations</u>	
1996-05 Installation of Underground Electric - Bear's Nest II	(126,107)
2010-15 Acquisition of Aerial Bucket Truck	(153,269)
2011-21 Various Public Impvts./Acqu. of Vehicle	<u>(40,891)</u>
	<u>\$ -</u>

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

Balance, December 31, 2010	\$ <u>50</u>
Balance, December 31, 2011	\$ <u>50</u>

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

Balance, December 31, 2010	\$ 536,832
Increased by:	
Electric Rents Levied	<u>9,856,644</u>
	10,393,476
Decreased by:	
Electric Rents Collected	\$ 10,005,832
Due from Water Utility Operating Fund	<u>25,412</u>
	<u>10,031,244</u>
Balance, December 31, 2011	\$ <u>362,232</u>

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

Balance, December 31, 2010	\$ 18,203
Increased by:	
Other Electric Rents Levied - Dusk to Dawn	<u>20,595</u>
	38,798
Decreased by:	
Other Electric Rents Collected - Dusk to Dawn	<u>19,881</u>
Balance, December 31, 2011	\$ <u>18,917</u>

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

	Balance, December 31, <u>2010</u>	<u>Additions By:</u> Budget Capital Outlay	Balance, December 31, <u>2011</u>
Structures and Improvements	\$ 740,441	\$ 15,790	\$ 756,231
Computer Hardware/Software-Equipment	128,895	11,341	140,236
Regulating Station	6,102		6,102
Hydro Generator-Equipment	7,732		7,732
Mill Road Substation	559,930	6,540	566,470
Brae Boulevard Substation	1,676,650		1,676,650
Poles, Towers and Fixtures	400,683	31,116	431,799
Cable & Wires	981,051	34,268	1,015,319
Underground Conduit	103,635		103,635
Underground Conductors & Devices	189,982		189,982
Line Transformers	554,040	22,902	576,942
Services	327,382	1,543	328,925
Installation of Customers' Services	8,817		8,817
Office Furniture, Etc.-Equipment	212,992	9,768	222,760
Vehicles/Equipment	1,094,050	14,467	1,108,517
Meters & Current Transformers	300,837		300,837
Street Lighting & Signal System	301,513	2,658	304,171
Tools, Shop & Garage Equipment	209,069	14,192	223,261
Computer Hardware/Software-Equipment	78,779		78,779
Meter Reading System-Equipment	12,660		12,660
Smoke Detectors-Equipment	149,897		149,897
Municipal Improvement	75,000		75,000
Holiday Decorations-Equipment	47,579	36	47,615
Store Equipment	12,880		12,880
Laboratory Equipment	6,397		6,397
Miscellaneous Equipment	52,698	27,795	80,493
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	6,999	551	7,550
Scada System	102,275	992	103,267
Construction Services	200,757		200,757
Improvement to Utility Garage	225,962		225,962
Improvement to Electric System	188,571		188,571
Conversion Mill Road Substation & Museum	250,000		250,000
Replace Brae Road Transformer	244,881		244,881
Supervisor Pick-Up	26,331	-	26,331
	<u>\$ 10,698,130</u>	<u>\$ 193,959</u>	<u>\$ 10,892,089</u>
		2011 Budget Appropriations \$ 158,090	
		2010 Appropriation Reserves <u>35,869</u>	
		<u>\$ 193,959</u>	

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

Ord. No.	Improvement Description	Ordinance Date	Amount	Balance, December 31, 2010	2011 Authorizations		Cancelled Improvement Authorizations	Balance, December 31, 2011
					Deferred Charges to Future Revenue			
03-05	Improvement to Electric System	04/22/03	\$ 250,000	\$ 36,429				\$ 36,429
06-18	Various Improvements	09/05/06	520,000	1,149		\$ 1,149		
2010-15	Acquisition of Aerial Bucket Truck	5/25/10	180,000	180,000				180,000
2011-21	Various Public Impvts./Acqu. of Vehicle	7/12/11	315,000	-	\$ 315,000			315,000
				\$ 217,578	\$ 315,000	\$ 1,149		\$ 531,429

EXHIBIT E-12

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

Balance, December 31, 2010	\$ 25,601
Increased by:	
Payments Made by Current Fund	<u>26,989</u>
	52,590
Decreased by:	
Cash Disbursements to Current Fund	<u>750</u>
Balance, December 31, 2011	<u>\$ 51,840</u>

EXHIBIT E-13

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

Balance, December 31, 2010	\$ 183,446
Increased by:	
2011 Budget Appropriation - Capital Improvement Fund	<u>55,000</u>
	238,446
Decreased by:	
Payments made by Electric Utility Operating Fund	
Contracts Payable	\$ 152,086
Improvement Authorizations	<u>41,721</u>
	<u>193,807</u>
Balance, December 31, 2011	<u>\$ 44,639</u>

EXHIBIT E-14

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

Balance, December 31, 2010	<u>\$ 14,955</u>
Balance, December 31, 2011	<u>\$ 14,955</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF 2010 APPROPRIATION RESERVES
ELECTRIC UTILITY OPERATING FUND**

	Balance, December 31, <u>2010</u>	Encumbrances Cancelled	Balance After Modification	Paid or Charged	Balance Lapsed
OPERATING					
Salaries and Wages	\$ 34,322		\$ 34,322	\$ 7,109	\$ 27,213
Other Expenses	113	\$ 2,710	2,823		2,823
Group Health Insurance	16,934		16,934		16,934
Purchase of Electric Current	<u>138,356</u>	<u>51,529</u>	<u>189,885</u>	<u>-</u>	<u>189,885</u>
 Total Operating	 <u>189,725</u>	 <u>54,239</u>	 <u>243,964</u>	 <u>7,109</u>	 <u>236,855</u>
 CAPITAL IMPROVEMENTS					
Capital Improvement Fund					
Capital Outlay	<u>66,531</u>	<u>-</u>	<u>66,531</u>	<u>35,869</u>	<u>30,662</u>
 Total Capital Improvements	 <u>66,531</u>	 <u>-</u>	 <u>66,531</u>	 <u>35,869</u>	 <u>30,662</u>
 DEFERRED CHARGES AND STATUTORY					
Statutory Expenditures					
Contribution to					
Social Security System (O.A.S.I.)	<u>10,396</u>	<u>-</u>	<u>10,396</u>	<u>598</u>	<u>9,798</u>
 Total Deferred Charges and Statutory Expenditures	 <u>10,396</u>	 <u>-</u>	 <u>10,396</u>	 <u>598</u>	 <u>9,798</u>
	<u>\$ 266,652</u>	<u>\$ 54,239</u>	<u>\$ 320,891</u>	<u>\$ 43,576</u>	<u>\$ 277,315</u>

EXHIBIT E-16

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

Balance, December 31, 2010	\$ 616,178
Increased by:	
Charges to 2011 Budget Appropriations	<u>541,017</u>
	1,157,195
Decreased by:	
Cash Disbursements	\$ 559,938
Cancelled Encumbrances Payable Restored to Appropriation Reserves	54,239
Transferred to Accounts Payable	<u>2,001</u>
	<u>616,178</u>
Balance, December 31, 2011	<u>\$ 541,017</u>

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

Balance, December 31, 2010	\$ 152,086
Increased by:	
Charges to Improvement Authorizations	<u>36,782</u>
	188,868
Decreased by:	
Payments made by Electric Utility Operating Fund	<u>152,086</u>
Balance, December 31, 2011	<u>\$ 36,782</u>

EXHIBIT E-18

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

Balance, December 31, 2010	\$ 5,323
Increased by:	
Transferred from Encumbrances Payable	<u>2,001</u>
	7,324
Decreased by:	
Cash Disbursements	\$ 4,662
Cancelled Accounts Payable	<u>661</u>
	<u>5,323</u>
Balance, December 31, 2011	<u>\$ 2,001</u>

EXHIBIT E-19

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

Balance, December 31, 2010	\$ 11,245
Increased by:	
Budget Appropriation for Interest on Bonds	<u>52,971</u>
	64,216
Decreased by:	
Interest Paid	<u>53,979</u>
Balance, December 31, 2011	<u>\$ 10,237</u>

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

Ord. No.	Improvement Description	Ordinance Date	Amount	Balance, December 31, 2010		Paid or Charged	2011 Authorizations Deferred Charges to Future Revenue	Authorizations Cancelled	Balance, December 31, 2011	
				Funded	Unfunded				Funded	Unfunded
2003-05	Improvement of Electric System	4/22/2003	\$ 250,000	\$ 36,429		\$ 36,429				
2006-18	Various Improvements	9/5/2006	520,000	1,149			\$ 1,149			
2010-15	Acquisition of Aerial Bucket Truck	5/11/2010	180,000	\$ 27,914		1,183			\$ 26,731	
2011-21	Var Pub. Impvts./Acqu. of Vehicle	7/12/11	315,000	-	\$ 315,000	40,891			-	274,109
				\$ 37,578	\$ 27,914	\$ 315,000		\$ 1,149	\$ -	\$ 300,840

Payments made by Electric Utility Operating Fund \$ 41,721
 Contracts Payable 36,782
\$ 78,503

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

Purpose	Date of Issue	Amount of Original Issue	Maturity of Bonds Outstanding at December 31, 2011	Interest Rate	Balance, December 31, 2010	Balance, December 31, 2011	Decreased
Electric Utility Bonds	10/15/2007	\$ 1,693,000	2012-16	\$ 125,000	3.875%		
			2017-18	150,000	3.875%		
			2019	175,000	3.875%		
			2020	168,000	4.000%		
					\$ 1,393,000	\$ 125,000	\$ 1,268,000
					\$ 1,393,000	\$ 125,000	\$ 1,268,000
						\$ 125,000	\$ 125,000

Paid by Budget Appropriation

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

Balance, December 31, 2010	\$ 271,500
Increased by:	
2011 Budget Appropriation - Due from Electric Utility Operating Fund	55,000
Balance, December 31, 2011	\$ 326,500

EXHIBIT E-23

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

Balance, December 31, 2010	\$ 9,073,792
Increased by:	
Serial Bonds Paid by Operating Budget	\$ 125,000
Capital Outlay Operating Budgets	193,959
Transferred from Reserve for Debt Service	105,231
	424,190
Balance, December 31, 2011	\$ 9,497,982

EXHIBIT E-24

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

Ord. No. <u>Improvement Description</u>	Balance, December 31, <u>2010</u>	Cancelled Improvement <u>Authorization</u>	Balance, December 31, <u>2011</u>
03-05 Improvement of Electric System	\$ 36,429		\$ 36,429
06-18 Various Improvements	1,149	\$ 1,149	-
	\$ 37,578	\$ 1,149	\$ 36,429
Fund Balance		\$ 1,149	

**BOROUGH OF PARK RIDGE
STATEMENT OF RESERVE FOR PAYMENT OF DEBT
ELECTRIC UTILITY CAPITAL FUND**

Balance, December 31, 2010		\$ 105,231
Decreased by:		
Transferred to Reserve for Amortization		
Ordinance 08-14-90	\$ 68,784	
Ordinance 96-05	<u>36,447</u>	
		<u>\$ 105,231</u>

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

Ord. No.	Purpose	Balance, December 31, 2010	2011 Authorizations	Transferred from Reserve for Debt Service	Balance, December 31, 2011
8/14/90	Improvement of Mill Road Utility Substation & Acquisition of Automotive Vehicle	\$ 68,784		\$ 68,784	
1996-05	Installation of Underground Electric - Bear's Nest II	162,554		36,447	\$ 126,107
2010-15	Acquisition of Aerial Bucket Truck	180,000			180,000
2011-21	Various Public Impvmts and Acquisition of Vehicle	-	\$ 315,000	-	315,000
		<u>\$ 411,338</u>	<u>\$ 315,000</u>	<u>\$ 105,231</u>	<u>\$ 621,107</u>

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UTILITY TRUST FUND

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

Balance, December 31, 2010		\$	600,370
Increased by Receipts:			
Water Utility Deposits	\$	27,556	
Electric Utility Deposits		<u>50,878</u>	
			<u>78,434</u>
			678,804
Decreased by Disbursements:			
Water Utility Deposits		18,120	
Electric Utility Deposits		<u>32,525</u>	
			<u>50,645</u>
Balance, December 31, 2011		\$	<u>628,159</u>

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

	Balance, December 31, <u>2010</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2011</u>
Water Utility	\$ 405,374	\$ 27,556	\$ 18,956	\$ 413,974
Electric Utility	<u>194,996</u>	<u>50,878</u>	<u>34,042</u>	<u>211,832</u>
	<u>\$ 600,370</u>	<u>\$ 78,434</u>	<u>\$ 52,998</u>	<u>\$ 625,806</u>
Cash Receipts		\$ 78,434		
Cash Disbursements			\$ 50,645	
Due to Water Utility Operating Fund			836	
Due to Electric Utility Operating Fund		<u>-</u>	<u>1,517</u>	
		<u>\$ 78,434</u>	<u>\$ 52,998</u>	

EXHIBIT F-3

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

Increased by:		
Payments made by Water Utility Operating Fund		<u>\$ 836</u>
Balance, December 31, 2011		<u>\$ 836</u>

EXHIBIT F-4

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

Increased by:		
Payments made by Electric Utility Operating Fund		<u>\$ 1,517</u>
Balance, December 31, 2011		<u>\$ 1,517</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, 2010	\$ 105,258	\$ -
Increased by Receipts:		
Membership Fees	\$ 228,388	
Miscellaneous Revenue	31,389	
Received for Swim Pool Capital Fund	<u>69,040</u>	<u>-</u>
	<u>328,817</u>	<u>-</u>
	434,075	-
Decreased by Disbursements:		
2011 Appropriations	206,137	
2010 Appropriation Reserves	2,659	
Encumbrances Payable	180	
Payments Made for Swim Pool Utility Capital Fund	<u>6,387</u>	<u>-</u>
	<u>215,363</u>	<u>-</u>
Balance, December 31, 2011	<u>\$ 218,712</u>	<u>\$ -</u>

EXHIBIT G-6

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

	Balance, December 31, <u>2011</u>
Fund Balance	\$ 50
Capital Improvement Fund	16,000
Due from Swim Pool Utility Operating Fund	(56,417)
Grants Receivable	(30,188)
Excess Note Proceeds	80,000
Improvement Authorizations	
<u>Ord. No.</u>	
92 Improvement to Swim Pool	(500)
06-10 Pool Rehabilitation	(27,560)
10-06 ADA Improvements - Bathrooms	<u>18,615</u>
	<u>\$ -</u>

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

Balance, December 31, 2010	\$ <u>250</u>
Balance, December 31, 2011	\$ <u><u>250</u></u>

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

		Balance December 31, 2010	Authorizations Cancelled	Balance December 31, 2011	<u>Balance Pledged to</u> Improvement Authorizations
Ord. No.	<u>Grantor</u>				
08-15	Community Development Block Grant	\$ 42,252	\$ 42,252		
10-06	Community Development Block Grant	<u>30,188</u>	<u>-</u>	\$ 30,188	\$ 30,188
		<u>\$ 72,440</u>	<u>\$ 42,252</u>	<u>\$ 30,188</u>	<u>\$ 30,188</u>

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

Balance, December 31, 2010 (Due From)	\$ 18,236
Increased by:	
Payments made for Swim Pool Utility Capital Expenditures	<u>6,387</u>
	24,623
Decreased by:	
2011 Budget Appropriation - Cost of Improvements - Ord. 6-10	\$ 12,000
Cash Received for Swim Pool Utility Capital Fund - Other Trust Fund	<u>69,040</u>
	<u>81,040</u>
Balance, December 31, 2011 (Due To)	\$ <u><u>56,417</u></u>

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

Increased by:

Payments made by Current Fund -Interest on Notes

\$ 1,200

Balance, December 31, 2011

\$ 1,200

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

Balance, December 31, 2010

\$ 1,800

Balance, December 31, 2011

\$ 1,800

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

	Balance, December 31, <u>2010</u>	Additions by Capital <u>Ordinance</u>	Balance, December 31, <u>2011</u>
Handicapped Improvements	\$ 6,625	\$ 80,613	\$ 87,238
Bridge	8,260		8,260
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
Parking Lot Improvement	21,726		21,726
Bond Sale Costs	1,123		1,123
Municipal Pool	840,873		840,873
Sanitary Sewer Reconstruction	5,075		5,075
Painting & Sandblasting	10,000		10,000
Water Sprinklers	8,785		8,785
Electrical Work	4,520		4,520
Security Lock	750		750
Small Tools	1,146	-	1,146
	<u>\$ 980,248</u>	<u>\$ 80,613</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>Date</u>	<u>Amount</u>	Balance, December 31, 2010	Costs to Fixed Capital	Authori- zations Cancelled	Balance, December 31, 2011
06-10	Pool Rehabilitation	09/05/06	\$ 120,000	\$ 24,440			\$ 24,440
08-15	Handicap Bathroom	11/25/08	125,000	125,000		\$ 125,000	-
10-06	ADA Improvements to Bathrooms	3/15/2010	99,228	<u>99,228</u>	<u>\$ 80,613</u>	<u>-</u>	<u>18,615</u>
				<u>\$ 248,668</u>	<u>\$ 80,613</u>	<u>\$ 125,000</u>	<u>\$ 43,055</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF 2010 APPROPRIATION RESERVES
SWIM POOL UTILITY OPERATING FUND**

	Balance, December 31, <u>2010</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING				
Salaries and Wages	\$ 4,486	\$ 4,486		\$ 4,486
Other Expenses	<u>14,658</u>	<u>14,658</u>	\$ 2,659	<u>11,999</u>
 Total Operating	 <u>19,144</u>	 <u>19,144</u>	 <u>2,659</u>	 <u>16,485</u>
 CAPITAL IMPROVEMENTS				
Capital Outlay	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
 Total Capital Improvements	 <u>1,000</u>	 <u>1,000</u>	 <u>-</u>	 <u>1,000</u>
 DEFERRED CHARGES AND STATUTORY EXPENDITURES				
Statutory Expenditures				
Contribution to Social Security System (O.A.S.I.)	<u>343</u>	<u>343</u>	<u>-</u>	<u>343</u>
 Total Deferred Charges and Statutory Expenditures	 <u>343</u>	 <u>343</u>	 <u>-</u>	 <u>343</u>
	 <u>\$ 20,487</u>	 <u>\$ 20,487</u>	 <u>\$ 2,659</u>	 <u>\$ 17,828</u>

EXHIBIT G-15

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

Balance, December 31, 2010	\$ 180
Increased by:	
Charges to 2011 Budget Appropriations	<u>15,022</u>
	15,202
Decreased by:	
Cash Disbursements	<u>180</u>
Balance, December 31, 2011	<u>\$ 15,022</u>

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

Balance, December 31, 2010	\$ 526
Decreased by:	
Cancelled Accounts Payable	<u>\$ 526</u>

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

Balance, December 31, 2010	\$ 250
Increased by:	
Charges to Budget for Interest on Notes	<u>1,580</u>
	1,830
Decreased by:	
Interest Paid by Current Fund	<u>1,200</u>
Balance, December 31, 2011	<u>\$ 630</u>

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

Balance, December 31, 2010	<u>\$ 16,000</u>
Balance, December 31, 2011	<u>\$ 16,000</u>

EXHIBIT G-21

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

Balance, December 31, 2010	<u>\$ 940,188</u>
Increased by:	
2011 Budget Appropriation - Cost of Improvement - Ord. 6-10	\$ 12,000
Transfer from Deferred Reserve for Amortization	<u>80,613</u>
	<u>92,613</u>
Balance, December 31, 2011	<u>\$ 1,032,801</u>

EXHIBIT G-22

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

Ord. No.	<u>Improvement Description</u>	Balance December 31, 2010	Transfer to Reserve for Amortization Fixed Capital	Authorizations Cancelled	Balance, December 31, 2011
08-15	Handicapped Bathroom	\$ 42,252		\$ 42,252	
10-06	ADA Improvements to Bathrooms	<u>99,228</u>	<u>\$ 80,613</u>	<u>-</u>	<u>\$ 18,615</u>
		<u>\$ 141,480</u>	<u>\$ 80,613</u>	<u>\$ 42,252</u>	<u>\$ 18,615</u>
	Grants Receivable			<u>\$ 42,252</u>	

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

Ord. No.	<u>Purpose</u>	Balance, December 31, <u>2010</u>	Funded by Budget <u>Appropriation</u>	<u>Cancelled</u>	Balance, December 31, <u>2011</u>
92	Improvement to Swim Pool	\$ 500			\$ 500
06-10	Pool Rehabilitation	64,000	\$ 12,000		52,000
08-15	Handicap Bathroom	<u>2,748</u>	<u>-</u>	<u>\$ 2,748</u>	<u>-</u>
		<u>\$ 67,248</u>	<u>\$ 12,000</u>	<u>\$ 2,748</u>	<u>\$ 52,500</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, 2010	\$ 13,281	\$ 1,902	\$ 11,379
Increased by:			
State Aid	22,300		22,300
Received from Current Fund	<u>345</u>	<u>-</u>	<u>345</u>
	35,926	1,902	34,024
Decreased by:			
Public Assistance Expenditures Eligible for State Aid	<u>25,850</u>	<u>-</u>	<u>25,850</u>
Balance, December 31, 2011	<u>\$ 10,076</u>	<u>\$ 1,902</u>	<u>\$ 8,174</u>

EXHIBIT H-2

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

Balance, December 31, 2010	\$ 2,000
Increased by:	
Cash Received from Current Fund	<u>345</u>
Balance, December 31, 2011	<u>\$ 2,345</u>

BOROUGH OF PARK RIDGE
STATEMENT OF RESERVE FOR PUBLIC ASSISTANCE EXPENDITURES

	<u>Total</u>	<u>Account #1</u>	<u>Account #2</u>
Balance, December 31, 2010	\$ 11,281	\$ 1,902	\$ 9,379
Increased by:			
Revenues	<u>22,300</u>	<u>-</u>	<u>22,300</u>
	33,581	1,902	31,679
Decreased by:			
Expenditures	<u>25,850</u>	<u>-</u>	<u>25,850</u>
Balance, December 31, 2011	<u>\$ 7,731</u>	<u>\$ 1,902</u>	<u>\$ 5,829</u>

STATEMENT OF PUBLIC ASSISTANCE REVENUES

	<u>Total</u>	<u>Account #1</u>	<u>Account #2</u>
State Aid Payments	<u>\$ 22,300</u>	<u>-</u>	<u>\$ 22,300</u>
Total Revenues/Receipts	<u>\$ 22,300</u>	<u>\$ -</u>	<u>\$ 22,300</u>

STATEMENT OF PUBLIC ASSISTANCE EXPENDITURES

	<u>Total</u>	<u>Account #1</u>	<u>Account #2</u>
Current Year Assistance Reported			
Maintenance	\$ 12,907		\$ 12,907
Temporary Rental Assistance	<u>12,943</u>	<u>-</u>	<u>12,943</u>
Total Payments Reported	<u>25,850</u>	<u>-</u>	<u>25,850</u>
Total Expenditures/Disbursements	<u>\$ 25,850</u>	<u>\$ -</u>	<u>\$ 25,850</u>

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

PART II

GOVERNMENT AUDITING STANDARDS

YEAR ENDED DECEMBER 31, 2011

LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208
FAIR LAWN, NJ 07410
TELEPHONE (201) 791-7100
FACSIMILE (201) 791-3035
WWW.LVHCPA.COM

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
RALPH M. PICONE, CPA, RMA, PSA
EDWARD N. KERE, 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

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

We have audited the financial statements – regulatory basis of the Borough of Park Ridge as of and for the year ended December 31, 2011, and have issued our report thereon dated August 3, 2012 which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared using the regulatory basis of accounting prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. In addition, our report on the financial statements – regulatory basis was qualified because of the presentation of the unaudited LOSAP Fund financial statements. Except as discussed in the preceding sentence, we conducted our audit 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 audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Borough of Park Ridge is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Borough of Park Ridge's internal control over financial reporting as a basis for designing our auditing procedures 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's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting described in the accompanying schedule of findings and responses as items 2011-1 and 2011-2 that we consider to be significant deficiencies in internal control over financial reporting. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Park Ridge's financial statements are free of 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 2011-1 and 2011-2.

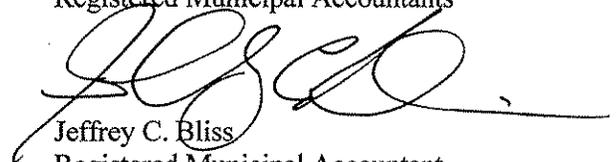
We also noted certain matters that we reported to management of the Borough of Park Ridge in Part III of this report of audit entitled "Letter of Comments and Recommendations".

The Borough of Park Ridge's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Borough's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the governing body, others within the Borough, New Jersey Department of Community Affairs and is not intended to be and should not be used by anyone other than these specified parties.

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
August 3, 2012

**BOROUGH OF PARK RIDGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Federal Program	State Account Number	CFDA Number	Award Amount	2011 Grant Receipts	Balance January 1, 2011	Revenue Realized	Cancelled	Expended	Balance December 31, 2011	Cumulative Expended
U.S. Department of Transportation (Passed through State Department of Law and Public Safety)										
Click it or Ticket	066-1160-100-113	20.602	\$ 4,292	\$ 3,473	\$ 3,659				\$ 3,659	\$ 633
Over the Limit Under Arrest	066-1160-100-057	20.601	4,400		4,400				4,400	-
U.S. Department of Transportation (Passed Through State Department of Transportation)										
Highway Planning and Construction Program:										
Impyts to 5th Street Section 2 (Ord 2010-09)	078-6320-480-XXX	20.205	200,000	120,212	200,000			\$ 195,406	-	200,000
Impyts to 5th Street Section 1 (Ord 2010-25)	078-6320-480-AKE		200,000		200,000				4,594	195,406
Pedestrian Train Station Impyts (Ord. 2009-11)	078-6320-480-AKC		79,000		73,048				73,048	5,952
U.S. Department of Homeland Security										
Disaster Grants - Public Assistance										
(Passed through the State Department of Law and Public Safety)										
FEMA - Hurricane Irene	1200-100-A70-2012	97.036	\$ 47,605	\$ 47,605		\$ 47,605		47,605		47,605
FEMA - Storm Floods - 3/12/10	1200-100-A57-2011		13,016	13,016		13,016		13,016		13,016
FEMA - Severe Winter Storm - 12/26/10	1200-100-A63-2011		29,764	29,764		29,764		29,764		29,764
U.S. Department of Housing and Urban Development										
Community Development Block Grant Program										
(Passed through County of Bergen Community Development Agency)										
Handicap Bathrooms - Swim Pool (Ord. 08-15)	N/A	14.218	42,252		42,252		\$ (42,252)		42,252	-
Handicap Bathrooms - Swim Pool (Ord. 10-06)	PV-PR-03-08	14.218	42,252							
Handicap Bathrooms - Swim Pool (Ord. 10-06)	PV-PR-03-09	14.218	56,976						18,615	38,361
					25,002			6,387		
					\$ 348,361	\$ 90,385	\$ (42,252)	\$ 292,178	\$ 146,568	

**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, 2011**

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 presented using the regulatory basis of accounting as prescribed or permitted 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(B) 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	\$ 90,385	\$ 37,929	\$ 128,314
General Capital Fund		110,701	110,701
Public Assistance Fund	<u>-</u>	<u>22,300</u>	<u>22,300</u>
	<u>\$ 90,385</u>	<u>\$ 170,930</u>	<u>\$ 261,315</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, 2011**

NOTE 5 FEDERAL AND STATE LOANS OUTSTANDING

The Borough's federal and state loans outstanding at December 31, 2011, which are not required to be reported on the schedules of expenditures of federal awards and state financial assistance, are as follows:

<u>Loan Program</u>	<u>State Account Number</u>	<u>Total</u>
Green Trust Loan Program-Memorial Field Improvements	0247-04-062	<u>\$438,778</u>

**BOROUGH OF PARK RIDGE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2011**

Part I – Summary of Auditor's Results

Financial Statements

Type of auditors' report issued on financial statements

Qualified for Unaudited LOSAP Fund

Internal control over financial reporting:

1) Material weakness(es) identified

_____ yes X no

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

 X yes _____ none reported

Noncompliance material to the financial statements noted?

 X yes _____ no

Federal Awards Section

Not Applicable

State Awards Section

Not Applicable

**BOROUGH OF PARK RIDGE
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2011**

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 2011-1 – Our audit of encumbrances payable revealed the following:

- Various purchase orders and contracts were deemed invalid in the General Capital Fund.
- Sufficient funds were not available in the Water and Electric Utility Capital Funds for certain contracts awarded and encumbered during the year.

Criteria – NJAC 5:30-5.2 – Encumbrance Accounting System

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

Cause – Certain purchase orders and contracts were not reviewed at year end to determine if amounts encumbered were for valid contracts. In addition, the budget account status report was not updated to reflect the actual audited improvement authorization balances available prior to the award of certain contracts.

Effect – Subsidiary budget reports may not reflect the actual amounts available for certain improvement authorizations due to encumbrances that are invalid. In addition, sufficient funds may not be available for contracts awarded and encumbered against improvement authorizations.

Recommendation – Purchase orders and contracts be reviewed to ensure that amounts encumbered are valid and that sufficient funds are available prior to the awarding of contracts in the General and Utility Capital Funds.

Response – Management has reviewed this finding and has indicated appropriate corrective action will be implemented.

**BOROUGH OF PARK RIDGE
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2011**

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 2011-2 – Our audit of improvement authorizations in the General and Utility Capital Funds revealed the following:

- The general ledger control account balances were not in agreement with the subsidiary budget report balances.
- The individual improvement authorization balances in the subsidiary budget report were not in agreement with the audit balances.
- Certain capital ordinances adopted during the year were not recorded in the Borough's financial records.

Criteria – Internal Controls Over Financial Reporting

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

Cause – Improvement authorization balances in the subsidiary budget reports were not adjusted to reflect the audited balances. In addition, improvement authorization balances in the subsidiary budget reports were not reconciled to the general ledger control accounts or verified to capital ordinances adopted during the year.

Effect – General ledger and subsidiary budget report account balances for improvement authorizations may not reflect actual amounts available for capital related expenditures.

Recommendation – Improvement authorization control account balances in the general ledger be reconciled to the subsidiary budget reports for the General and Utility Capital Funds on a monthly basis. In addition, improvement authorization balances in the subsidiary budget report be updated and in agreement with audited balances and reflect all capital ordinances adopted during the year.

Response – Management has reviewed this finding and has indicated appropriate corrective action will be implemented.

**BOROUGH OF PARK RIDGE
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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 2010-1

Numerous adjusting journal entries were required to reconcile the various Funds general ledger account balances to subsidiary ledgers and supporting documentation (i.e., tax account status reports, revenue and budget account status reports, bank reconciliations, etc.). The various funds included the Current Fund, General Capital Fund, Water Utility Funds, Electric Utility Funds and Swim Pool Utility Funds.

Current Status

Corrective action was taken.

Finding 2010-2

Bank reconciliations at December 31, 2010 contained various reconciling items for bank adjustments, ACH returns, returned checks and interfunds for the current and prior months. Bank reconciliations were not prepared timely after month end.

Current Status

Corrective action was taken.

Finding 2010-3

Prior year uncollected grants receivable and other receivables in the amounts of \$291,000 and \$103,000 respectively in the General Capital Fund remained outstanding at year end. In addition a reserve for grant proceeds balance in the amount of \$250,000 in the General Capital Fund remained available at year end. There was no activity in these accounts during the current year nor were they specifically identified to a capital ordinance.

Current Status

Corrective action was taken.

Finding 2010-4

Prior year miscellaneous reserve account balances exist in the Current Fund in the amount of \$57,000 and the Other Trust Fund in the amount of \$76,000 which may not be allowable or approved under the regulatory basis of accounting. In addition certain reserve balances in the Current Fund should be transferred to and accounted for in the Other Trust Fund.

Current Status

Corrective action was taken.

BOROUGH OF PARK RIDGE
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2011

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 (Continued)

Finding 2010-5

Goods are ordered, services rendered or wire transfers were completed prior to a purchase order being approved and issued to the respective vendor. In addition, purchase orders are not issued upon the approval and award of contracts by the Mayor and Council.

Current Status

Corrective action was taken.

Finding 2010-6

Employee payroll deductions, as well as, the employer's share of certain payroll deductions were not remitted to the respective Federal and State agencies in a timely manner. In addition, payroll tax filings were not remitted timely.

Current Status

Corrective action was taken.

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

PART III

**SUPPLEMENTARY DATA
LETTER OF COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2011**

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	<u>Year 2011</u>		<u>Year 2010</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 505,000	1.29 %	\$ 640,000	1.69 %
Miscellaneous - From Other Than Local				
Property Tax Levies	2,778,916	7.09	2,659,307	7.02
Collection of Delinquent Taxes and Tax Title Liens	231,180	0.59	268,061	0.71
Collection of Current Tax Levy	35,401,467	90.34	34,128,169	90.15
Other Credits to Income	<u>270,436</u>	<u>0.69</u>	<u>160,008</u>	<u>0.42</u>
 Total Income	 <u>39,186,999</u>	 <u>100.00</u> %	 <u>37,855,545</u>	 <u>100.00</u> %
 EXPENDITURES				
Budget Expenditures				
Municipal Purposes	11,687,091	30.09 %	11,050,908	29.50 %
County Taxes	3,629,068	9.34	3,840,894	10.25
Local District School Tax	23,505,631	60.51	22,453,756	59.94
Other Expenditures	<u>22,164</u>	<u>0.06</u>	<u>112,197</u>	<u>0.30</u>
 Total Expenditures	 <u>38,843,954</u>	 <u>100.00</u> %	 <u>37,457,755</u>	 <u>100.00</u> %
 Excess in Revenue	 343,045		 397,790	
Adjustments to Income before Fund Balance:				
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year	<u>550,000</u>		<u>110,000</u>	
 Regulatory Excess to Fund Balance	 893,045		 507,790	
 Fund Balance, January 1	 <u>691,325</u>		 <u>823,535</u>	
	1,584,370		1,331,325	
 Less Utilization as Anticipated Revenue	 <u>505,000</u>		 <u>640,000</u>	
 Fund Balance, December 31	 <u>\$ 1,079,370</u>		 <u>\$ 691,325</u>	

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	<u>Year 2011</u>		<u>Year 2010</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 762,800	21.20 %	\$ 830,721	20.34 %
Water Rents	2,383,345	66.24	2,609,088	63.87
Miscellaneous Fees	273,089	7.59	303,136	7.42
Employee Health Benefit Contributions	-	-	17,433	0.43
Other Credits to Income	<u>178,825</u>	<u>4.97</u>	<u>324,341</u>	<u>7.94</u>
 Total Income	 <u>3,598,059</u>	 <u>100.00 %</u>	 <u>4,084,719</u>	 <u>100.00 %</u>
EXPENDITURES				
Operating	2,942,300	87.44 %	2,843,500	87.18 %
Capital Improvements	236,500	7.03	247,500	7.59
Deferred Charges and Statutory Expenditures	<u>186,000</u>	<u>5.53</u>	<u>170,721</u>	<u>5.23</u>
 Total Expenditures	 <u>3,364,800</u>	 <u>100.00 %</u>	 <u>3,261,721</u>	 <u>100.00 %</u>
Excess in Revenue	233,259		822,998	
Fund Balance, January 1	<u>951,841</u>		<u>959,564</u>	
	1,185,100		1,782,562	
Less Utilization as Anticipated Revenue	<u>762,800</u>		<u>830,721</u>	
Fund Balance, December 31	<u>\$ 422,300</u>		<u>\$ 951,841</u>	

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	<u>Year 2011</u>		<u>Year 2010</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 634,479	5.70 %	\$ 694,491	6.31 %
Electric Charges	10,031,244	90.16	9,903,981	90.03
Miscellaneous Fees	154,629	1.39	47,882	0.44
Employee Health Benefit Contributions	-	-	15,116	0.14
Other Credits to Income	<u>305,681</u>	<u>2.75</u>	<u>339,253</u>	<u>3.08</u>
 Total Income	 <u>11,126,033</u>	 <u>100.00</u> %	 <u>11,000,723</u>	 <u>100.00</u> %
EXPENDITURES				
Operating	9,503,000	93.92 %	9,813,500	94.21 %
Capital Improvements	258,500	2.55	229,500	2.20
Debt Service	177,971	1.76	157,045	1.51
Deferred Charges and Statutory Expenditures	179,000	1.77	166,637	1.60
Refund of Prior Year Revenues	<u>-</u>	<u>-</u>	<u>49,941</u>	<u>0.48</u>
 Total Expenditures	 <u>10,118,471</u>	 <u>100.00</u> %	 <u>10,416,623</u>	 <u>100.00</u> %
 Excess in Revenue	 1,007,562		 584,100	
 Fund Balance, January 1	 <u>741,886</u>		 <u>852,277</u>	
	1,749,448		1,436,377	
 Less Utilization as Anticipated Revenue	 <u>634,479</u>		 <u>694,491</u>	
 Fund Balance, December 31	 <u>\$ 1,114,969</u>		 <u>\$ 741,886</u>	

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	<u>Year 2011</u>		<u>Year 2010</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 18,800	6.33 %	\$ 10,288	3.09 %
Membership Fees	228,388	76.92	218,733	65.69
Miscellaneous Fees	31,389	10.57	31,553	9.48
Capital Improvement Fund		-	15,000	4.50
Other Credits to Income	<u>18,354</u>	<u>6.18</u>	<u>57,403</u>	<u>17.24</u>
 Total Income	 <u>296,931</u>	 <u>100.00 %</u>	 <u>332,977</u>	 <u>100.00 %</u>
EXPENDITURES				
Operating	213,375	90.74 %	214,640	86.45 %
Capital Improvements		-	1,000	0.40
Debt Service	1,580	0.67	2,050	0.83
Deferred Charges and Statutory Expenditures	<u>20,200</u>	<u>8.59</u>	<u>30,598</u>	<u>12.32</u>
 Total Expenditures	 <u>235,155</u>	 <u>100.00 %</u>	 <u>248,288</u>	 <u>100.00 %</u>
 Excess in Revenue	 61,776		 84,689	
 Fund Balance, January 1	 <u>100,501</u>		 <u>26,100</u>	
	162,277		110,789	
 Less Utilization as Anticipated Revenue	 <u>18,800</u>		 <u>10,288</u>	
 Fund Balance, December 31	 <u>\$ 143,477</u>		 <u>\$ 100,501</u>	

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2011</u> (1)	<u>2010</u>	<u>2009</u>
<u>Tax Rate</u>	<u>\$2.189</u>	<u>\$1.988</u>	<u>\$1.901</u>

Apportionment of Tax Rate

Municipal	.482	.468	.439
Library	.039		
County	.221	.219	.210
County – Open Space	.002	.003	.012
Local District School	1.445	1.297	1.240

Assessed Valuation

2011	<u>\$1,626,607,839</u>		
2010		<u>\$1,731,455,707</u>	
2009			<u>\$1,732,015,306</u>

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

Comparison of Tax Levies and Collection

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2011	\$ 35,660,980	\$ 35,401,467	99.27%
2010	34,469,794	34,128,169	99.00%
2009	32,964,084	32,679,631	99.13%

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

Delinquent Taxes and Tax Title Liens

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

<u>December 31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2011	-	\$ 247,886	\$ 247,886	0.70%
2010	-	231,180	231,180	0.67%
2009	\$ 4,247	263,589	267,836	0.81%

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>
2011	\$100,650
2010	100,650
2009	100,650

Comparison of Water Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(*)</u>	<u>Percentage of Collection</u>
2011	\$2,364,646	\$2,383,345	100.79%
2010	2,699,705	2,609,088	96.64%
2009	2,226,486	2,233,754	100.33%

Comparison of Electric Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(*)</u>	<u>Percentage of Collection</u>
2011	\$9,856,644	\$10,031,244	101.77%
2010	10,058,296	9,903,981	98.46%
2009	9,913,045	9,917,957	100.05%

*Includes collection of prior year receivables.

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

Comparative Schedule of Fund Balances

	<u>Year</u>	<u>Balance, December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2011	\$1,079,370	\$650,000
	2010	691,325	505,000
	2009	823,535	640,000
	2008	1,498,005	1,125,000
	2007	1,782,884	1,284,000
Water Utility Fund	2011	\$422,300	\$335,648
	2010	951,841	762,800
	2009	959,564	830,721
	2008	1,642,428	870,882
	2007	2,126,821	658,633
Electric Utility Operating Fund	2011	\$1,114,969	\$796,335
	2010	741,886	634,479
	2009	852,277	694,491
	2008	989,466	760,143
	2007	1,133,461	662,067
Swim Pool Utility Operating Fund	2011	\$143,477	\$12,290
	2010	100,501	18,800
	2009	26,100	10,288
	2008	86,386	60,286
	2007	123,841	57,465

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

OFFICIALS IN OFFICE AND SURETY BONDS

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate or Personal Surety</u>
Donald J. Ruschman	Mayor		
John Kane	Councilman		
Mike Viola	Councilman		
Steven Hopper	Councilman		
Terence P. Maguire	Councilman		
Ann Kilmartin	Councilwoman		
Keith Misciagna	Councilman		
Kelley R. O'Donnell	Borough Administrator/Borough Clerk	(a)	
Colleen Ennis	Chief Financial Officer, Tax Collector – Treasurer	\$1,000,000	MELJIF
Robert J. Mancinelli, Esq.	Borough Attorney		
Brooker Engineering	Borough Engineer		
Katherine Bowen	Director of Welfare	(a)	
Helyn Beer	Subdivision Search Officer	(a)	
Nick Saluzzi	Construction Code Official	(a)	
William Beattie	Director of Operations	(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)	

(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

Swim Pool Utility

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

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

Departments

- **Finding** – Our audit of the various Municipal Departments revealed the following:
 - A) A formal cash receipt journal was not maintained by the Fire Prevention Department.
 - B) Monthly financial reports were not prepared by the Borough Clerk, DPW, Planning/Zoning Boards, Board of Health, Fire Prevention, Police and Recreation Departments.
 - C) Differences were noted between the Treasurer's records and various department records for amounts collected during the year.

Management has indicated a formalized accounting and reporting system was implemented in 2011 in all the municipal departments to address the findings noted above.

Recommendation – Continued efforts be made to perform periodic reviews of the various municipal department revenue collection accounting and reporting procedures to ensure procedures implemented in 2011 are adhered to.

Current Year Findings

Finance

- **Finding** – Our audit of the net payroll and payroll agency account balances revealed an excess balance of approximately \$134,000 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 revealed police outside duty vendors were incorrectly billed for employee hourly rates. In addition, we noted the billing spreadsheet to determine total amounts due did not add in one instance resulting in an underbilling.

Recommendation – Greater care be exercised in the preparation of vendor invoices related to police outside duty service billings to ensure their accuracy.

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

GENERAL COMMENTS (Continued)

Current Year Findings (Continued)

Finance (Continued)

- **Finding** – Our audit of employee health benefits revealed a detailed list supporting the eligibility of retirees receiving post-retirement health benefit coverage was not maintained by the Borough.

Recommendation – A detailed list of retirees receiving post-retirement health benefit coverage be maintained and certified by administrative personnel to support the eligibility of each former employee.

Departments

- **Finding** – Our audit of the Construction Code Official revealed instances in which the fees charged were not in agreement with the fee ordinance.

Recommendation – Fees charged by the Construction Code Official be calculated in accordance with the approved fee ordinances.

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

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

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$26,000. The Borough has adopted a resolution increasing the threshold to \$36,000 and has appointed the Director of Operations as qualified purchasing agent in accordance with regulations established by the Division of Local Government Services.

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

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

- | | |
|---|--|
| Sixth Street and Leroy Place Improvements | Water Distribution Materials |
| Wheel Loader | Substation Circuit Breakers |
| Solid Waste and Recycling Collection | Portable Water Meters |
| Electric Distribution Material and Supplies | Electric Substation Diagnostic Testing |
| 2011 Road Improvements | Roll off Container Truck |
| Arsenic Treatment System – Well #13 | |

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.

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

GENERAL COMMENTS (Continued)

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

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

Collection of Interest of Delinquent Taxes

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

The Governing Body on January 1, 2011 adopted the following resolution authorizing interest to be charged on delinquent taxes and water accounts:

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

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

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 10, 2011.

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>
2011	0
2010	0
2009	1

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.

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. The net payroll and payroll agency account balances be reviewed and any excess balances be cleared of record.
2. Greater care be exercised in the preparation of vendor invoices related to police outside duty service billings to ensure their accuracy.
3. Purchase orders and contracts be reviewed to ensure that amounts encumbered are valid and that sufficient funds are available prior to the awarding of contracts in the General and Utility Capital Funds.
4. Improvement authorization control account balances in the general ledger be reconciled to the subsidiary budget reports for the General and Utility Capital Funds on a monthly basis. In addition, improvement authorization balances in the subsidiary budget report be updated and in agreement with the audited balances and reflect all capital ordinances adopted during the year.
5. A detailed list of retirees receiving post-retirement health benefit coverage be maintained and certified by administrative personnel to support the eligibility of each former employee.

Swim Pool Utility

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

Departments

It is recommended that:

- * 1. Continued efforts be made to perform periodic reviews of the various municipal department revenue collection accounting and reporting procedures to ensure procedures implemented in 2011 are adhered to.
- 2. Fees charged by the Construction Code Official be calculated in accordance with the approved fee ordinances.

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

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

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

Lerch, Vinci & Higgins, LLP
LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants



Jeffrey C. Bliss
Certified Public Accountant
RMA Number CR00429

