

**BOROUGH OF PARK RIDGE**  
**BERGEN COUNTY, NEW JERSEY**  
**REPORT OF AUDIT**  
**YEAR ENDED DECEMBER 31, 2010**

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

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**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY SCHEDULES**  
**YEAR ENDED DECEMBER 31, 2010**

# LERCH, VINCI & HIGGINS, LLP

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## INDEPENDENT AUDITOR'S REPORT

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

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, 2010 and 2009 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, 2010. 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 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 23 percent and 21 percent of the assets and liabilities, respectively, of the Borough's Trust Funds as of December 31, 2010 and 2009.

## 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, 2010 and 2009, 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.

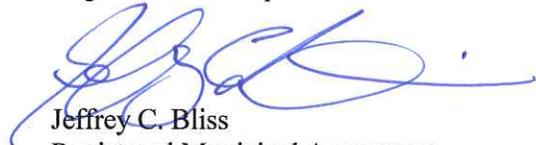
In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Fund financial statements been audited, the financial statements - regulatory basis referred to previously present fairly, in all material respects, the financial position - regulatory basis of the various funds and account group of the Borough of Park Ridge as of December 31, 2010 and 2009 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, 2010 on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated June 9, 2011 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. 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. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken 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  
June 9, 2011

**BOROUGH OF PARK RIDGE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
CURRENT FUND  
AS OF DECEMBER 31, 2010 AND 2009**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>			
Cash and Investments	A-4	\$ 2,181,332	\$ 1,993,782
Cash - Change Funds	A-5	175	175
Cash - Petty Cash Fund	A-6	1,050	300
Due from State of New Jersey - Senior Citizens' and Veterans' Deductions	A-7	250	-
Grant Receivables	A-8	<u>23,561</u>	<u>61,767</u>
		<u>2,206,368</u>	<u>2,056,024</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-9	231,180	263,589
Tax Title Liens Receivable	A-10		4,247
Property Acquired for Taxes - Assessed Valuation	A-11	100,650	100,650
Revenue Accounts Receivable	A-13	9,263	8,195
Other Receivables	A-12		13,000
Due from Animal Control Fund	B-5		4,616
Due from Other Trust Fund	B-15	35,315	
Due from Open Space Preservation Trust Fund	B-9	55,897	
Due from Electric Utility Operating Fund	E-12	25,601	
Due from Public Assistance Fund	H-2	<u>2,000</u>	<u>2,000</u>
		<u>459,906</u>	<u>396,297</u>
Deferred Charges			
Special Emergency Authorizations	A-14	126,000	144,000
Emergency Authorizations	A-15	<u>-</u>	<u>90,000</u>
		<u>126,000</u>	<u>234,000</u>
 Total Assets		 <u>\$ 2,792,274</u>	 <u>\$ 2,686,321</u>

**BOROUGH OF PARK RIDGE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
CURRENT FUND  
AS OF DECEMBER 31, 2010 AND 2009**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Appropriation Reserves	A-3,A-16	\$ 535,266	\$ 386,085
Encumbrances Payable	A-17	147,322	328,053
Accounts Payable	A-18	11,367	
Prepaid Taxes	A-19	284,623	245,555
Tax Overpayments	A-20	70	10,110
County Taxes Payable	A-21	5,447	4,493
Fees Payable	A-23	2,566	4,927
Prepaid Revenues and Contributions	A-24	40,293	17,815
Emergency Notes	A-25	110,000	120,000
Due to Library	A-3	4,920	
Due to General Capital Fund	C-6	242,191	98,162
Due to Water Utility Operating Fund	D-13	2,061	203
Due to Electric Utility Operating Fund	E-12		1,789
Reserve for:			
Tax Appeals	A-26	125,395	106,101
Miscellaneous Reserves	A-27	59,243	76,579
Appropriated Grant Reserves	A-28	32,350	41,591
Unappropriated Grant Reserves	A-29	37,929	25,026
		<u>1,641,043</u>	<u>1,466,489</u>
Reserve for Receivables and Other Assets	A	459,906	396,297
Fund Balance	A-1	<u>691,325</u>	<u>823,535</u>
<b>Total Liabilities, Reserves and Fund Balance</b>		<u>\$ 2,792,274</u>	<u>\$ 2,686,321</u>

**BOROUGH OF PARK RIDGE**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>			
Fund Balance Utilized	A-2	\$ 640,000	\$ 1,125,000
Miscellaneous Revenue Anticipated	A-2	2,487,144	2,592,950
Receipts from Delinquent Taxes	A-2	268,061	240,062
Receipts from Current Taxes	A-2	34,128,169	32,679,631
Non-Budget Revenue	A-2	172,163	147,507
Other Credits to Income			
Unexpended Balances of Appropriation Reserves	A-16	147,008	73,418
Statutory Excess - Animal Control Fund	A-1		1,444
Cancelled Due to Library	A-1		7,290
Interfunds and Other Receivables Liquidated	A	13,000	18,452
		<u>37,855,545</u>	<u>36,885,754</u>
<b>Total Revenue</b>			
<b>EXPENDITURES</b>			
Budget Appropriations			
Operations			
Salaries & Wages	A-3	3,652,122	3,925,067
Other Expenses	A-3	5,282,892	5,146,668
Capital Improvements	A-3	85,000	65,000
Debt Service	A-3	1,018,633	1,023,099
Deferred Charges and Statutory			
Expenditures	A-3	1,012,261	1,046,864
County Taxes	A-21	3,840,894	3,826,654
Local District School Tax	A-22	22,453,756	21,478,872
Interfunds and Other Receivables Created	A	112,197	13,000
		<u>37,457,755</u>	<u>36,525,224</u>
<b>Total Expenditures</b>			
Excess in Revenue		397,790	360,530
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-14	110,000	90,000
Statutory Excess to Fund Balance			
		507,790	450,530
FUND BALANCE, JANUARY 1	A	823,535	1,498,005
		1,331,325	1,948,535
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	640,000	1,125,000
FUND BALANCE, DECEMBER 31	A	<u>\$ 691,325</u>	<u>\$ 823,535</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, 2010**

	<u>Reference</u>	<u>Budget</u>	<u>Added By: 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
FUND BALANCE ANTICIPATED	A-1	\$ 640,000	-	\$ 640,000	-
MISCELLANEOUS REVENUES					
Licenses					
Alcoholic Beverages	A-13	6,000		9,598	\$ 3,598
Fees and Permits					
Fire Code Department	A-13	34,000		28,450	(5,550)
Board of Health	A-13	20,000		15,793	(4,207)
Fines and Costs - Municipal Court	A-13	101,000		119,375	18,375
Interest and Costs on Taxes	A-13	55,000		71,623	16,623
Interest on Investments and Deposits	A-2	6,707		8,395	1,688
Joint Insurance Fund Dividend	A-13	8,500		6,235	(2,265)
Hotel Tax	A-13	205,000		219,722	14,722
Recycling Program	A-13	21,000		31,867	10,867
Cable Television Franchise Fee	A-13	82,653		107,054	24,401
Water Utility Rental Fees	A-13	105,000		105,000	-
Electric Utility Rental Fees	A-13	30,000		30,000	-
Pistol Range Fee	A-13	6,500		7,500	1,000
Host Community Fees	A-13	100,000		47,325	(52,675)
Tri-Boro Safety Corps.	A-13	50,000		62,236	12,236
Tri-Boro Safety Corps - Prior Year	A-13	25,000		27,904	2,904
Consolidated Municipal Property Tax Relief Aid	A-13	52,447		52,262	(185)
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	A-13	330,151		330,151	-
Indirect Costs Reimbursement Utilities	A-13	30,000		30,000	-
Uniform Construction Code Fees	A-13	133,000		193,963	60,963
Clean Communities Program - Reserve	A-29	14,113		14,113	-
Recycling Tonnage Program - Reserve	A-29	10,913		10,913	-
Municipal Alliance Program	A-8	10,356		10,356	-
Drunk Driving Enforcement Fund	A-8		\$ 3,805	3,805	-
Over The Limit Under Arrest	A-8		4,400	4,400	-
Water Utility - Payments in Lieu of Taxes	A-13	100,000		100,000	-
Electric Utility - Payments in Lieu of Taxes	A-13	155,000		155,000	-
Electric Utility Payment in Lieu of Franchise and Gross Receipts Taxes	A-13	500,000		500,000	-
Life Hazard Use Fees	A-13	12,500		20,079	7,579
Library Rental Fees	A-13	80,000		80,000	-
Employee Health Benefit Contributions	A-13	30,000		10,605	(19,395)
Sprint Cell Tower Rent	A-13	60,000	-	73,420	13,420
Total Miscellaneous Revenues	A-1	<u>2,374,840</u>	<u>8,205</u>	<u>2,487,144</u>	<u>104,099</u>
RECEIPTS FROM DELINQUENT TAXES	A-1,A-2	<u>250,000</u>	-	<u>268,061</u>	<u>18,061</u>
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET					
Local Tax For Municipal Purposes	A-2	<u>8,118,068</u>	-	<u>8,283,519</u>	<u>165,451</u>
	A-3	<u>\$ 11,382,908</u>	<u>\$ 8,205</u>	<u>11,678,724</u>	<u>\$ 287,611</u>
Non-Budget Revenue	A-1,A-2			<u>172,163</u>	
				<u>\$ 11,850,887</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, 2010**

	<u>Reference</u>	<u>Realized</u>
<b>ANALYSIS OF REALIZED REVENUES</b>		
Allocation of Current Tax Collections		
Revenue from Collections	A-1, A-9	\$ 34,128,169
Less Allocated to School and County Taxes	A-21,A-22	<u>26,294,650</u>
		7,833,519
Add Appropriation Reserve for Uncollected Taxes	A-3	<u>450,000</u>
Amount for Support of Municipal Budget Appropriation	A-2	<u>\$ 8,283,519</u>
Analysis of Receipts from Delinquent Taxes		
Delinquent Tax Collections	A-9	\$ 263,589
Tax Title Lien Collection	A-10	<u>4,472</u>
		<u>\$ 268,061</u>
Interest on Investments		
Cash Receipts	A-13	\$ 6,054
Due from Other Trust Fund	B-15	1,262
Due from General Capital Fund	C-6	<u>1,079</u>
	A-2	<u>\$ 8,395</u>
Analysis of Non-Budget Revenue		
Maps & Copies		\$ 339
Tax Search Printouts		1,448
Parking Permits		14,505
Police Fees		1,871
Snow Removal		15,300
Bid Specs		1,200
Zoning Permits		3,525
Housing Registration		11,970
Police Outside Duty Administration Fees		21,749
Zoning/Planning Board Fees		3,439
Workmans Compensation		9,522
Senior Citizen Administration Fees		2,160
Bergen County Housing Authority		10,805
Miscellaneous		<u>74,330</u>
	A-2, A-4	<u>\$ 172,163</u>

**BOROUGH OF PARK RIDGE  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Budget</u>	<u>Appropriated Budget After Modification</u>	<u>Expended Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<b>OPERATIONS - WITHIN "CAPS"</b>					
<b>GENERAL GOVERNMENT</b>					
General Administration					
Salaries and Wages	\$ 75,000	\$ 75,000	\$ 75,000		
Other Expenses	9,250	9,250	7,830	\$ 1,420	
Mayor and Council					
Salaries and Wages	11,550	14,300	13,154	1,146	
Other Expenses	11,500	11,500	11,457	43	
Municipal Clerk					
Salaries and Wages	124,015	122,515	118,143	4,372	
Other Expenses	60,000	63,000	61,258	1,742	
Financial Administration					
Salaries and Wages	58,696	59,446	59,439	7	
Other Expenses	18,875	26,375	24,848	1,527	
Audit Services					
Other Expenses	30,000	30,000	30,000		
Revenue Administration					
Salaries and Wages	72,500	64,000	30,500	33,500	
Other Expenses	16,450	14,750	14,748	2	
Tax Assessment Administration					
Salaries and Wages	22,700	22,700	21,143	1,557	
Other Expenses	3,850	3,850	3,600	250	
Other Expenses - Reassessment		110,000	110,000		
Legal Services and Costs					
Other Expenses	148,375	148,375	144,609	3,766	
Engineering Services and Costs					
Other Expenses	20,000	20,000	8,764	11,236	
Vision Plan Committee					
Other Expenses	250	250		250	
<b>LAND USE ADMINISTRATION</b>					
Planning Board					
Salaries and Wages	33,250	28,250	24,347	3,903	
Other Expenses	19,915	19,915	19,831	84	
Zoning Board of Adjustment					
Salaries and Wages	43,800	41,300	39,843	1,457	
Other Expenses	10,275	10,275	9,125	1,150	
Zoning Officer					
Salaries and Wages	8,000	8,000	7,999	1	
Other Expenses	4,050	4,050	556	3,494	
Housing Task Force					
Salaries and Wages	9,500	10,600	10,107	493	
Other Expenses	1,400	1,400	1,230	170	
<b>INSURANCE</b>					
General Liability	175,450	195,450	184,710	10,740	
Unemployment Insurance	39,000	39,000	39,000		
Employee Group Health	1,121,110	1,089,110	1,073,082	16,028	
Tri-Boro Ambulance	4,000	4,000	3,998	2	

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, 2010**

	<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	\$ 2,001,505	\$ 1,996,505	\$ 1,947,573	\$ 48,932	
Other Expenses	122,300	122,300	108,466	13,834	
Pistol Range					
Other Expenses	7,000	12,000	10,004	1,996	
Police Reserves/EMC					
Salaries and Wages	19,500	19,500	16,330	3,170	
Other Expenses	19,950	19,950	15,370	4,580	
Tri-Borough Safety Corps					
Other Expenses	237,500	239,500	239,496	4	
Emergency Management Services					
Salaries and Wages	3,000	3,000	2,917	83	
Other Expenses	6,360	6,360	3,075	3,285	
Municipal Court					
Salaries and Wages	91,950	110,950	107,482	3,468	
Other Expenses	9,050	9,050	7,364	1,686	
Public Defender					
Salaries and Wages	4,000	4,350	4,333	17	
First Aid Organization					
Other Expenses - Contribution	17,500	17,500	17,500		
Fire Department					
Salaries and Wages	45,400	44,200	44,142	58	
Other Expenses	88,590	89,790	86,621	3,169	
Fire Hydrant Services	13,500	13,500	12,821	679	
Fire Prevention					
Salaries and Wages	34,050	35,450	33,685	1,765	
Other Expenses	9,725	8,325	6,810	1,515	
Municipal Prosecutor					
Contractual	9,875	9,875	9,500	375	
PUBLIC WORKS FUNCTION					
Streets and Road Maintenance					
Salaries and Wages	515,225	545,725	531,063	14,662	
Other Expenses	162,000	162,000	127,395	34,605	
Sewer System					
Salaries and Wages	77,925	28,625	21,246	7,379	
Other Expenses	14,050	14,050	5,691	8,359	
Solid Waste Collection					
Other Expenses - Sanitation	513,800	513,800	513,750	50	
Other Expenses - Recycling	121,375	141,375	118,757	22,618	
Building and Grounds					
Salaries and Wages	77,350	77,350	71,499	5,851	
Other Expenses	55,200	72,700	69,037	3,663	
Vehicle Maintenance					
Salaries and Wages	77,125	78,125	76,660	1,465	
Other Expenses	78,000	75,500	58,366	17,134	

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, 2010**

	<u>Appropriated</u>		<u>Expended</u>		Unexpended
	Budget	Budget After <u>Modification</u>	Paid or <u>Charged</u>	<u>Reserved</u>	Balance <u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Cont'd)					
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries and Wages	\$ 24,900	\$ 24,900	\$ 19,303	\$ 5,597	
Other Expenses	68,465	68,465	64,783	3,682	
Welfare/Administration of Public Service					
Salaries and Wages	8,700	8,700	8,622	78	
Other Expenses	300	300	146	154	
Aid to Mental Health					
Other Expenses	8,000	8,000	8,000		
Contributions to Social Service Agencies					
Other Expenses	1,500	1,500	1,500		
Municipal Alliance					
Other Expenses	6,000	6,000	1,548	4,452	
PARKS AND RECREATION FUNCTIONS					
Recreation Services and Programs					
Other Expenses	18,300	13,300	5,683	7,617	
Senior Citizens					
Salaries and Wages	11,250	11,750	11,502	248	
Other Expenses	6,000	9,000	9,000		
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events	2,000	2,000	2,000		
Park Ridge Television					
Salaries and Wages	6,000	6,600	6,000	600	
Other Expenses	1,950	1,350	1,200	150	
Terminal Leave	71,000	76,000	71,000	5,000	
Municipal Services Act					
Other Expenses	12,000	12,000	6,333	5,667	
UNIFORM CONSTRUCTION CODE					
APPROPRIATIONS OFFSET BY DEDICATED					
REVENUES (N.J.A.C. 5:23-4-17)					
Construction Code Official					
Salaries and Wages	129,650	114,050	111,631	2,419	
Other Expenses	6,250	6,250	4,887	1,363	
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	94,800	89,800	79,918	9,882	
Telephone	35,000	35,000	31,780	3,220	
Water	16,000	16,000	12,880	3,120	
Gas and Oil	36,000	30,650	20,880	9,770	
Gasoline	75,000	75,000	72,783	2,217	

**BOROUGH OF PARK RIDGE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<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	\$ 205,500	\$ 205,500	\$ 180,699	\$ 24,801	-
	7,430,131	7,540,131	7,147,352	392,779	-
Contingent	5,000	5,000	1,200	3,800	-
	7,435,131	7,545,131	7,148,552	396,579	-
Detail:					
Salaries and Wages	3,667,416	3,641,766	3,494,163	147,603	-
Other Expenses	3,767,715	3,903,365	3,654,389	248,976	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Deferred Charges					
Emergency Authorization	90,000	90,000	90,000		
Overexpenditure of Ordinance Appropriations	59,855	59,855	59,855		
Statutory Expenditures					
Contribution to					
Social Security System	200,000	200,000	154,015	45,985	
Deferred Compensation Retirement Plan	500	500		500	
Police & Firemen Retirement System	403,406	403,406	403,406		
Public Employees Retirement System	130,500	130,500	130,500	-	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	884,261	884,261	837,776	46,485	-
Total General Appropriations for Municipal Purposes Within "CAPS"	8,319,392	8,429,392	7,986,328	443,064	-
OPERATIONS - EXCLUDED FROM "CAPS"					
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Recycling Tax	14,000	14,000	10,725	3,275	
SEWERAGE PROCESSING AND DISPOSAL					
Bergen County Utilities Authority-Sewer Fees	571,100	571,100	571,099	1	
OTHER COMMON OPERATING FUNCTIONS					
Tax Appeals	50,000	50,000	50,000		
EDUCATION FUNCTIONS					
Maintenance of Free Public Library	651,696	651,696	651,696		

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, 2010**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS" (Cont'd)					
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>1,339,796</u>	<u>1,339,796</u>	<u>\$ 1,283,520</u>	<u>56,276</u>	<u>-</u>
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Clean Communities Program	14,113	14,113		14,113	
Over the Limit		4,400		4,400	
Drunk Driving Enforcement		3,805	3,805		
Municipal Alliance - Salaries and Wages	10,356	10,356	10,356		
Matching Funds for Grants	6,500	6,500		6,500	
Recycling Tonnage Grant	10,913	10,913	-	10,913	-
Total Public and Private Programs Offset by Revenues	<u>41,882</u>	<u>50,087</u>	<u>14,161</u>	<u>35,926</u>	<u>-</u>
Total Operations Excluded from "CAPS"	<u>1,381,678</u>	<u>1,389,883</u>	<u>1,297,681</u>	<u>92,202</u>	<u>-</u>
Detail:					
Salaries and Wages	10,356	10,356	10,356	-	-
Other Expenses	1,371,322	1,379,527	1,287,325	92,202	-
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	85,000	85,000	85,000	-	-
Total Capital Improvements Excluded from "CAPS"	<u>85,000</u>	<u>85,000</u>	<u>85,000</u>	<u>-</u>	<u>-</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	625,000	625,000	625,000		
Interest on Bonds	319,824	319,824	319,824		-
Interest on Notes	74,014	74,014	73,809	-	205
Total Municipal Debt Service Excluded from "CAPS"	<u>1,018,838</u>	<u>1,018,838</u>	<u>1,018,633</u>	<u>-</u>	<u>205</u>

**BOROUGH OF PARK RIDGE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<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	\$ 128,000	\$ 128,000	\$ 128,000	-	-
Total Deferred Charges Municipal Excluded from "CAPS"	<u>128,000</u>	<u>128,000</u>	<u>128,000</u>	<u>-</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>2,613,516</u>	<u>2,621,721</u>	<u>2,529,314</u>	<u>\$ 92,202</u>	<u>\$ 205</u>
Subtotal General Appropriations	10,932,908	11,051,113	10,515,642	535,266	205
Reserve for Uncollected Taxes	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>	<u>-</u>	<u>-</u>
Total General Appropriations	<u>\$ 11,382,908</u>	<u>\$ 11,501,113</u>	<u>\$ 10,965,642</u>	<u>\$ 535,266</u>	<u>\$ 205</u>

	<u>Reference</u>	<u>A-2</u>	<u>A, A-1</u>	<u>A-1</u>
Budget	A-3	\$ 11,382,908		
Special Emergency Appropriation	A-14	110,000		
Appropriation by 40A:4-87	A-2	<u>8,205</u>		
		<u>\$ 11,501,113</u>		
Cash Disbursed	A-4		\$ 9,949,051	
Encumbrances Payable	A-17		147,322	
Deferred Charges				
Special Emergency Authorization	A-14		128,000	
Emergency Authorization	A-15		90,000	
Due to Library	A		4,920	
Due to General Capital Fund	C-6		144,855	
Due to Electric Utility Operating Fund	D-12		1,494	
Reserve for Tax Appeals	A-26		50,000	
Reserve for Uncollected Taxes	A-2		<u>450,000</u>	
			<u>\$ 10,965,642</u>	

**BOROUGH OF PARK RIDGE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
TRUST FUNDS  
AS OF DECEMBER 31, 2010 AND 2009**

ASSETS	<u>Reference</u>	<u>2010</u>	<u>2009</u>
<b>ANIMAL CONTROL FUND</b>			
Cash	B-3	\$ <u>8,113</u>	\$ <u>10,035</u>
<b>OTHER TRUST FUND</b>			
Cash	B-3	<u>1,043,039</u>	<u>1,027,734</u>
<b>UNEMPLOYMENT INSURANCE TRUST FUND</b>			
Cash	B-3	<u>26,913</u>	<u>35,383</u>
<b>OPEN SPACE PRESERVATION TRUST FUND</b>			
Cash	B-3	<u>743,450</u>	<u>764,109</u>
<b>AFFORDABLE HOUSING TRUST FUND</b>			
Cash	B-3	<u>681,255</u>	<u>661,099</u>
<b>LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)</b>			
Investments	B	683,548	603,639
Contributions Receivable		<u>76,470</u>	<u>76,607</u>
		<u>760,018</u>	<u>680,246</u>
<b>Total Assets</b>		<u>\$ 3,262,788</u>	<u>\$ 3,178,606</u>

**BOROUGH OF PARK RIDGE**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**TRUST FUNDS**  
**AS OF DECEMBER 31, 2010 AND 2009**

LIABILITIES AND RESERVES	<u>Reference</u>	<u>2010</u>	<u>2009</u>
<b>ANIMAL CONTROL FUND</b>			
Due to State of New Jersey	B-4	\$ 107	\$ 10
Due to Current Fund	B-5	-	4,616
Reserve for Animal Control Fund Expenditures	B-6	<u>8,006</u>	<u>5,409</u>
		<u>8,113</u>	<u>10,035</u>
<b>OTHER TRUST FUND</b>			
Due to Current Fund	B-15	35,315	-
Due to Electric Utility Operating Fund	E-14	14,955	-
Due to Swim Pool Utility Capital Fund	B-12	69,040	
Developers Escrow	B-13	419,393	451,694
Payroll Deductions Payable	B-14	255,006	356,738
Miscellaneous Reserves & Deposits	B-16	<u>249,330</u>	<u>219,302</u>
		<u>1,043,039</u>	<u>1,027,734</u>
<b>UNEMPLOYMENT INSURANCE TRUST FUND</b>			
Due to State of New Jersey	B-7	24,696	29,055
Reserve for Unemployment Insurance Benefits	B-8	<u>2,217</u>	<u>6,328</u>
		<u>26,913</u>	<u>35,383</u>
<b>OPEN SPACE PRESERVATION TRUST FUND</b>			
Due to Current Fund	B-9	55,897	-
Reserve for Open Space Expenditures	B-10	<u>687,553</u>	<u>764,109</u>
		<u>743,450</u>	<u>764,109</u>
<b>AFFORDABLE HOUSING TRUST FUND</b>			
Reserve for Affordable Housing	B-11	<u>681,255</u>	<u>661,099</u>
<b>LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)</b>			
Reserve for LOSAP Benefits	B	<u>760,018</u>	<u>680,246</u>
<b>Total Liabilities and Reserves</b>		<u>\$ 3,262,788</u>	<u>\$ 3,178,606</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, 2010**

	<u>Reference</u>	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or Deficit</u>
		<u>Budget</u>	<u>Budget After Modification</u>		
Trust Fund Reserve Balance Anticipated	B-10	\$ 34,004	\$ 76,556	\$ 76,556	-
	B-2	\$ 34,004	\$ 76,556	76,556	\$ -

EXHIBIT B-2

**STATEMENT OF APPROPRIATIONS-REGULATORY BASIS  
OPEN SPACE PRESERVATION TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Development of Lands for Recreation and Conservation:				
Other Expenses		\$ 42,552	\$ 42,552	
Debt Service:				
Payment of Bond Principal	\$ 24,365	24,365	24,365	
Interest on Bonds	9,639	9,639	9,639	-
	<u>\$ 34,004</u>	<u>\$ 76,556</u>	<u>\$ 76,556</u>	<u>\$ -</u>
Reference	B-1	B-1	B-10	

**BOROUGH OF PARK RIDGE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
GENERAL CAPITAL FUND  
AS OF DECEMBER 31, 2010 AND 2009**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>			
Cash and Investments	C-2,C-3	\$ 736,453	\$ 33,984
Grants Receivable	C-4	619,642	369,734
Other Receivables	C-5	102,714	102,714
Due from Current Fund	C-6	242,191	98,162
Due from Swim Pool Utility Operating Fund	G-11	1,800	
Deferred Charges to Future Taxation			
Funded	C-7	8,880,633	9,529,998
Unfunded	C-8	6,630,633	6,089,133
Deferred Charges Expenditure without Ordinance Appropriation	C-9	<u>-</u>	<u>59,855</u>
 Total Assets		 <u>\$ 17,214,066</u>	 <u>\$ 16,283,580</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Serial Bonds	C-14	\$ 8,417,000	\$ 9,042,000
Bond Anticipation Notes	C-13	5,122,032	3,200,000
Green Trust Loan	C-15	463,633	487,998
Contracts Payable	C-10	677,618	1,139,121
Improvement Authorizations			
Funded	C-12	1,285,955	1,150,962
Unfunded	C-12	902,225	887,854
Capital Improvement Fund	C-11	20,817	8,767
Due to Swim Pool Utility Capital Fund	G-10	-	80,000
Reserve for Grant Proceeds	C-16	249,685	249,685
Reserve for Payment of Debt	C-17	3,888	3,888
Fund Balance	C-1	<u>71,213</u>	<u>33,305</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 17,214,066</u>	 <u>\$ 16,283,580</u>

There were bonds and notes authorized but not issued on December 31, 2010 and 2009 of \$1,536,781 and \$2,917,313 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, 2010 AND 2009**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
Balance, January 1	C	\$ 33,305	\$ 25,105
Increased by:			
Premium on Sale of Notes	C-2	<u>\$ 37,908</u>	<u>8,200</u>
Balance, December 31	C	<u>\$ 71,213</u>	<u>\$ 33,305</u>

**BOROUGH OF PARK RIDGE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
WATER UTILITY FUND  
AS OF DECEMBER 31, 2010 AND 2009**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>			
<b>OPERATING FUND</b>			
Cash	D-5	\$ 3,722,425	\$ 4,247,889
Cash - Change Fund	D-7	25	25
Due from Current Fund	D-13	2,061	203
Due from Electric Utility Operating Fund	D-14	<u>711</u>	<u>711</u>
		<u>3,725,222</u>	<u>4,248,828</u>
Receivables With Full Reserves			
Water Rents Receivable	D-8	213,481	122,864
Other Accounts Receivable	D-9	35,977	30,812
Woodcliff Lake Surcharge Receivable	D-10	<u>23,547</u>	<u>20,248</u>
		<u>273,005</u>	<u>173,924</u>
Total Operating Fund		<u>3,998,227</u>	<u>4,422,752</u>
<b>CAPITAL FUND</b>			
Due from Water Utility Operating Fund	D-15	70,899	433,088
Fixed Capital	D-11	11,070,930	10,706,480
Fixed Capital Authorized and Uncompleted	D-12	<u>935,031</u>	<u>535,031</u>
Total Capital Fund		<u>12,076,860</u>	<u>11,674,599</u>
		<u>\$ 16,075,087</u>	<u>\$ 16,097,351</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF PARK RIDGE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
WATER UTILITY FUND  
AS OF DECEMBER 31, 2010 AND 2009  
(Continued)**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>OPERATING FUND</b>			
Liabilities			
Appropriation Reserves	D-4,D-16	\$ 157,527	\$ 358,234
Encumbrances Payable	D-17	141,570	200,292
Accounts Payable	D-18	6,707	229
Due to Water Utility Capital Fund	D-15	70,899	433,088
Miscellaneous Reserves	D-24	<u>2,396,678</u>	<u>2,297,421</u>
		2,773,381	3,289,264
Reserve for Receivables	D	273,005	173,924
Fund Balance	D-1	<u>951,841</u>	<u>959,564</u>
 Total Operating Fund		 <u>3,998,227</u>	 <u>4,422,752</u>
<b>CAPITAL FUND</b>			
Improvement Authorization			
Funded	D-19	13,255	238,255
Unfunded	D-19	739,885	277,074
Capital Improvement Fund	D-20	506,669	481,669
Reserve for Amortization	D-21	10,717,706	10,353,256
Deferred Reserve for Amortization	D-22	13,255	238,255
Reserve for Well #20	D-23	65,000	65,000
Fund Balance	D-2	<u>21,090</u>	<u>21,090</u>
 Total Capital Fund		 <u>12,076,860</u>	 <u>11,674,599</u>
		 <u>\$ 16,075,087</u>	 <u>\$ 16,097,351</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2010 and 2009 of \$1,275,000 and \$650,000 respectively. (See Exhibit D-25)

**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, 2010 AND 2009**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
<b>REVENUES AND OTHER INCOME REALIZED</b>			
Fund Balance Utilized	D-3	\$ 830,721	\$ 870,882
Water Rents	D-3	2,609,088	2,233,754
Miscellaneous Fees	D-3	303,136	322,647
Employee Health Benefit Contributions	D-3	17,433	
Other Credits			
Appropriation Reserves Lapsed	D-16	324,112	261,617
Cancellation of Accounts Payable	D-18	<u>229</u>	<u>-</u>
 Total Income		 <u>4,084,719</u>	 <u>3,688,900</u>
 <b>EXPENDITURES</b>			
Operating	D-4	2,843,500	2,932,500
Capital Improvements	D-4	247,500	410,700
Deferred Charges and Statutory Expenditures	D-4	<u>170,721</u>	<u>157,682</u>
 Total Expenditures		 <u>3,261,721</u>	 <u>3,500,882</u>
 Excess in Revenue		 822,998	 188,018
 Fund Balance, January 1,	 D	 <u>959,564</u>	 <u>1,642,428</u>
		1,782,562	1,830,446
 Decreased by:			
Utilized as Anticipated Revenue	D-1,D-3	<u>830,721</u>	<u>870,882</u>
 Balance, December 31,	 D	 <u>\$ 951,841</u>	 <u>\$ 959,564</u>

**BOROUGH OF PARK RIDGE  
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE- REGULATORY BASIS  
WATER UTILITY CAPITAL FUND  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
Balance, January 1	D	\$ <u>21,090</u>	\$ <u>21,090</u>
Balance, December 31,	D	\$ <u>21,090</u>	\$ <u>21,090</u>

**BOROUGH OF PARK RIDGE  
STATEMENT OF REVENUES - REGULATORY BASIS  
WATER UTILITY OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	D-1	\$ 830,721	\$ 830,721	
Water Rents	D-1,D-3	2,382,000	2,609,088	\$ 227,088
Miscellaneous	D-1,D-3	233,000	303,136	70,136
Employee Health Benefit Contribution	D-1,D-13	<u>16,000</u>	<u>17,433</u>	<u>1,433</u>
	D-4	<u>\$ 3,461,721</u>	<u>3,760,378</u>	<u>\$ 298,657</u>

Analysis of Realized Revenue

Miscellaneous:

Fire Sprinkler	D-9	\$ 55,355
Hydrants	D-9	29,330
Other Billing Charges	D-9	748
Mobile Antenna Rents	D-5	197,744
Interest on Investments	D-5	1,640
Miscellaneous Fees	D-5	<u>18,319</u>
	D-3	<u>\$ 303,136</u>

**BOROUGH OF PARK RIDGE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**WATER UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<b>OPERATING</b>					
Salaries and Wages	\$ 1,162,000	\$ 1,162,000	\$ 1,043,875	\$ 43,125	\$ 75,000
Other Expenses	1,495,500	1,495,500	1,461,300	9,200	25,000
Group Health Insurance	286,000	286,000	275,410	10,590	-
Total Operating	<u>2,943,500</u>	<u>2,943,500</u>	<u>2,780,585</u>	<u>62,915</u>	<u>100,000</u>
<b>CAPITAL IMPROVEMENTS</b>					
Capital Improvement Fund	25,000	25,000	25,000	-	
Capital Outlay	322,500	322,500	141,617	80,883	100,000
Total Capital Improvements	<u>347,500</u>	<u>347,500</u>	<u>166,617</u>	<u>80,883</u>	<u>100,000</u>
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES</b>					
Statutory Expenditures					
Contribution to					
Public Employees Retirement System	82,721	82,721	82,721	-	
Social Security System (O.A.S.I.)	88,000	88,000	74,271	13,729	-
Total Deferred Charges and Statutory Expenditures	<u>170,721</u>	<u>170,721</u>	<u>156,992</u>	<u>13,729</u>	<u>-</u>
	<u>\$ 3,461,721</u>	<u>\$ 3,461,721</u>	<u>\$ 3,104,194</u>	<u>\$ 157,527</u>	<u>\$ 200,000</u>

	<u>Reference</u>	D-3	D-1	D, D-1
Cash Disbursed	D-5		\$ 2,921,624	
Encumbrances Payable	D-17		141,570	
Due to Current Fund	D-13		16,000	
Due to Water Utility Capital Fund	D-15		25,000	
			<u>\$ 3,104,194</u>	

**BOROUGH OF PARK RIDGE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
ELECTRIC UTILITY FUND  
AS OF DECEMBER 31, 2010 AND 2009**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>			
<b>OPERATING FUND</b>			
Cash	E-5	\$ 1,836,037	\$ 2,108,743
Cash - Change Fund	E-7	50	50
Due from Current Fund	E-12	-	1,789
Due from Other Trust Fund	E-14	<u>14,955</u>	<u>-</u>
		<u>1,851,042</u>	<u>2,110,582</u>
Receivables With Full Reserves			
Light and Power Charges Receivable	E-8	536,832	382,517
Other Accounts Receivable	E-9	<u>18,203</u>	<u>18,242</u>
		<u>555,035</u>	<u>400,759</u>
Total Operating Fund		<u>2,406,077</u>	<u>2,511,341</u>
<b>CAPITAL FUND</b>			
Due from Electric Utility Operating Fund	E-13	183,446	178,446
Fixed Capital	E-10	10,698,130	10,542,666
Fixed Capital Authorized and Uncompleted	E-11	<u>217,578</u>	<u>34,701</u>
Total Capital Fund		<u>11,099,154</u>	<u>10,755,813</u>
		<u>\$ 13,505,231</u>	<u>\$ 13,267,154</u>

**BOROUGH OF PARK RIDGE**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**ELECTRIC UTILITY FUND**  
**AS OF DECEMBER 31, 2010 AND 2009**  
**(Continued)**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>OPERATING FUND</b>			
Liabilities			
Appropriation Reserves	E-4,E-15	\$ 266,652	\$ 314,220
Encumbrances Payable	E-16	616,178	752,874
Accounts Payable	E-18	5,323	
Accrued Interest on Bonds	E-19	11,245	12,054
Due to Water Utility Operating Fund	D-14	711	711
Due to Current Fund	E-12	25,601	
Due to Electric Utility Capital Fund	E-13	<u>183,446</u>	<u>178,446</u>
		1,109,156	1,258,305
Reserve for Receivables	E	555,035	400,759
Fund Balance	E-1	<u>741,886</u>	<u>852,277</u>
 Total Operating Fund		 <u>2,406,077</u>	 <u>2,511,341</u>
<b>CAPITAL FUND</b>			
Serial Bonds	E-21	1,393,000	1,493,000
Contracts Payable	E-17	152,086	2,877
Improvement Authorizations			
Funded	E-20	37,578	34,701
Unfunded	E-20	27,914	
Capital Improvement Fund	E-22	271,500	266,500
Reserve for Amortization	E-23	9,073,792	8,818,328
Deferred Reserve for Amortization	E-24	37,578	34,701
Reserve for Payment of Debt	E-25	105,231	105,231
Fund Balance	E-2	<u>475</u>	<u>475</u>
 Total Capital Fund		 <u>11,099,154</u>	 <u>10,755,813</u>
		<u>\$ 13,505,231</u>	<u>\$ 13,267,154</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2010 and 2009 of \$411,338 and \$231,338 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, 2010 AND 2009**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
<b>REVENUES AND OTHER INCOME REALIZED</b>			
Fund Balance Utilized	E-3	\$ 694,491	\$ 760,143
Light and Power Charges	E-3	9,903,981	9,917,957
Miscellaneous Fees	E-3	47,882	59,571
Employee Health Benefit Contributions	E-3	15,116	
Other Credits to Income			
Appropriation Reserves Lapsed	E-15	339,253	300,323
Cancellation of Accounts Payable	E-1	<u>-</u>	<u>70,103</u>
 Total Income		 <u>11,000,723</u>	 <u>11,108,097</u>
 <b>EXPENDITURES</b>			
Operating	E-4	9,813,500	9,882,000
Capital Improvements	E-4	229,500	273,000
Debt Service	E-4	157,045	160,922
Deferred Charges and Statutory Expenditures	E-4	166,637	169,221
Refund of Prior Year Revenues	E-5	<u>49,941</u>	<u>-</u>
 Total Expenditures		 <u>10,416,623</u>	 <u>10,485,143</u>
 Excess in Revenue		 584,100	 622,954
 Fund Balance, January 1,	 E	 <u>852,277</u>	 <u>989,466</u>
		1,436,377	1,612,420
 Decreased by:			
Utilized as Anticipated Revenue	E-1, E-3	<u>694,491</u>	<u>760,143</u>
 Balance, December 31,	 E	 <u>\$ 741,886</u>	 <u>\$ 852,277</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, 2010 AND 2009**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
Balance, January 1	E	\$ <u>475</u>	\$ <u>475</u>
Balance, December 31,	E	\$ <u>475</u>	\$ <u>475</u>

**BOROUGH OF PARK RIDGE  
STATEMENT OF REVENUES - REGULATORY BASIS  
ELECTRIC UTILITY OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	E-1	\$ 694,491	\$ 694,491	
Light and Power Charges	E-1,E-5	9,700,000	9,903,981	\$ 203,981
Miscellaneous	E-1,E-3	59,000	47,882	(11,118)
Employee Health Benefit Contributions	E-1,E-12	<u>14,000</u>	<u>15,116</u>	<u>1,116</u>
	E-4	<u>\$ 10,467,491</u>	<u>10,661,470</u>	<u>\$ 193,979</u>

Analysis of Realized Revenue

Miscellaneous:

Interest on Investments	E-5	\$ 700
Dusk to Dawn Fees	E-9	21,262
Miscellaneous Fees	E-5	<u>25,920</u>
	E-3	<u>\$ 47,882</u>

**BOROUGH OF PARK RIDGE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**ELECTRIC UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<b>OPERATING</b>					
Salaries and Wages	\$ 1,108,000	\$ 1,108,000	\$ 1,048,678	\$ 34,322	\$ 25,000
Other Expenses	572,500	572,500	572,387	113	
Group Health Insurance	307,000	307,000	290,066	16,934	
Purchase of Electric Current	7,271,000	7,271,000	7,057,644	138,356	75,000
Franchise & Gross Receipts Taxes-Current Fund	500,000	500,000	500,000		
Payment in Lieu of Taxes - Current Fund	155,000	155,000	155,000	-	-
<b>Total Operating</b>	<u>9,913,500</u>	<u>9,913,500</u>	<u>9,623,775</u>	<u>189,725</u>	<u>100,000</u>
<b>CAPITAL IMPROVEMENTS</b>					
Capital Improvement Fund	5,000	5,000	5,000		
Capital Outlay	224,500	224,500	157,969	66,531	-
<b>Total Capital Improvements</b>	<u>229,500</u>	<u>229,500</u>	<u>162,969</u>	<u>66,531</u>	<u>-</u>
<b>MUNICIPAL DEBT SERVICE -</b>					
Payment of Bond Principal	100,000	100,000	100,000		
Interest on Bonds	57,854	57,854	57,045	-	809
<b>Total Municipal Debt Service</b>	<u>157,854</u>	<u>157,854</u>	<u>157,045</u>	<u>-</u>	<u>809</u>
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES</b>					
Statutory Expenditures					
Contribution to					
Public Employees Retirement System	84,637	84,637	84,637		
Social Security System (O.A.S.I.)	82,000	82,000	71,604	10,396	-
<b>Total Deferred Charges and Statutory Expenditures</b>	<u>166,637</u>	<u>166,637</u>	<u>156,241</u>	<u>10,396</u>	<u>-</u>
	<u>\$ 10,467,491</u>	<u>\$ 10,467,491</u>	<u>\$ 10,100,030</u>	<u>\$ 266,652</u>	<u>\$ 100,809</u>

	<u>Reference</u>	E-3	E-1	E, E-1
Cash Disbursed	E-5		\$ 9,377,807	
Encumbrances Payable	E-16		616,178	
Accrued Interest on Bonds	E-19		57,045	
Due to Current Fund	E-12		44,000	
Due to Electric Utility Capital Fund	E-13		5,000	
			<u>\$10,100,030</u>	

**BOROUGH OF PARK RIDGE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
UTILITY TRUST FUND  
AS OF DECEMBER 31, 2010 AND 2009**

ASSETS	<u>Reference</u>	<u>2010</u>	<u>2009</u>
Cash	F-1	\$ 600,370	\$ 574,978
		<u>\$ 600,370</u>	<u>\$ 574,978</u>
LIABILITIES AND RESERVES			
Deposits Payable			
Water Customers	F-2	\$ 405,374	\$ 393,955
Electric Customers	F-2	<u>194,996</u>	<u>181,023</u>
Total Liabilities and Reserves		<u>\$ 600,370</u>	<u>\$ 574,978</u>

**BOROUGH OF PARK RIDGE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
SWIM POOL UTILITY FUND  
AS OF DECEMBER 31, 2010 AND 2009**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>			
<b>OPERATING FUND</b>			
Cash	G-5	\$ 105,258	\$ 56,216
Petty Cash	G-7	250	
Due from Swim Pool Utility Capital Fund	G-9	<u>18,236</u>	<u>23,010</u>
		<u>123,744</u>	<u>79,226</u>
Deferred Charges			
Operating Deficit	G-12	<u>-</u>	<u>8,588</u>
Total Operating Fund		<u>123,744</u>	<u>87,814</u>
<b>CAPITAL FUND</b>			
Grants Receivable	G-8	72,440	42,252
Due from Other Trust Fund	B-12	69,040	
Due from General Capital Fund	G-10	-	80,000
Fixed Capital	G-13	980,248	980,248
Fixed Capital Authorized and Uncompleted	G-14	<u>248,668</u>	<u>149,440</u>
Total Capital Fund		<u>1,370,396</u>	<u>1,251,940</u>
		<u>\$ 1,494,140</u>	<u>\$ 1,339,754</u>

**BOROUGH OF PARK RIDGE**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**SWIM POOL UTILITY FUND**  
**AS OF DECEMBER 31, 2010 AND 2009**  
**(Continued)**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>OPERATING FUND</b>			
Liabilities			
Appropriation Reserves	G-4,G-15	\$ 20,487	\$ 57,409
Encumbrances Payable	G-16	180	4,305
Accounts Payable	G-17	526	
Due to General Capital Fund	G-11	1,800	
Accrued Interest on Notes	G-18	<u>250</u>	<u>-</u>
		23,243	61,714
Fund Balance	G-1	<u>100,501</u>	<u>26,100</u>
Total Operating Fund		<u>123,744</u>	<u>87,814</u>
<b>CAPITAL FUND</b>			
Bond Anticipation Note	G-20	80,000	80,000
Due to Swim Pool Utility Operating Fund	G-9	18,236	23,010
Improvement Authorizations			
Funded	G-19	67,254	42,252
Unfunded	G-19	107,188	107,188
Capital Improvement Fund	G-21	16,000	31,000
Reserve for Amortization	G-22	940,188	926,188
Deferred Reserve for Amortization	G-23	141,480	42,252
Fund Balance	G-2	<u>50</u>	<u>50</u>
Total Capital Fund		<u>1,370,396</u>	<u>1,251,940</u>
		<u>\$ 1,494,140</u>	<u>\$ 1,339,754</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2010 and 2009 of \$67,248 and \$81,248 respectively. (See Exhibit G-24)

**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, 2010 AND 2009**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
<b>REVENUES AND OTHER INCOME REALIZED</b>			
Fund Balance Utilized	G-3	\$ 10,288	\$ 60,286
Membership Fees	G-3	218,733	165,040
Miscellaneous Fees	G-3	31,553	20,087
Capital Improvement Fund	G-3	15,000	
Other Credits			
Appropriation Reserves Lapsed	G-15	<u>57,403</u>	<u>8,285</u>
 Total Income		 <u>332,977</u>	 <u>253,698</u>
 <b>EXPENDITURES</b>			
Operating	G-4	214,640	241,200
Capital Improvements	G-4	1,000	1,000
Debt Service	G-4	2,050	-
Deferred Charges and Statutory Expenditures	G-4	<u>30,598</u>	<u>20,086</u>
 Total Expenditures		 <u>248,288</u>	 <u>262,286</u>
 Excess (Deficit) in Revenue		 <u>84,689</u>	 <u>(8,588)</u>
 Operating Deficit to be Raised in Budget of Succeeding Year	G-12		 <u>\$ (8,588)</u>
 Statutory Excess to Fund Balance		 84,689	
 Fund Balance, January 1,	G	 <u>26,100</u>	 <u>\$ 86,386</u>
		110,789	86,386
Decreased by:			
Utilized as Anticipated Revenue	G-1,G-3	<u>10,288</u>	<u>60,286</u>
 Balance, December 31,	G	 <u>\$ 100,501</u>	 <u>\$ 26,100</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, 2010 AND 2009**

	<u>Reference</u>	<u>2010</u>	<u>2009</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, 2010**

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	G-1	\$ 10,288	\$ 10,288	
Membership Fees	G-1,G-5	203,000	218,733	\$ 15,733
Miscellaneous	G-1,G-3	20,000	31,553	11,553
Capital Improvement Fund	G-1,G-9	<u>15,000</u>	<u>15,000</u>	<u>-</u>
	G-4	<u>\$ 248,288</u>	<u>275,574</u>	<u>\$ 27,286</u>

Analysis of Realized Revenue

Miscellaneous		
Pictures		\$ 203
Swim Lessons		7,548
Fines		2,440
Guest Fees		16,200
Snack Bar Concession Fee		3,200
Miscellaneous		<u>1,962</u>
	G-3,G-5	<u>\$ 31,553</u>

**BOROUGH OF PARK RIDGE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**SWIM POOL UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
<b>OPERATING</b>				
Salaries and Wages	\$ 104,700	\$ 104,700	\$ 100,214	\$ 4,486
Other Expenses	<u>109,940</u>	<u>109,940</u>	<u>95,282</u>	<u>14,658</u>
Total Operating	<u>214,640</u>	<u>214,640</u>	<u>195,496</u>	<u>19,144</u>
<b>CAPITAL IMPROVEMENTS</b>				
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>
<b>DEBT SERVICE</b>				
Interest on Notes	<u>2,050</u>	<u>2,050</u>	<u>2,050</u>	<u>-</u>
Total Debt Service	<u>2,050</u>	<u>2,050</u>	<u>2,050</u>	<u>-</u>
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES</b>				
Deferred Charges				
Cost of Improvements-Ord. 6-10	14,000	14,000	14,000	
Operating Deficit	8,588	8,588	8,588	
Statutory Expenditures				
Contribution to Social Security System (O.A.S.I.)	<u>8,010</u>	<u>8,010</u>	<u>7,667</u>	<u>343</u>
Total Deferred Charges and Statutory Expenditures	<u>30,598</u>	<u>30,598</u>	<u>30,255</u>	<u>343</u>
	<u>\$ 248,288</u>	<u>\$ 248,288</u>	<u>\$ 227,801</u>	<u>\$ 20,487</u>

	<u>Reference</u>	G-3	G-1	G,G-1
Cash Disbursed	G-5		\$ 197,209	
Encumbrances Payable	G-16		180	
Deferred Charge-Operating Deficit	G-12		8,588	
Due to Swim Pool Utility Capital Fund	G-9		19,774	
Accrued Interest on Notes	G-18		<u>2,050</u>	
	G-4		<u>\$ 227,801</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, 2010 AND 2009**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>			
Cash	H-1	\$ 13,281	\$ 11,427
		<u>\$ 13,281</u>	<u>\$ 11,427</u>
<b>LIABILITIES AND RESERVES</b>			
Due to Current Fund	H-2	\$ 2,000	\$ 2,000
Reserve for Public Assistance	H-3	<u>11,281</u>	<u>9,427</u>
		<u>\$ 13,281</u>	<u>\$ 11,427</u>

**BOROUGH OF PARK RIDGE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
GENERAL FIXED ASSETS ACCOUNT GROUP  
AS OF DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
Land	\$ 14,838,300	\$ 14,838,300
Buildings and Building Improvements	5,515,900	5,515,900
Machinery and Equipment	<u>6,740,644</u>	<u>6,759,548</u>
	<u>\$ 27,094,844</u>	<u>\$ 27,113,748</u>
 Investment in Fixed Assets	 <u>\$ 27,094,844</u>	 <u>\$ 27,113,748</u>

**NOTES TO FINANCIAL STATEMENTS**

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

**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, 2010 AND 2009**

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

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

**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, 2010 AND 2009**

**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 11<sup>th</sup> day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

**Miscellaneous Revenues** - 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, 2010 AND 2009**

**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 2010 and 2009 the Borough Council increased the original current fund budget by \$118,205 and \$90,000, respectfully. 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. The increase in 2009 was attributable to an emergency resolution for legal expenses in the amount of \$90,000. In addition, the governing body approved several budget transfers during 2010 and 2009.

**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, 2010 AND 2009**

**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.

**Operating Deficits** – Deficits resulting from expenditures and other debits which exceed cash revenues, other realized revenues and credits to income in such fiscal year are recorded as deferred charges on the balance sheet of the respective operating fund at year end and are required to be funded in the succeeding year's budget. GAAP does not permit the deferral of operating deficits at year end.

**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.

**Prepaid Items** – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items in the current fund, except for prepaid debt service, are offset by a reserve, created by a charge to operations. GAAP does not require the establishment of a reserve for prepaid items.

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

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

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

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

**General Fixed Assets** - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Borough of Park Ridge has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Borough as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years.

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

Fixed Assets purchased after December 31, 2008 are stated 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, 2009 balances to conform to the December 31, 2010 presentation.

**BOROUGH OF PARK RIDGE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2010 AND 2009**

**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 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, 2010 and 2009, the book value of the Borough's deposits were \$11,678,381 and \$11,504,870 and bank and brokerage firm balances of the Borough's deposits amounted to \$12,245,551 and \$14,026,041, 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>2010</u>	<u>2009</u>
Insured	<u>\$ 12,245,551</u>	<u>\$ 14,026,041</u>

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

**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, 2010 and 2009, 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, 2010 and 2009, the Borough had the following investments:

	<u>2010</u>		<u>2009</u>	
	<u>Fair Value</u>	<u>Book</u>	<u>Fair Value</u>	<u>Book</u>
	<u>(LOSAP Only)</u>	<u>Value</u>	<u>(LOSAP Only)</u>	<u>Value</u>
Investment:				
MBIA Assets Management Program				
Investment Fund (Government Securities)		\$ 21,095		\$ 21,059
Lincoln Financial Group				
LOSAP Investment Fund (Unaudited)	\$ 683,548	-	\$ 603,639	-
	<u>\$ 683,548</u>	<u>\$ 21,095</u>	<u>\$ 603,639</u>	<u>\$ 21,059</u>

**7OROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

**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, 2010 and 2009, \$704,643 and \$624,698 of the Borough’s investments was exposed to custodial credit risk as follows:

	<u>2010</u>	<u>2009</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)	\$ 683,548	\$ 603,639
Book Value	<u>21,095</u>	<u>21,059</u>
	<u>\$ 704,643</u>	<u>\$ 624,698</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, 2010 and 2009, the Borough’s investment in Lincoln Financial Group was rated Baa2, respectively and MBIA Inc., was rated Ba3, respectively by Moody’s Investor Service.

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 at December 31, 2010 and 2009.

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**  
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**NOTE 3 TAXES AND UTILITY RENTS RECEIVABLE**

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	-	\$ 273,005	\$ 555,035	828,040
	<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.

Receivables at December 31, 2009 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Electric Utility</u>	<u>Total</u>
<u>2009</u>				
Property Taxes	\$ 263,589			\$ 263,589
Tax Title Liens	4,247			4,247
Utility Rents and Charges	-	\$ 173,924	\$ 400,759	574,683
	<u>\$ 267,836</u>	<u>\$ 173,924</u>	<u>\$ 400,759</u>	<u>\$ 842,519</u>

In 2009, the Borough collected \$240,062, \$181,406 and \$411,535 from delinquent taxes, water utility and electric utility rents, which represented 96%, 100% and 100% respectively of the delinquent tax, water and electric charges receivable at December 31, 2008.

**BOROUGH OF PARK RIDGE**  
**NOTES TO FINANCIAL STATEMENTS**  
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**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>2010</u>	<u>2009</u>
Issued		
General		
Bonds, Notes and Loans	\$ 14,002,665	\$ 12,729,998
Electric Utility		
Bonds	1,393,000	1,493,000
Swim Pool Utility		
Notes	<u>80,000</u>	<u>80,000</u>
	15,475,665	14,302,998
Less Funds Temporarily Held to Pay Bonds, Notes and Loans	<u>137,299</u>	<u>137,299</u>
Net Debt Issued	15,338,366	14,165,699
Authorized But Not Issued		
General		
Bonds and Notes	1,536,781	2,917,313
Water Utility		
Bonds and Notes	1,275,000	650,000
Electric Utility		
Bonds and Notes	411,338	231,338
Swim Pool Utility		
Bonds and Notes	<u>67,248</u>	<u>81,248</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 18,628,733</u>	<u>\$ 18,045,598</u>

**BOROUGH OF PARK RIDGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**

**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 .79% and .79% at December 31, 2010 and 2009, respectively.

	<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>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2009</u>			
General Debt	\$ 15,647,311	\$ 32,068	\$ 15,615,243
School Debt	13,020,713	13,020,713	-
Utility Debt	<u>2,535,586</u>	<u>2,458,126</u>	<u>77,460</u>
Total	<u>\$ 31,203,610</u>	<u>\$ 15,510,907</u>	<u>\$ 15,692,703</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>2010</u>	<u>2009</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 68,029,495	\$ 69,366,614
Net Debt	<u>15,507,378</u>	<u>15,692,703</u>
Remaining Borrowing Power	<u>\$ 52,522,117</u>	<u>\$ 53,673,911</u>

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

**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>2010</u>	<u>2009</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%	\$ 4,290,000	\$ 4,640,000
\$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>4,127,000</u>	<u>4,402,000</u>
	<u>\$ 8,417,000</u>	<u>\$ 9,042,000</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>2010</u>	<u>2009</u>
\$500,000, 2008 Loans, due in semi - annual installments of \$12,366 to \$16,833 through July, 2026, interest at 2.00%	<u>\$ 463,633</u>	<u>\$ 487,998</u>

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

**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>2010</u>	<u>2009</u>
\$1,693,000, 2007 Bonds, due in annual installments of \$100,000 to \$175,000 through October, 2020, interest at 3.875 to 4.00%	\$ 1,393,000	\$ 1,493,000
	<u>\$ 1,393,000</u>	<u>\$ 1,493,000</u>

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2010 is as follows:

<u>Calendar Year</u>	<u>General</u>		<u>Electric Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2011	\$ 649,855	\$ 306,941	\$ 125,000	\$ 53,979	\$ 1,135,775
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
2016-2020	3,567,904	697,889	768,000	93,581	5,127,374
2021-2025	1,899,857	116,845			2,016,702
2026	33,501	503	-	-	34,004
	<u>\$ 8,880,633</u>	<u>\$ 2,118,725</u>	<u>\$ 1,393,000</u>	<u>\$ 315,041</u>	<u>\$ 12,707,399</u>

**BOROUGH OF PARK RIDGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**

**NOTE 4 MUNICIPAL DEBT (Continued)**

**Changes in Long-Term Municipal Debt**

The Borough's long-term capital debt activity for the years 2010 and 2009 were as follows:

	Balance, December 31, <u>2009</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2010</u>	Due Within <u>One Year</u>
<b><u>2010</u></b>					
General Capital Fund					
Bonds Payable	\$ 9,042,000		\$ 625,000	\$ 8,417,000	\$ 625,000
Intergovernmental Loans Payable	<u>487,998</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>
	Balance, December 31, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2009</u>	Due Within <u>One Year</u>
<b><u>2009</u></b>					
General Capital Fund					
Bonds Payable	\$ 9,642,000		\$ 600,000	\$ 9,042,000	\$ 625,000
Intergovernmental Loans Payable	<u>500,000</u>	-	<u>12,002</u>	<u>487,998</u>	<u>24,365</u>
General Capital Fund Long-Term Liabilities	<u>\$ 10,142,000</u>	<u>\$ -</u>	<u>\$ 612,002</u>	<u>\$ 9,529,998</u>	<u>\$ 649,365</u>
Electric Capital Fund					
Bonds Payable	\$ 1,593,000	\$ -	\$ 100,000	\$ 1,493,000	\$ 100,000
Electric Capital Fund Long-Term Liabilities	<u>\$ 1,593,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ 1,493,000</u>	<u>\$ 100,000</u>

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

**NOTE 4 MUNICIPAL DEBT (Continued)**

**Short-Term Debt**

The Borough's short-term capital debt activity for the years 2010 and 2009 was as follows:

	Balance, December 31, <u>2009</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2010</u>
<b><u>2010</u></b>				
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>

	Balance, December 31, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2009</u>
<b><u>2009</u></b>				
Bond Anticipation Notes				
General Capital Fund	\$ 2,300,000	\$ 3,200,000	\$ 2,300,000	\$ 3,200,000
Swim Pool Capital Fund	<u>-</u>	<u>80,000</u>	<u>-</u>	<u>80,000</u>
 Total	 <u>\$ 2,300,000</u>	 <u>\$ 3,280,000</u>	 <u>\$ 2,300,000</u>	 <u>\$ 3,280,000</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 2010 and 2009 as follows:

	Balance, December 31, <u>2009</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2010</u>
<b><u>2010</u></b>				
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>

	Balance, December 31, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2009</u>
<b><u>2009</u></b>				
Special Emergency Notes	\$ <u>240,000</u>	\$ <u>120,000</u>	\$ <u>240,000</u>	\$ <u>120,000</u>
 Total	 <u>\$ 240,000</u>	 <u>\$ 120,000</u>	 <u>\$ 240,000</u>	 <u>\$ 120,000</u>

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

**NOTE 5 FIXED ASSETS**

**General Fixed Assets**

The following is a summary of changes in the general fixed assets account group for the years 2010 and 2009.

	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>	
	Balance, December 31, <u>2008</u>	<u>Additions</u>	<u>Retirements</u>	Prior Period Adjustment	Balance, December 31, <u>2009</u>
<u>2009</u>					
Land	\$ 7,144,612			\$ 7,693,688	\$ 14,838,300
Buildings and Building Improvements	7,059,929			(1,544,029)	5,515,900
Machinery and Equipment	<u>11,228,338</u>	<u>\$ 249,399</u>	<u>\$ 82,061</u>	<u>(4,636,128)</u>	<u>6,759,548</u>
	<u>\$ 25,432,879</u>	<u>\$ 249,399</u>	<u>\$ 82,061</u>	<u>\$ 1,513,531</u>	<u>\$ 27,113,748</u>

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

**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 2010 and 2009.

<b><u>Water Utility Fund</u></b>	Balance December 31, <u>2009</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2010</u>
<b><u>2010</u></b>				
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>
<b><u>2009</u></b>				
Fixed Capital				
Land and Land Rights	\$ 12,887			\$ 12,887
Structures and System Improvements	6,872,328	\$ 927,761		7,800,089
Vehicles and Equipment	2,336,996	556,508	-	2,893,504
	<u>\$ 9,222,211</u>	<u>\$ 1,484,269</u>	<u>\$ -</u>	<u>\$ 10,706,480</u>

The following is a summary of changes in the swim pool utility fund fixed assets for the year 2010 and 2009.

<b><u>Electric Utility Fund</u></b>	Balance December 31, <u>2009</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2010</u>
<b><u>2010</u></b>				
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>
<b><u>2009</u></b>				
Fixed Capital				
Structures and System Improvements	\$ 8,045,365	\$ 489,364		\$ 8,534,729
Vehicles and Equipment	1,907,557	100,380	-	2,007,937
	<u>\$ 9,952,922</u>	<u>\$ 589,744</u>	<u>\$ -</u>	<u>\$ 10,542,666</u>

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

**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 2010 and 2009.

<b><u>Swim Pool Utility Fund</u></b>	Balance December 31, <u>2009</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2010</u>
<b><u>2010</u></b>				
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>
<b><u>2009</u></b>				
Fixed Capital				
Land and Land Improvements	\$ 43,376			\$ 43,376
Pool Facilities and Improvements	780,416	\$ 96,060		876,476
Furniture & Equipment	<u>60,396</u>	<u>-</u>	<u>-</u>	<u>60,396</u>
	<u>\$ 884,188</u>	<u>\$ 96,060</u>	<u>\$ -</u>	<u>\$ 980,248</u>

**BOROUGH OF PARK RIDGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**

**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>2010</u>		<u>2009</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	\$ 118,813	\$ 244,252	\$ 6,616	\$ 100,154
Trust Fund:				
Animal Control				4,616
Other Trust		119,310		
Unemployment Insurance				
Open Space Preservation		55,897		
General Capital Fund	243,991		98,162	80,000
Water Utility:				
Operating	2,772	70,899	914	433,088
Capital	70,899		433,088	
Electric Utility:				
Operating	14,955	209,758	1,789	179,157
Capital	183,446		178,446	
Swim Pool Utility:				
Operating	18,236	1,800	23,010	
Capital	69,040	18,236	80,000	23,010
Public Assistance Fund	-	2,000	-	2,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total	<u>\$ 722,152</u>	<u>\$ 722,152</u>	<u>\$ 822,025</u>	<u>\$ 822,025</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, 2010 AND 2009**

**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>2010</u>	Utilized in Subsequent Year's Budget (1)	Fund Balance December 31, <u>2009</u>	Utilized in Subsequent Year's Budget
<b>Current Fund</b>				
Cash Surplus	\$ 651,514	\$ 505,000	\$ 647,768	\$ 640,000
Non-Cash Surplus	<u>39,811</u>	<u>-</u>	<u>175,767</u>	<u>-</u>
	<u>\$ 691,325</u>	<u>\$ 505,000</u>	<u>\$ 823,535</u>	<u>\$ 640,000</u>
<b>Water Utility Operating Fund</b>				
Cash Surplus	\$ 951,841	\$ 762,800	\$ 959,564	\$ 830,721
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 951,841</u>	<u>\$ 762,800</u>	<u>\$ 959,564</u>	<u>\$ 830,721</u>
<b>Electric Utility Operating Fund</b>				
Cash Surplus	\$ 741,886	\$ 634,479	\$ 852,277	\$ 694,491
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 741,886</u>	<u>\$ 634,479</u>	<u>\$ 852,277</u>	<u>\$ 694,491</u>
<b>Swim Pool Utility Operating Fund</b>				
Cash Surplus	\$ 100,501	\$ 18,800	\$ 17,512	\$ 10,288
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>8,588</u>	<u>-</u>
	<u>\$ 100,501</u>	<u>\$ 18,800</u>	<u>\$ 26,100</u>	<u>\$ 10,288</u>

(1) The above fund balance amounts appropriated represent the surplus anticipated in the 2011 introduced municipal budget. The 2011 municipal budget has not been legally adopted as of the date of audit.

**BOROUGH OF PARK RIDGE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2010 AND 2009**

**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>
<b><u>2010</u></b>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	\$ 126,000	\$ 30,000	\$ 96,000
<b><u>2009</u></b>			
Current Fund			
Emergency Appropriation	\$ 90,000	\$ 90,000	
Special Emergency Authorizations (40A:4-55)	144,000	128,000	\$ 16,000
General Capital Fund			
Expenditure without Ordinance Appropriation	59,855	59,855	
Swim Pool Utility Fund			
Operating Deficit	8,588	8,588	

**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 \$757,950 and \$736,444 at December 31, 2010 and 2009, 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, 2010 AND 2009**

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

**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, 2010 AND 2009**

**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. 2010, c.1, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

This new legislation changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from this plan at the annual wage contribution base for Social Security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the prosecutor's part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time five years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7<sup>th</sup> of the required amount, beginning in Fiscal Year 2012.

P.L. 2010, c.3, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Funded Status and Funding Progress**

As of June 30, 2009, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS, is 66.0 percent with an unfunded actuarial accrued liability of \$45.8 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 62.0 percent and \$30.7 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 72.1 percent and \$15.1 billion.

The funded status and funding progress of the retirement systems is based on 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 June 30, 2009 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 5.50% for PERS, 8.50% for PFRS and 5.50% for DCRP of employees' annual compensation.

**BOROUGH OF PARK RIDGE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Annual Pension Cost (APC)**

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2010 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, 2010, 2009 and 2008, 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>
2010	\$ 403,406	\$ 297,858	None
2009	546,588	256,181	None
2008	349,570	204,226	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 2010, 2009 and 2008, the Borough paid \$682,936, \$618,400 and \$573,156, 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, 2010 AND 2009**

**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>60,720</u>
Total Annual OPEB Cost (Expense)	\$ 2,197,120
Contributions Made	<u>682,936</u>
Increase in Net OPEB Obligation	1,514,184
Net OPEB Obligation - Beginning of Year	<u>1,518,000</u>
Net OPEB Obligation - End of Year	<u>\$ 3,032,184</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 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>
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, 2010 AND 2009**

**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, 2010, 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, 2010 was 28 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, 2010 AND 2009**

**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 December 31</u>	<u>Budget Appropriation</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010	\$ 39,000	None	\$ 43,111	\$ 2,217
2009	None	None	30,965	6,328
2008	None	\$ 7,588	11,238	37,255

**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, 2010 and 2009. 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, 2010 and 2009, the Borough reserved \$125,395 and \$106,101, 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, 2010 and 2009, 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, 2010 AND 2009**

**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, 2010 and 2009, 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 \$1,417 and \$1,393 for 2010 and 2009, respectively, for each eligible volunteer fire department member into the Plan. The Borough also contributed a one-third (1/3) share of \$1,417 and \$1,393 for 2010 and 2009, respectively for each eligible volunteer Tri-Boro Ambulance Corp member into the Plan. In addition, the Borough of Montvale and Woodcliff Lake also contribute a one-third (1/3) share each of \$1,417 and \$1,393 for 2010 and 2009, 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, 2010 AND 2009**

**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>2010</u>		
Mill Pond Dam Rehabilitation	\$126,000	2011
Mill Road Powerhouse	108,000	2011
Impvt. To 5 <sup>th</sup> Street Section I	157,200	2011
Hydraulic Aerial Lift	152,300	2011
Impvt. To 5 <sup>th</sup> Street Section II	150,000	2011
 <u>2009</u>		
Mill Pond Dam Rehabilitation	\$241,000	2011
2009 Road Improvement Program	600,000	2010
Mill Road Powerhouse	108,000	2010

**NOTE 17 SUBSEQUENT EVENTS**

**Bond Anticipation Notes**

On February 4, 2011 the Borough issued Bond Anticipation Notes in the amount of \$4,651,966 to temporarily finance expenditures related to various capital projects. The Borough awarded the sale of said notes to Valley National Bank at an interest rate of 0.86%. These notes dated February 4, 2011 will mature on February 3, 2012.

**Debt Authorized**

On March 22, 2011 the Borough adopted a Bond Ordinance authorizing the issuance \$380,000 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.

**CURRENT FUND**

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

Balance, December 31, 2009	\$ 1,993,782
Increased by:	
Non-Budget Revenue	\$ 172,163
Taxes Receivable	34,037,953
Tax Title Liens Receivable	4,472
Revenue Accounts Receivable	2,363,401
NJ Senior Citizen and Veteran's Deductions.	108,000
Other Receivables	13,000
Grant Receivables	17,872
Prepaid Taxes	284,623
Fees Payable	9,894
Prepaid Revenues and Contributions	40,293
Tax Overpayments	40,107
Miscellaneous Reserves	15,803
Reserve for Grants - Unappropriated	37,929
Received from Animal Control Fund	4,616
Received from Other Trust Fund	1,847
Received from General Capital Fund	182,874
Received for General Capital Fund	25,541
Received for Water Utility Operating Fund	17,858
Received for Electric Utility Operating Fund	15,116
	<u>37,393,362</u>
	39,387,144
Decreased by Disbursements:	
2010 Budget Appropriations	9,949,051
2009 Budget Reserves	250,782
Encumbrances Payable	301,981
Petty Cash	750
Tax Overpayment Refunds	50,147
County Taxes Payable	3,839,940
Local District School Tax Payable	22,453,756
Fees Payable	12,255
Reserve for Tax Appeals	30,706
Miscellaneous Reserves	22,640
Reserve for Grants- Appropriated	12,241
Emergency Notes	120,000
Payments to Other Trust Fund	13,424
Payments Made for Other Trust Fund	32,975
Payments Made for Municipal Open Space Trust Fund	17,002
Payments to General Capital Fund	98,162
	<u>37,205,812</u>
Balance, December 31, 2010	<u>\$ 2,181,332</u>

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

Balance, December 31, 2009	\$ <u>175</u>
Balance, December 31, 2010	\$ <u>175</u>

Analysis of Balance

Municipal Court	\$ 100
Tax Office	<u>75</u>
	<u>\$ 175</u>

**STATEMENT OF PETTY CASH FUNDS**

Balance, December 31, 2009	\$ 300
Increased by:	
Disbursed by Treasurer	<u>750</u>
Balance, December 31, 2010	<u>\$ 1,050</u>

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

Balance, December 31, 2009		\$ -
Increased by:		
Senior Citizens' Deductions per Tax Duplicate 2010	\$ 10,500	
Veterans' Deductions per Tax Duplicate 2010	97,500	
Senior Citizens/Veterans Deductions Allowed By Tax Collector-2010	<u>500</u>	
		<u>108,500</u>
		108,500
Decreased by:		
Receipts from State of New Jersey	108,000	
Veterans' Deductions Disallowed by Tax Collector-2010	<u>250</u>	
		<u>108,250</u>
Balance, December 31, 2010		<u>\$ 250</u>

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

	Balance, December 31, <u>2009</u>	Accrued in 2010	Cash Receipts	Balance, December 31, <u>2010</u>
Bergen County Open Space	\$ 60,000		\$ 38,895	\$ 21,105
Municipal Alliance on Alcoholism & Drug Abuse	1,767	\$ 10,356	10,334	1,789
Over the Limit Under Arrest	-	4,400	3,733	667
Drunk Driving Enforcement Fund	-	3,805	3,805	-
	<u>\$ 61,767</u>	<u>\$ 18,561</u>	<u>\$ 56,767</u>	<u>\$ 23,561</u>
			Cash Receipts	
			\$ 17,872	
			Due from Open Space	
			Preservation Trust Fund	
			<u>38,895</u>	
			<u>\$ 56,767</u>	

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

Year	Balance, December 31, 2009	2010 Levy	Senior Citizens' and Veterans' Deductions Disallowed	Cash Collections 2009	2010	Senior Citizens' and Veterans' Deductions Allowed	Transferred to Tax Title Liens	Remitted, Abated or Cancelled	Balance, December 31, 2010
2008	\$ 4,427			\$ 4,427					-
2009	<u>259,162</u>	-	-	-	<u>259,162</u>	-	-	-	-
2010	-	\$ 34,469,794	\$ 250	245,555	<u>33,774,364</u>	\$ 108,500	\$ 225	\$ 110,220	\$ 231,180
	\$ 263,589	\$ 34,469,794	\$ 250	245,555	<u>\$ 34,037,953</u>	\$ 108,500	\$ 225	\$ 110,220	\$ 231,180

Analysis of 2010 Property Tax Levy

<b>TAX YIELD</b>	
General Purpose Tax	\$ 34,421,339
Added and Omitted Taxes (54:4-63.10 et seq.)	<u>48,455</u>
	\$ 34,469,794
<b>TAX LEVY</b>	
Local District School Taxes	\$ 22,453,756
County Taxes - General	\$ 3,786,459
County Open Space Preservation Tax	48,988
Due County for Added and Omitted Taxes (54:4-63.10 et seq.)	<u>5,447</u>
	3,840,894
Local Tax for Municipal Purposes	8,118,068
Add Additional Tax Levies	<u>57,076</u>
	8,175,144
	<u>\$ 34,469,794</u>

**BOROUGH OF PARK RIDGE  
STATEMENT OF TAX TITLE LIENS RECEIVABLE**

Balance, December 31, 2009	\$ 4,247
Increased by:	
Transfer from Taxes Receivable	<u>225</u>
	4,472
Decreased by:	
Cash Receipts	<u>\$ 4,472</u>

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

Balance, December 31, 2009	<u>\$ 100,650</u>
Balance, December 31, 2010	<u>\$ 100,650</u>

**STATEMENT OF OTHER RECEIVABLES - WOODCLIFF LAKE  
TRI BORO LOSAP**

Balance, December 31, 2009	\$ 13,000
Decreased by:	
Cash Received for Tri Boro Ambulance LOSAP Contribution - Woodcliff Lake's Share	<u>\$ 13,000</u>

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

	Balance, December 31, <u>2009</u>	Accrued in 2010	Collected in 2010	Balance, December 31, <u>2010</u>
Borough Clerk				
Licenses				
Alcoholic Beverages		\$ 9,598	\$ 9,598	
Fire Code Department				
Fees and Permits		28,450	28,450	
Health Officer and Registrar				
Fees and Permits		15,793	15,793	
Municipal Court				
Fines and Costs	\$ 8,195	120,443	119,375	\$ 9,263
Interest and Cost on Taxes		71,623	71,623	
Interest on Investments		6,054	6,054	
Joint Insurance Fund Dividend		6,235	6,235	
Hotel Tax		219,722	219,722	
Recycling Program		31,867	31,867	
Cable Television Franchise Fee		107,054	107,054	
Water Utility Rental Fees		105,000	105,000	
Electric Utility Rental Fees		30,000	30,000	
Pistol Range Fee		7,500	7,500	
Host Community Fees		47,325	47,325	
Tri-Boro Safety Corps		62,236	62,236	
Tri-Boro Safety Corps - Prior Year		27,904	27,904	
Consolidated Municipal Property Tax Relief Aid		52,262	52,262	
Energy Receipts Tax		330,151	330,151	
Indirect Costs Reimbursement Utilities		30,000	30,000	
Uniform Construction Code Fees		193,963	193,963	
Electric Utility Payment in Lieu of Franchise & Gross Receipts Taxes		500,000	500,000	
Life Hazard Use Fees		20,079	20,079	
Library Rental Fees		80,000	80,000	
Water Utility - Payments in Lieu of Taxes		100,000	100,000	
Electric Utility - Payments in Lieu of Taxes		155,000	155,000	
Employee Health Benefit Contributions		10,605	10,605	
Sprint Cell Tower Rent	-	73,420	73,420	-
	<u>\$ 8,195</u>	<u>\$ 2,442,284</u>	<u>\$ 2,441,216</u>	<u>\$ 9,263</u>
Cash Receipts			\$ 2,363,401	
Prepaid Revenue Applied-Fire Prevention Fees			17,815	
Due from Water Utility Operating Fund			16,000	
Due from Electric Utility Operating Fund			44,000	
			<u>\$ 2,441,216</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>Amount</u> <u>Authorized</u>	<u>1/5 of Net</u> <u>Amount</u> <u>Authorized</u>	<u>Balance,</u> <u>December 31,</u> <u>2009</u>	<u>Added</u> <u>in 2010</u>	<u>Raised</u> <u>in 2010</u> <u>Budget</u>	<u>Balance,</u> <u>December 31,</u> <u>2010</u>
2005	Storm Damage	\$ 600,000	\$ 120,000	\$ 120,000	\$	\$ 120,000	-
2007	Revision & Codification of Ordinance	20,000	4,000	12,000		4,000	\$ 8,000
2007	Preparation of Tax Map	20,000	4,000	12,000		4,000	8,000
2010	Reassessment of Real Property	110,000	22,000	-	\$ 110,000	-	110,000
				<u>\$ 144,000</u>	<u>\$ 110,000</u>	<u>\$ 128,000</u>	<u>\$ 126,000</u>

**STATEMENT OF DEFERRED CHARGES**

	<u>Balance,</u> <u>December 31,</u> <u>2009</u>	<u>Raised in</u> <u>2010</u> <u>Budget</u>
Emergency Authorization	<u>\$ 90,000</u>	<u>\$ 90,000</u>
	<u>\$ 90,000</u>	<u>\$ 90,000</u>

**BOROUGH OF PARK RIDGE**  
**STATEMENT OF 2009 APPROPRIATION RESERVES**

	Balance, December 31, <u>2009</u>	Encumbrance Payable <u>Cancelled</u>	Balance After <u>Modification</u>	<u>Expended</u>	Balance <u>Lapsed</u>
Salaries and Wages					
General Administration	\$ 2,667		\$ 2,667	\$ 2,596	\$ 71
Municipal Clerk	34		34	-	34
Collection of Taxes	18		18	-	18
Financial Administration	7,827		7,827	6,177	1,650
Tax Assessment Administration	765		765	-	765
Planning Board	6,845		6,845	6,700	145
Zoning Board Adjustment	825		825	-	825
Uniform Construction Code	57		57	-	57
Zoning Official	674		674	-	674
Housing Task Force	12		12	-	12
Police	2,692		2,692	1,125	1,567
Police Reserve	880		880	-	880
Welfare/Administration of Public Service	2		2	-	2
Fire Prevention/Uniform Fire Code	20		20	-	20
Municipal Prosecutor	125		125	-	125
Road Repairs and Maintenance	226		226	-	226
Public Buildings & Grounds	2,866		2,866	-	2,866
Maintenance of Vehicles	2,711		2,711	-	2,711
Board of Health	857		857	-	857
Senior Citizen Van	296		296	-	296
PKRG	20		20	-	20
Recreation	2		2	-	2
Sewer System	31		31	-	31
Municipal Court	2,987		2,987	2,318	669
Public Defender	5		5	-	5
	<u>33,444</u>	<u>-</u>	<u>33,444</u>	<u>18,916</u>	<u>14,528</u>
Total Salaries & Wages					
Other Expenses					
General Administration	48	\$ 75	123	-	123
Beautification Committee	3,468		3,468	91	3,377
Municipal Clerk	3,573		3,573	3,532	41
Mayor and Council	789		789	785	4
Vision Plan Committee	51		51	-	51
Financial Administration	4,567		4,567	4,489	78
Audit Services	4,800		4,800	4,500	300
Collection of Taxes	580		580	14	566
Tax Assessment Administration	423		423	-	423
Legal Services & Costs	27,950	10,908	38,858	-	38,858
Engineering Services & Costs	5,761		5,761	3,999	1,762
Planning Board	28,060		28,060	85	27,975
Zoning Board of Adjustment	3,444		3,444	-	3,444
Uniform Construction Code	1,842		1,842	160	1,682
Zoning Officer	44		44	-	44
Housing Task Force	3	174	177	-	177
Insurance					
Liability Insurance	48,912		48,912	47,385	1,527
Unemployment Insurance	3,000		3,000	2,862	138
Group Insurance for Employees	2,661	2,779	5,440	-	5,440

**BOROUGH OF PARK RIDGE**  
**STATEMENT OF 2009 APPROPRIATION RESERVES**

	Balance, December 31, 2009	Encumbrance Payable Cancelled	Balance After Modification	Expended	Balance Lapsed
Police	\$ 1,413		\$ 1,413	\$ 1,407	\$ 6
Police Reserve	202		202	200	2
Emergency Management Services	778		778	776	2
Fire					
Other Expenses	17	\$ 47	64		64
TriBoro Safety Corps	1,276		1,276	-	1,276
Fire Prevention/Uniform Fire Codes	740		740	100	640
Municipal Court	983		983	-	983
Road Repairs and Maintenance	5,446	152	5,598	-	5,598
Shade Tree Committee	842		842	-	842
Solid Waste Collection - Recycling	18,063		18,063	18,063	-
Municipal Services Act	8,691		8,691	8,691	-
Public Buildings & Grounds	6,449		6,449	1,495	4,954
Maintenance of Vehicles	3,580		3,580	3,577	3
Board of Health	4,763		4,763	4,756	7
Social Service Agencies	500	500	1,000	-	1,000
Senior Citizens	333		333	314	19
PKRG	341		341	-	341
Recreation	45		45	45	-
Terminal Leave	47		47	-	47
Electric	8,642		8,642	4,492	4,150
Telephone/Communication	6,698		6,698	6,499	199
Water	4,355		4,355	1,417	2,938
Gas and Oil	9,209		9,209	9,209	-
Gasoline	14,007		14,007	13,798	209
Sewer System	2,231	70	2,301	-	2,301
Fire Hydrant Service	1,060		1,060	-	1,060
Landfill Dumping Fees	16,652		16,652	257	16,395
Maintenance of Free Public Library	3,509		3,509	3,509	-
Recycling Tax	669		669	669	-
Contingent	13,022		13,022	13,022	-
Social Security System	20,948		20,948	20,948	-
Body Armor Grant Fund	1,154		1,154	1,154	-
Tri Boro Ambulance LOSAP	13,000		13,000	13,000	-
Fire Department LOSAP	40,000		40,000	36,566	3,434
Storm Water Planning	3,000	-	3,000	3,000	-
	<u>352,641</u>	<u>14,705</u>	<u>367,346</u>	<u>234,866</u>	<u>132,480</u>
Total Other Expenses					
	<u>352,641</u>	<u>14,705</u>	<u>367,346</u>	<u>234,866</u>	<u>132,480</u>
Total	<u>\$ 386,085</u>	<u>\$ 14,705</u>	<u>\$ 400,790</u>	<u>\$ 253,782</u>	<u>\$ 147,008</u>

Cash Disbursements	\$ 250,782
Transferred to Appropriated Grant Reserves	<u>3,000</u>
	<u>\$ 253,782</u>

EXHIBIT A-17

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

Balance, December 31, 2009		\$	328,053
Increased by:			
Charges to 2010 Appropriations			<u>147,322</u>
			475,375
Decreased by:			
Payments	\$	301,981	
Cancelled Encumbrances Restored to Appropriation Reserves		14,705	
Transferred to Accounts Payable		<u>11,367</u>	
			<u>328,053</u>
Balance, December 31, 2010		\$	<u>147,322</u>

EXHIBIT A-18

**STATEMENT OF ACCOUNTS PAYABLE**

Increased by:			
Transferred from Encumbrances Payable		\$	<u>11,367</u>
Balance, December 31, 2010		\$	<u>11,367</u>

EXHIBIT A-19

**STATEMENT OF PREPAID TAXES**

Balance, December 31, 2009		\$	245,555
Increased by:			
Collection of 2010 Taxes			<u>284,623</u>
			530,178
Decreased by:			
Applied to 2010 Taxes Receivable			<u>245,555</u>
Balance, December 31, 2010		\$	<u>284,623</u>

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

Balance, December 31, 2009	\$ 10,110
Increased by:	
Overpayments in 2010	<u>40,107</u>
	50,217
Decreased by:	
Refunds	<u>50,147</u>
Balance, December 31, 2010	<u>\$ 70</u>

**STATEMENT OF COUNTY TAXES PAYABLE**

Balance, December 31, 2009	\$ 4,493
Increased by:	
2010 Levy	
General County	\$ 3,786,459
County Open Space Preservation	48,988
Added and Omitted Taxes (RS 54:4-63.1 et seq.)	<u>5,447</u>
	<u>3,840,894</u>
	3,845,387
Decreased by:	
Payments	<u>3,839,940</u>
Balance, December 31, 2010	<u>\$ 5,447</u>

**STATEMENT OF LOCAL DISTRICT SCHOOL TAX PAYABLE**

Increased by:	
2010 Calendar Year Levy	\$ 22,453,756
Decreased by:	
Payments	<u>\$ 22,453,756</u>

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

	Balance, December 31, <u>2009</u>	Fees <u>Collected</u>	<u>Payments</u>	Balance, December 31, <u>2010</u>
Due State of New Jersey				
Marriage License Fees	\$ 200	\$ 775	\$ 900	\$ 75
State Construction Fees	4,727	9,119	11,355	2,491
	<u>\$ 4,927</u>	<u>\$ 9,894</u>	<u>\$ 12,255</u>	<u>\$ 2,566</u>

EXHIBIT A-24

**STATEMENT OF PREPAID REVENUES AND CONTRIBUTIONS**

	Balance, December 31, <u>2009</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>2010</u>
Fire Prevention Fees	\$ 17,815	\$ 20,293	\$ 17,815	\$ 20,293
LOSAP Contribution-Woodcliff Lake	-	20,000	-	20,000
	<u>\$ 17,815</u>	<u>\$ 40,293</u>	<u>\$ 17,815</u>	<u>\$ 40,293</u>
Cash Receipts		\$ 40,293		
Applied to Revenue				
Accounts Receivable		-	\$ 17,815	
		<u>\$ 40,293</u>	<u>\$ 17,815</u>	

EXHIBIT A-25

**STATEMENT OF EMERGENCY NOTES**

Balance, December 31, 2009	\$ 120,000
Increased by:	
Due from General Capital Fund - Note Proceeds	<u>110,000</u>
	230,000
Decreased by:	
Cash Disbursed - Notes Paid	<u>120,000</u>
Balance, December 31, 2010	<u>\$ 110,000</u>

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

Balance, December 31, 2009	\$ 106,101
Increased by: 2010 Budget Appropriation	<u>50,000</u>
	156,101
Decreased by: Cash Disbursements	<u>30,706</u>
Balance, December 31, 2010	<u>\$ 125,395</u>

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

	Balance, December 31, <u>2009</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, December 31, <u>2010</u>
Watershed Moritorium State Aid		\$ 1,598		\$ 1,598
Police Outside Security	\$ (8,006)	8,006		-
PKRG	500			500
Flood Emergency Reserve	44			44
Revaluation	732			732
Planning Consultant	27,576		\$ 1,305	26,271
Planning Board Special Study	3,170		2,374	796
PLB Master Plan	5,930			5,930
Sprint Security Deposit	7,200			7,200
GR Municipal Services	7,176		7,176	-
Tax Maps	9,195		3,795	5,400
Codification of Ordinances	12,070	3,980	7,960	8,090
Deposits-Foreclosed Property	28		28	-
Public Defender	791		791	-
Gasoline Purchases	9,708		9,708	-
PLB	465		2	463
Outside Lien Holders	-	2,219	-	2,219
	<u>\$ 76,579</u>	<u>\$ 15,803</u>	<u>\$ 33,139</u>	<u>\$ 59,243</u>
		\$ 15,803		
			\$ 22,640	
		-	10,499	
		<u>\$ 15,803</u>	<u>\$ 33,139</u>	

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

	Balance, December 31, <u>2009</u>	Transferred from 2009 Appropriation <u>Reserves</u>	Cash <u>Disbursements</u>	Balance, December 31, <u>2010</u>
DWI Enforcement	\$ 2,697		\$ 2,516	\$ 181
Click It or Ticket	3,659			3,659
Recycling Tonnage Grant	467			467
Alcohol Education and Rehab.-DWI Court	1,059			1,059
Domestic Violence Grant	2,178			2,178
Bergen County Recycling	6,040			6,040
Clean Communities	9,786		4,325	5,461
Body Armor Replacement Fund	3,884		3,400	484
Storm Water Planning	2,117	\$ 3,000	2,000	3,117
Police Hazardous Replacement Fund	2,406			2,406
Municipal Alliance on Alcoholism & Drug Abuse	7,298	-	-	7,298
	<u>\$ 41,591</u>	<u>\$ 3,000</u>	<u>\$ 12,241</u>	<u>\$ 32,350</u>

EXHIBIT A-29

**STATEMENT OF RESERVE FOR GRANTS - UNAPPROPRIATED**

	Balance, December 31, <u>2009</u>	<u>Receipts</u>	Realized in 2010 <u>Budget</u>	Balance, December 31, <u>2010</u>
Alcohol Ed & Rehabilitation		\$ 704		\$ 704
Body Armor Grant		2,859		2,859
Clean Communities	\$ 14,113	14,708	\$ 14,113	14,708
Recycling Tonnage Grant	10,913	19,658	10,913	19,658
	<u>\$ 25,026</u>	<u>\$ 37,929</u>	<u>\$ 25,026</u>	<u>\$ 37,929</u>

**TRUST FUNDS**

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

	<u>Animal Control</u>	<u>Other Trust</u>	<u>Unemployment Insurance</u>	<u>Open Space</u>	<u>Affordable Housing</u>
Balance, December 31, 2009	\$ 10,035	\$ 1,027,734	\$ 35,383	\$ 764,109	\$ 661,099
Increased by Receipts:					
Interest on Deposits		\$ 1,262			
Developers Escrow		142,070			
Receipts for Current Fund			\$ 38,895		
Received from Current Fund		13,424			
Received from Electric Utility Operating Fund		14,955			
Received for Swim Pool Utility Capital		69,040			
2010 Budget Appropriation			\$ 39,000		
Payroll Deductions Payable		6,152,014			
Due to State of NJ - Registration Fees	\$ 1,132				
Dog License Fees	5,221				
Miscellaneous Reserves		424,802			
Reserve for Affordable Housing					24,271
	<u>6,353</u>	<u>6,817,567</u>	<u>39,000</u>	<u>38,895</u>	<u>24,271</u>
	16,388	7,845,301	74,383	803,004	685,370
Decreased by Disbursements:					
Developers Escrow		174,371			
Payroll Deductions Payable		6,253,746			
Payments to Current Fund		1,847			
Dog License Fees Paid to State of NJ	4,616				
Reserve for Animal Expenditures	1,035				
Due to State - Unemployment Claims	2,624		47,470		
Miscellaneous Reserves		372,298		59,554	
Reserve for Open Space Expenditures					4,115
Reserve for Affordable Housing Expenditures					4,115
	<u>8,275</u>	<u>6,802,262</u>	<u>47,470</u>	<u>59,554</u>	<u>4,115</u>
Balance, December 31, 2010	<u>\$ 8,113</u>	<u>\$ 1,043,039</u>	<u>\$ 26,913</u>	<u>\$ 743,450</u>	<u>\$ 681,255</u>

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

Balance, December 31, 2009	\$ 10
Increased by:	
State Fees Collected	<u>1,132</u>
	1,142
Decreased by:	
Payments to State	<u>1,035</u>
Balance, December 31, 2010	<u>\$ 107</u>

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

Balance, December 31, 2009	\$ 4,616
Decreased by:	
Payments made to Current Fund	<u>\$ 4,616</u>

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

Balance, December 31, 2009	\$ 5,409
Increased by:	
Dog License Fees	<u>5,221</u>
	10,630
Decreased by:	
Expenditures Under R.S. 4:19-15.11:	
Cash Disbursements	<u>2,624</u>
Balance, December 31, 2010	<u>\$ 8,006</u>

EXHIBIT B-7

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

Balance, December 31, 2009	\$ 29,055
Increased by:	
Unemployment Claims	<u>43,111</u>
	72,166
Decreased by:	
Payments to State	<u>47,470</u>
Balance, December 31, 2010	<u>\$ 24,696</u>

EXHIBIT B-8

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

Balance, December 31, 2009	\$ 6,328
Increased by:	
2010 Budget Appropriation	<u>39,000</u>
	45,328
Decrease by:	
Unemployment Claims Due to State	<u>43,111</u>
Balance, December 31, 2010	<u>\$ 2,217</u>

EXHIBIT B-9

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

Increased by:		
Payments made by Current Fund for Open Space	\$ 17,002	
Cash Received for Current Fund	<u>38,895</u>	
		<u>\$ 55,897</u>
Balance, December 31, 2010		<u>\$ 55,897</u>

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

Balance, December 31, 2009		\$ 764,109
Decreased by:		
Payments made by Current Fund for Open Space	\$ 17,002	
Cash Disbursements	<u>59,554</u>	
		<u>76,556</u>
Balance, December 31, 2010		<u>\$ 687,553</u>

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

Balance, December 31, 2009		\$ 661,099
Increased by:		
Cash Receipts		<u>24,271</u>
		685,370
Decreased by:		
Cash Disbursements		<u>4,115</u>
Balance, December 31, 2010		<u>\$ 681,255</u>

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

Increased by:		
Grant Receipts Deposited in Other Trust Fund	\$ 69,040	
Balance, December 31, 2010		<u>\$ 69,040</u>

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

Balance, December 31, 2009 (Restated)	\$ 451,694
Increased by:	
Deposits Collected	<u>142,070</u>
	593,764
Decreased by:	
Cash Disbursements	<u>174,371</u>
Balance, December 31, 2010	<u>\$ 419,393</u>

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

Balance, December 31, 2009	\$ 356,738
Increased by:	
Cash Receipts	<u>6,152,014</u>
	6,508,752
Decreased by:	
Cash Disbursements	<u>6,253,746</u>
Balance, December 31, 2010	<u>\$ 255,006</u>

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

Increased by:		
Payments made for Other Trust Fund-Miscellaneous Reserves	\$ 32,975	
Cash Received from Current Fund	13,424	
Interest on Deposit	<u>1,262</u>	
		\$ 47,661
Decreased by:		
Miscellaneous Reserves Transferred from Current Fund	10,499	
Payments to Current Fund	<u>1,847</u>	
		<u>12,346</u>
Balance, December 31, 2010		<u>\$ 35,315</u>

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

	Balance, December 31, <u>2009</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2010</u>
Fire Prevention Penalty Fees	\$ 14,241	\$ 10,530	\$ 4,000	\$ 20,771
DARE Donations	22,314	12,620	13,038	21,896
Recreation Fees	20,404	76,451	79,030	17,825
POAA	1,221	108	607	722
Tax Sale Premiums	22,700	80,200	26,800	76,100
Legal Advertising Deposits	6,366	2,960	2,420	6,906
Fuel Depot Fees (Community Resale)	51,622	236,202	260,037	27,787
Open Bail Account	581	231		812
Public Defender Fees	-	791	-	791
Miscellaneous Fees and Deposits	<u>79,853</u>	<u>15,208</u>	<u>19,341</u>	<u>75,720</u>
	<u>\$ 219,302</u>	<u>\$ 435,301</u>	<u>\$ 405,273</u>	<u>\$ 249,330</u>
Cash Receipts		\$ 424,802		
Cash Disbursements			\$ 372,298	
Due from/to Current Fund		<u>10,499</u>	<u>32,975</u>	
		<u>\$ 435,301</u>	<u>\$ 405,273</u>	

Analysis of Miscellaneous Fees and Deposits - December 31, 2010

First Friends	\$ 8,620
Flowers Holiday Decorations	236
Mayor's Golf Outing	182
Teen Center	6,189
Sidewalk and Curb Deposits	50,946
Firemen's Convention	3,600
Retirement	5
UCC Penalties	2,000
Park Ridge TV	1,620
Other	<u>2,322</u>
	<u>\$ 75,720</u>

**GENERAL CAPITAL**

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

Balance, December 31, 2009		\$ 33,984
Increased by Receipts:		
Grants Receivable	\$ 124,551	
Interest on Investments and Deposits	1,079	
Premium on Sale of Bond Anticipation Note	37,908	
Receipts from Current Fund	98,162	
Receipts for Current Fund - Emergency Note Proceeds	110,000	
Bond Anticipation Notes	<u>1,922,032</u>	
		<u>2,293,732</u>
		2,327,716
Decreased by Disbursements:		
Payments made to Current Fund	182,874	
Payments made for Swim Pool Utility Operating Fund - BAN Interest	1,800	
Payments made to Swim Pool Utility Capital Fund	80,000	
Improvement Authorizations	187,468	
Contracts Payable	<u>1,139,121</u>	
		<u>1,591,263</u>
Balance, December 31, 2010		<u>\$ 736,453</u>

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

	Balance, December 31, <u>2010</u>
Fund Balance	\$ 71,213
Capital Improvement Fund	20,817
Reserve for Grant Proceeds	249,685
Reserve for Payment of Debt	3,888
Contracts Payable	677,618
Due to Swim Pool Utility Operating Fund	(1,800)
Grants Receivable	(619,642)
Other Receivables	(102,714)
Due from Current Fund	(242,191)
Excess Note Proceeds	28,180
 Improvement Authorizations:	
Ordinance	
<u>Number</u>	
95-17/01-19	Removal of Gasoline Tank
98-9	Acquisition of Property (800)
00-2C	Street Lights Program 7,758
00-4	Improvement to Ridge Avenue (5,462)
01-11	Improvement of Pascack Road Drainage (5,650)
01-7F	Improvement of Business District 4,026
02-5/04-5E/06-7D	Improvement to Public Library 268
03-41/03-12	Construction Police & TBS Hdqtrs (800)
04-5C-06-7E	Mill Pond Park 68,722
04-5D	Recycling Center Improvements 178
04-9B	Improvement of Downtown 4,293
05-02	Tax Refunding 4,030
05-6B	Improvement to Sibbald Avenue 2,608
05-6C	Improvement to Wayne & Oak Street 106,734
05-21	Acquisition of Real Property for Recreation 184,949
06-7A	Rehabilitation of Tennis Courts 107,141
06-7F	Various Improvements 7,204
07-07A	Improvements to Mill Pond Dam & Engineering Dredging (1,084,845)
07-7B	Engineering & Design for Dredging Mill Pond 200,000
07-9A	Acquisition of New Automotive Vehicle 603
07-9B	Various Improvements (390)
07-9D	Improvement of Firehouse Building & Lighting 54,872
07-9F	Improvement of Leroy Place & Sixth Street 243,550

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

<u>Ord.</u> <u>No.</u>		Balance, December 31, <u>2010</u>
07-10	Acquisition of New Ladder Truck & Equipment	\$ 90,865
07-22	Roads, Sidewalks & Curbs	3,047
07-23	Installation of Handicapped Lift	(1,270)
07-24	Acquisition of Post Office Property	3,169
08-08	Various Improvements	68,893
09-06	Improvement of Various Roads, Curbs & Sidewalks	47,735
09-11	Pedestrian Improvements to Train Station	73,048
09-16	Various Improvements & Acquisitions	116,997
10-08	Road, Curb Drainage & Sidewalk Improvements	133,955
10-25	NJDOT North 5th Street Section I	200,000
10-32	Various Capital Improvements	7,945
10-33	Acquisition of Bucketloader	<u>8,026</u>
		<u>\$ 736,453</u>

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

<u>Ord. No.</u>	<u>Agency</u>	Balance, December 31, <u>2009</u>	Grant <u>Awards</u>	Cash <u>Receipts</u>	Balance, December 31, <u>2010</u>	Balance, Pledged to Improvement <u>Authorization</u>
	Federal Government					
	Dept. of Justice	\$ 87,426			\$ 87,426	\$ 87,426
	County of Bergen					
	CDBG	28,900			28,900	28,900
	Spring Valley Rd	107,122			107,122	107,122
	State of New Jersey					
	Department of Trans.	59,596			59,596	59,596
	FD Camera	7,690			7,690	7,690
09-11	DOT Pedestrian Train					
	State of New Jersey	79,000		\$ 25,541	53,459	53,459
10-09	DOT 5th Street Sec II					
	State of New Jersey		\$ 200,000	-	200,000	200,000
10-25	DOT 5th Street Sec I					
	State of New Jersey	-	200,000	124,551	75,449	75,449
		<u>\$ 369,734</u>	<u>\$ 400,000</u>	<u>\$ 150,092</u>	<u>\$ 619,642</u>	<u>\$ 619,642</u>
				\$ 124,551		
				<u>25,541</u>		
				<u>\$ 150,092</u>		

**STATEMENT OF OTHER ACCOUNTS RECEIVABLE**

Balance, December 31, 2009	<u>\$ 102,714</u>
Balance, December 31, 2010	<u>\$ 102,714</u>

Analysis of Balance

Board of Education - Tennis	\$ 26,489
Pistol Range	3,898
United Water - Tennis	15,000
Montvale - Wayne Street	80,000
Tri Boro	9,173
Montvale/Woodcliff Lake	<u>(31,846)</u>
	<u>\$ 102,714</u>

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

Balance, December 31, 2009		\$	98,162
Increased by:			
2010 Budget Appropriation	\$ 85,000		
Capital Improvement Fund			
Deferred Charges - Overexpenditure of Ordinance Appropriation	<u>59,855</u>		
		\$	144,855
Payments to Current Fund			182,874
Grant Proceeds Received in Current Fund			<u>25,541</u>
			<u>353,270</u>
			451,432
Decreased by:			
Interest on Investments			1,079
Received from Current Fund			98,162
Emergency Note Proceeds Deposited in General Capital Fund			<u>110,000</u>
			<u>209,241</u>
Balance, December 31, 2010		\$	<u>242,191</u>

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

Balance, December 31, 2009		\$	9,529,998
Decreased by:			
2010 Budget Appropriations			
General Serial Bonds	\$ 625,000		
Green Trust Loan Paid by Open Space Preservation Trust Fund	<u>24,365</u>		
			<u>649,365</u>
Balance, December 31, 2010		\$	<u>8,880,633</u>

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

Ord. No.	Improvement Description	Balance, December 31, 2009	2010 Autho- rizations	Balance, December 31, 2010	Financed by Bond Anticipation Notes	Expenditures December 31, 2010	Unfunded Improvement Authorization
95-17/01-19	Removal of Gasoline Tank	\$ 23,750		\$ 23,750	\$ 23,750	\$ 800	
98-9	Acquisition of Property	800		800		5,462	
00-4	Improvement to Ridge Avenue	5,462		5,462		33,541	
00-13	Renovation of High School	33,541		33,541		5,650	
01-11	Improvement of Pascaack Road Drainage	5,650		5,650		800	
03-4/03-12	Construction Police & TBS Hdqtrs	800		800		1,084,845	\$ 204,909
04-13	Multi Purpose Artificial Turf Installation	243,000		243,000		390	71,155
07-07	Improvements to Mill Pond Dam & Engineering Dredging	1,156,000		1,156,000			
07-9B	Various Improvements	390		390			
07-10	Acquisition of New Ladder Truck & Equipment	950,000		950,000			
07-22	Improvement of Various Roads, Curbs & Sidewalks	161,820		161,820			
07-23	Installation of Handicapped Lift	1,270		1,270		1,270	
07-24	Acquisition of Real Property-Post Office	1,160,000		1,160,000			
08-06	Resurfacing Program	261,900		261,900			
08-08	Various Improvements & Acquisitions	807,500		807,500			
09-06	Improvement of Various Roads, Curbs & Sidewalks	844,750		844,750			
09-16	Various Improvements & Acquisitions	432,500		432,500			
10-08	Improvement of Various Roads, Curbs & Sidewalks	380,000	\$ 380,000	380,000			
10-33	Acquisition of Bucket Loader	161,500	161,500	161,500			161,500
		<u>\$ 6,089,133</u>	<u>\$ 541,500</u>	<u>\$ 6,630,633</u>	<u>\$ 5,093,852</u>	<u>\$ 1,099,217</u>	<u>\$ 437,564</u>
	Notes Outstanding				\$ 5,122,032		
	Less: Excess Proceeds				(28,180)		
	Ord. No. 07-22						
					<u>\$ 5,093,852</u>		
	Improvement Authorizations-Unfunded						\$ 902,225
	Less: Unexpended Proceeds of Bond						
	Anticipation Notes Issued					\$ 90,865	
	Ord. No. 07-10					3,047	
	Ord. No. 07-22					3,169	
	Ord. No. 07-24					68,893	
	Ord. No. 08-8					47,735	
	Ord. No. 09-6					116,997	
	Ord. No. 09-16					133,955	
	Ord. No. 10-08					464,661	
							<u>\$ 437,564</u>

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

	Balance December 31, <u>2009</u>	2010 Budget <u>Appropriation</u>
Overexpenditure of Ordinance Appropriation	\$ 59,855	\$ 59,855
Due from Current Fund		<u>\$ 59,855</u>

**STATEMENT OF CONTRACTS PAYABLE**

Balance, December 31, 2009	\$ 1,139,121
Increased by:	
2010 Improvement Authorization Charges	<u>677,618</u>
	1,816,739
Decreased by:	
Cash Disbursements	<u>1,139,121</u>
Balance, December 31, 2010	<u>\$ 677,618</u>

**STATEMENT OF CAPITAL IMPROVEMENT FUND**

Balance, December 31, 2009	\$ 8,767
Increased by:	
2010 Budget Appropriation Due from Current Fund	<u>85,000</u>
	93,767
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>72,950</u>
Balance, December 31, 2010	<u>\$ 20,817</u>





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

Purpose	Date of Issue	Amount of Original Issue	Maturity of Bonds Outstanding at December 31, 2010			Interest Rate	Balance, December 31, 2009	Increased	Decreased	Balance, December 31, 2010
			Date	Amount	%					
General Improvements	6/15/2003	\$ 5,970,000	2011-2018	\$ 350,000	3.25	\$ 4,640,000		\$ 350,000	\$ 4,290,000	
			2019-2021	375,000	3.50					
			2022	365,000	3.50					
General Improvements	10/15/2007	4,827,000	2011	275,000	3.875	4,402,000		275,000	4,127,000	
			2012-2014	300,000	3.875					
			2015-2021	325,000	3.875					
			2022	350,000	3.875					
			2023	327,000	4.000					
							<u>\$ 9,042,000</u>	<u>\$ -</u>	<u>\$ 625,000</u>	<u>\$ 8,417,000</u>
Paid by Budget Appropriation									<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, 2010	Interest Rate	%	Balance, December 31, 2009	Decreased	Balance, December 31, 2010
Memorial Field Improvements	10/20/2008	\$ 500,000	1/23/2011	\$ 12,366	2.00			
			7/23/2011	12,489	2.00			
			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				
						\$ 487,998	\$ 24,365	\$ 463,633
						\$ 487,998	\$ 24,365	\$ 463,633
							\$ 24,365	

Paid By Open Space Preservation Trust Fund

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

<u>Agency</u>	Balance, December 31, <u>2009</u>	Balance, December 31, <u>2010</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>\$ 249,685</u>	<u>\$ 249,685</u>

EXHIBIT C-17

**STATEMENT OF RESERVE FOR PAYMENT OF DEBT SERVICE**

Balance, December 31, 2009	<u>\$ 3,888</u>
Balance, December 31, 2010	<u>\$ 3,888</u>

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

Ord. No.	Description	Balance December 31, 2009	2010 Authorizations	Bond Anticipation Notes Issued	Balance December 31, 2010
98-9	Acquisition of Property	\$ 800			\$ 800
00-4	Improvement to Ridge Avenue	5,462			5,462
00-13	Renovation of High School	33,541		\$ 33,541	-
01-11	Improvement of Pascack Road Drainage	5,650			5,650
01-19	Site Remediation	23,750		23,750	-
03-41/03-12	Construction Police & TBS Hdqtrs	800			800
04-13	Multi Purpose Artificial Turf Installation	243,000		38,091	204,909
07-07	Improvements to Mill Pond Dam & Engineering Drec	1,156,000			1,156,000
07-09	Various Improvements	390			390
07-23	Installation of Handicapped Lift	1,270			1,270
08-06	2008 Resurfacing Program				-
08-08	Various Improvements and Acquisitions	169,400		169,400	-
09-06	Improvement of Various Roads, Curbs & Sidewalks	844,750		844,750	-
09-16	Various Improvements and Acquisitions	432,500		432,500	-
10-08	Improvement of Various Roads, Curbs & Sidewalks		\$ 380,000	380,000	-
10-33	Acquisition of Bucket Loader	-	161,500	-	161,500
		<u>\$ 2,917,313</u>	<u>\$ 541,500</u>	<u>\$ 1,922,032</u>	<u>\$ 1,536,781</u>

**WATER UTILITY FUND**

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

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2009	\$ 4,247,889	\$ -
Increased by Receipts:		
Water Rents	\$ 2,608,663	
Other Accounts Receivable	85,433	
Mobile Antenna Rents	197,744	
Interest on Investments	1,640	
Miscellaneous Fees	18,319	
Woodcliff Lake Surcharge	99,257	
	<u>3,011,056</u>	<u>-</u>
	7,258,945	-
Decreased by Disbursements:		
2010 Appropriations	2,921,624	
2009 Appropriation Reserves	36,820	
Encumbrances Payable	190,887	
Payments made for Water Utility Capital Fund	<u>387,189</u>	<u>-</u>
	<u>3,536,520</u>	<u>-</u>
Balance, December 31, 2010	<u>\$ 3,722,425</u>	<u>\$ -</u>

EXHIBIT D-6

**ANALYSIS OF CASH  
WATER UTILITY CAPITAL FUND**

	Balance, December 31, <u>2010</u>
Fund Balance	\$ 21,090
Capital Improvement Fund	506,669
Reserve for Well # 20	65,000
Due from Water Utility Operating Fund	(70,899)
Improvement <u>Authorizations</u>	
Ord. 96-08/98-11.1 Construction of Well # 20	(169,851)
Ord. 98-11.3 Rehabilitation of Booster # 3	13,255
Ord. 04-07 Replacement of Water Mains	(19,702)
Ord. 05-03 Treatment of Well # 10 & 15	(18,601)
Ord. 06-19A Construction of Well #20	(64,772)
Ord. 06-19B Generator Booster	(100,000)
Ord. 09-20 Construction of Wells # 1,2 & 17	<u>(162,189)</u>
	<u>\$ -</u>

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

Balance, December 31, 2009		\$ <u>25</u>
Balance, December 31, 2010		\$ <u>25</u>

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

Balance, December 31, 2009		\$ 122,864
Increased by:		
Water Rents Levied		<u>2,699,705</u>
		2,822,569
Decreased by:		
Water Rents Collected:		
Cash Receipts	\$ 2,608,663	
Due from Current Fund	<u>425</u>	
		<u>2,609,088</u>
Balance, December 31, 2010		\$ <u>213,481</u>

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

Balance, December 31, 2009		\$ 30,812
Increased by:		
Other Water Charges Levied - Fire Sprinkler/Hydrants/Other Billing Charges		<u>90,598</u>
		121,410
Decreased by:		
Other Water Charges Collected:		
Fire Sprinklers	\$ 55,355	
Hydrants	29,330	
Other Billing Charges	<u>748</u>	
		<u>85,433</u>
Balance, December 31, 2010		\$ <u>35,977</u>

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

Balance, December 31, 2009	\$ 20,248
Increased by:	
Surcharges Levied	<u>102,556</u>
	122,804
Decreased by:	
Surcharges Collected	<u>99,257</u>
Balance, December 31, 2010	<u>\$ 23,547</u>

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

	Balance, December 31, <u>2009</u>	<u>Additions</u>		Balance, December 31, <u>2010</u>
		Costs from Fixed Capital Authorized & <u>Uncompleted</u>	Operating Budget Capital <u>Outlay</u>	
Source of Supply Plant:				
Structures and Improvements	\$ 228,599		\$ 3,652	\$ 232,251
Wells and Springs	3,369,414	\$ 225,000	34,158	3,628,572
Pumping Plant:				
Land and Land Rights	12,887			12,887
Structures and Improvements	564,373			564,373
Electric Pumping Equipment	672,261		20,299	692,560
Water Treatment Plant - Water				
Treatment Equipment	966,752		7,370	974,122
Computer Hardware/Software-Equipment	66,580		8,552	75,132
Transmission and Distribution Plant:				
Structures and Improvements	17,229		453	17,682
Distribution Reservoirs and Standpipes	908,091			908,091
Transmission and Distribution Mains	1,276,692		5,757	1,282,449
Services	220,934			220,934
Meters	728,694		91	728,785
Hydrants	227,855		22,061	249,916
Well Communication System-Equipment	4,047			4,047
General Plant:				
Structures and Improvements	106,115		329	106,444
Improvements to Utility Garage	102,218			102,218
Office Furniture and Equipment	175,339		180	175,519
Transportation Equipment	356,788			356,788
Other General Equipment	305,011			305,011
Tools-Equipment	97,027		8,378	105,405
Meter Reading System	6,763			6,763
Other Utility Plant:				
Other Tangible Property-Equipment	242,936			242,936
Water Diversion Rights	551		-	551
Law Expenditures During Construction	7,948			7,948
Interest During Construction	2,940			2,940
Miscellaneous Construction Expenditures	38,436			38,436
Pickup Truck	-		3,447	3,447
New Hybrid Vehicle	-	-	24,723	24,723
	<u>\$ 10,706,480</u>	<u>\$ 225,000</u>	<u>\$ 139,450</u>	<u>\$ 11,070,930</u>
			2010 Budget Appropriations	\$ 141,617
			2009 Appropriation Reserve	
			Cancelled Encumbrance	<u>(2,167)</u>
			<u>\$ 139,450</u>	

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

Ordinance #	Improvement Description	Ordinance		Balance, December 31, 2009	2010 Authorizations	Costs to Fixed Capital	Balance, December 31, 2010
		Date	Amount				
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
04-07	Replacement of Water Mains	5/11/04	150,000	150,000			150,000
05-03	Treatment of Wells #10 & 15	5/22/05	200,000	6,399			6,399
06-19A	Construction of Well #20	9/5/06	500,000	110,228			110,228
09-20	Construction of Well #1, 2 & 17	9/28/2009	225,000	225,000		\$ 225,000	
10-16	Various Public Improvements & Acq.	5/11/10	625,000	-	\$ 625,000	-	625,000
				<u>\$ 535,031</u>	<u>\$ 625,000</u>	<u>\$ 225,000</u>	<u>\$ 935,031</u>

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

Balance, December 31, 2009		\$	203
Increased by:			
Cash Received by Current Fund			
Employee Health Benefit Contributions	\$	17,433	
Water Rents Receivables		<u>425</u>	
			<u>17,858</u>
			18,061
Decreased by:			
2010 Budget Appropriation			
Indirect Cost Reimbursement			<u>16,000</u>
Balance, December 31, 2010		\$	<u>2,061</u>

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

Balance, December 31, 2009		\$	<u>711</u>
Balance, December 31, 2010		\$	<u>711</u>

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

Balance, December 31, 2009		\$	433,088
Increased by:			
2010 Budget Appropriation - Capital Improvement Fund			<u>25,000</u>
			458,088
Decreased by:			
Payments Made by Water Utility Operating Fund - Improvement Authorizations			<u>387,189</u>
Balance, December 31, 2010		\$	<u>70,899</u>

**BOROUGH OF PARK RIDGE  
STATEMENT OF 2009 APPROPRIATION RESERVES  
WATER UTILITY OPERATING FUND**

	Balance, December 31, <u>2009</u>	Cancelled <u>Encumbrances</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<b>OPERATING</b>					
Salaries and Wages	\$ 15,600		\$ 15,600	\$ 1,868	\$ 13,732
Other Expenses	250,322		250,322	34,952	215,370
Group Insurance	<u>53</u>	\$ <u>531</u>	<u>584</u>	<u>-</u>	<u>584</u>
 Total Operating	 <u>265,975</u>	 <u>531</u>	 <u>266,506</u>	 <u>36,820</u>	 <u>229,686</u>
<b>CAPITAL IMPROVEMENTS</b>					
Capital Outlay	<u>87,555</u>	<u>2,167</u>	<u>89,722</u>	<u>-</u>	<u>89,722</u>
 Total Capital Improvements	 <u>87,555</u>	 <u>2,167</u>	 <u>89,722</u>	 <u>-</u>	 <u>89,722</u>
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES</b>					
Statutory Expenditures					
Contribution to Social Security System (O.A.S.I.)	<u>4,704</u>	<u>-</u>	<u>4,704</u>	<u>-</u>	<u>4,704</u>
 Total Deferred Charges and Statutory Expenditures	 <u>4,704</u>	 <u>-</u>	 <u>4,704</u>	 <u>-</u>	 <u>4,704</u>
	<u>\$ 358,234</u>	<u>\$ 2,698</u>	<u>\$ 360,932</u>	<u>\$ 36,820</u>	<u>\$ 324,112</u>
			Cash Disbursed	<u>\$ 36,820</u>	

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

Balance, December 31, 2009		\$ 200,292
Increased by:		
Charges to 2010 Budget Appropriations		<u>141,570</u>
		341,862
Decreased by:		
Transfer to Accounts Payable	\$ 6,707	
Cancelled Encumbrances	2,698	
Cash Disbursements	<u>190,887</u>	
		<u>200,292</u>
Balance, December 31, 2010		<u>\$ 141,570</u>

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

Balance, December 31, 2009		\$ 229
Increased by:		
Transfer from Encumbrances Payable		<u>6,707</u>
		6,936
Decreased by:		
Cancelled Accounts Payable to Operations		<u>229</u>
Balance, December 31, 2010		<u>\$ 6,707</u>

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

Ord. No.	Improvement Description	Date	Ordinance	Amount	Balance, December 31., 2009		2010 Authorizations Deferred Charges to Future Revenue	Paid or Charged	Balance, December 31., 2010	
					Funded	Unfunded			Funded	Unfunded
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
04-07	Replacement of Water Mains	5/11/04		150,000		130,298				130,298
05-03	Treatment of Well #10 & 15	5/22/05		200,000		6,399				6,399
06-19A	Construction of Well #20	9/05/06		500,000		110,228				110,228
09-20	Construction of Wells #1, 2 & 17	9/28/09		225,000		225,000		\$	225,000	
10-16	Various Public Improvements and Acq.	5/11/10		625,000		-	\$	625,000		462,811
									\$	238,255
									\$	277,074
									\$	387,189
									\$	387,189

Due to Water Utility Operating Fund

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

Balance, December 31, 2009	\$ 481,669
Increased by:	
2010 Budget Appropriation - Due from Water Operating Fund	<u>25,000</u>
Balance, December 31, 2010	<u>\$ 506,669</u>

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

Balance, December 31, 2009	\$ 10,353,256
Increased by:	
Transferred from Deferred Reserve for Amortization	\$ 225,000
Capital Outlay Operating Budgets	<u>139,450</u>
	<u>364,450</u>
Balance, December 31, 2010	<u>\$ 10,717,706</u>

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

<u>Ord.</u> <u>No.</u>	<u>Improvement Description</u>	<u>Balance</u> <u>December 31,</u> <u>2009</u>	<u>Transfer to</u> <u>Reserve for</u> <u>Amortization</u>	<u>Balance,</u> <u>December 31,</u> <u>2010</u>
98-11.3	Rehabilitation of Booster #3	\$ 13,255		\$ 13,255
09-20	Construction of Well #1, 2, & 17	<u>225,000</u>	\$ 225,000	<u>-</u>
		<u>\$ 238,255</u>	<u>\$ 225,000</u>	<u>\$ 13,255</u>

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

Balance, December 31, 2009	\$ <u>65,000</u>
Balance, December 31, 2010	\$ <u>65,000</u>

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

	Balance, December 31, <u>2009</u>	Increase	Balance, December 31, <u>2010</u>
Payment of Water Tank	\$ 9,201		\$ 9,201
Construction of Water Line	1,500		1,500
Woodcliff Lake Improvements	780,652	\$ 99,257	879,909
Handy Harmon Settlement	<u>1,506,068</u>	<u>-</u>	<u>1,506,068</u>
	<u>\$ 2,297,421</u>	<u>\$ 99,257</u>	<u>\$ 2,396,678</u>
Woodcliff Lake Surcharge Collected		<u>\$ 99,257</u>	

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

<u>Ord. No.</u>	<u>Purpose</u>	Balance, December 31, <u>2009</u>	2010 <u>Authorizations</u>	Balance, December 31, <u>2010</u>
96-8/98-11.1	Construction of Well #20	\$ 100,000		\$ 100,000
98-11.1	Construction of Well #20	100,000		100,000
04-07	Replacement of Water Mains	150,000		150,000
05-03	Treatment of Well #10 & 15	25,000		25,000
06-19A	Construction of Well #20	175,000		175,000
06-19B	Generator Booster	100,000		100,000
10-16	Various Public Improvements & Acq.	<u>-</u>	<u>\$ 625,000</u>	<u>625,000</u>
		<u>\$ 650,000</u>	<u>\$ 625,000</u>	<u>\$ 1,275,000</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, 2009	\$ 2,108,743	\$ -
Increased by Receipts:		
Light and Power Charges	\$ 9,903,981	
Other Accounts Receivable - Dusk to Dawn	21,262	
Interest on Investments	700	
Miscellaneous Fees	<u>25,920</u>	
	<u>9,951,863</u>	<u>-</u>
	12,060,606	-
Decreased by Disbursements:		
2010 Appropriations	9,377,807	
2009 Appropriation Reserves	29,306	
Encumbrances Payable	693,212	
Interest on Bonds	57,854	
Payments made for Current Fund	1,494	
Payments to Other Trust Fund - Payroll Agency	14,955	
Refund of Prior Year Revenues	<u>49,941</u>	
	<u>10,224,569</u>	<u>-</u>
Balance, December 31, 2010	<u>\$ 1,836,037</u>	<u>\$ -</u>

EXHIBIT E-6

**ANALYSIS OF CASH  
ELECTRIC UTILITY CAPITAL FUND**

	Balance, December 31, <u>2010</u>
Fund Balance	\$ 475
Capital Improvement Fund	271,500
Contracts Payable	152,086
Reserve for Payment of Debt	105,231
Due from Electric Utility Operating Fund	(183,446)
Ord.   Improvement	
<u>No.</u> <u>Authorizations</u>	
08-14-90   Impvt. Of Mill Road Utility Substation & Acquisition of Automotive Vehicle	(68,784)
03-12-96   Installation of Underground Electric - Bear's Nest II	(162,554)
03-05   Improvement of Electric System	36,429
06-18   Various Improvements	1,149
10-15   Acquisition of Aerial Bucket Truck	<u>(152,086)</u>
	<u>\$ -</u>

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

Balance, December 31, 2009	\$ <u>50</u>
Balance, December 31, 2010	\$ <u>50</u>

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

Balance, December 31, 2009	\$ 382,517
Increased by:	
Electric Rents Levied	<u>10,058,296</u>
	10,440,813
Decreased by:	
Electric Rents Collected	<u>\$ 9,903,981</u>
Balance, December 31, 2010	<u>\$ 536,832</u>

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

Balance, December 31, 2009	\$ 18,242
Increased by:	
Other Electric Rents Levied - Dusk to Dawn	<u>21,223</u>
	39,465
Decreased by:	
Other Electric Rents Collected - Dusk to Dawn	<u>21,262</u>
Balance, December 31, 2010	<u>\$ 18,203</u>

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

	Balance, December 31, <u>2009</u>	Budget Capital <u>Outlay</u>	Transfer to Fixed Capital Authorized & <u>Uncompleted</u>	Balance, December 31, <u>2010</u>
Structures and Improvements	\$ 721,516	\$ 19,277	\$ 352	\$ 740,441
Computer Hardware/Software-Equipment	120,989	7,906		128,895
Regulating Station	6,102			6,102
Hydro Generator-Equipment	7,732			7,732
Mill Road Substation	554,580	5,350		559,930
Brae Boulevard Substation	1,673,656	2,994		1,676,650
Poles, Towers and Fixtures	380,083	20,600		400,683
Cable & Wires	959,134	21,917		981,051
Underground Conduit	103,635			103,635
Underground Conductors & Devices	188,733	1,249		189,982
Line Transformers	538,457	15,583		554,040
Services	320,150	7,232		327,382
Installation of Customers' Services	8,817			8,817
Office Furniture, Etc.-Equipment	212,425	567		212,992
Vehicles/Equipment	1,092,075	1,975		1,094,050
Meters & Current Transformers	297,161	3,676		300,837
Street Lighting & Signal System	287,890	13,623		301,513
Tools, Shop & Garage Equipment	175,841	33,228		209,069
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	45,750	1,829		47,579
Store Equipment	12,880			12,880
Laboratory Equipment	6,397			6,397
Miscellaneous Equipment	51,875	823		52,698
Bear's Nest Village- Regulating Station	713,408			713,408
Construction of Additional Voltage Regulate	149,395			149,395
Construction of Mini-Substation	349,860			349,860
Recreational Lighting-Equipment	6,487	512		6,999
Scada System	102,275			102,275
Construction Services	200,757			200,757
Improvement to Utility Garage	225,962			225,962
Improvement to Electric System	191,096		2,525	188,571
Conversion Mill Road Substation & Museu	250,000			250,000
Replace Brae Road Transformer	244,881			244,881
Supervisor Pick-Up	26,331	-	-	26,331
	<u>\$ 10,542,666</u>	<u>\$ 158,341</u>	<u>\$ 2,877</u>	<u>\$ 10,698,130</u>
2010 Budget Appropriations		\$ 157,969		
2009 Appropriation Reserves		<u>372</u>		
		<u>\$ 158,341</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, 2009	2010 Authorizations		Transfer From Fixed Capital	Balance, December 31, 2010
					Deferred Charges to Future Revenue			
03-05	Improvement to Electric System	04/22/03	\$ 250,000	\$ 33,904			\$ 2,525	\$ 36,429
06-18	Various Improvements	09/05/06	520,000	797			352	1,149
10-15	Acquisition of Aerial Bucket Truck	5/25/10	180,000	-	\$ 180,000		-	180,000
				<u>\$ 34,701</u>	<u>\$ 180,000</u>		<u>\$ 2,877</u>	<u>\$ 217,578</u>

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

Balance, December 31, 2009 - (Due From)		\$	1,789
Increased by:			
Payments Made for Current Fund	\$	1,494	
Employee Health Benefit Contributions Deposited in Current Fund		<u>15,116</u>	
			<u>16,610</u>
			18,399
Decreased by:			
2010 Budget Appropriation Charges:			
Indirect Cost Reimbursements		14,000	
Rental Fees		<u>30,000</u>	
			<u>44,000</u>
Balance, December 31, 2010 - (Due To)		<u>\$</u>	<u>25,601</u>

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

Balance, December 31, 2009		\$	178,446
Increased by:			
2010 Budget Appropriation - Capital Improvement Fund			<u>5,000</u>
Balance, December 31, 2010		<u>\$</u>	<u>183,446</u>

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

Increased by:			
Payments to Other Trust Fund (Payroll Agency Account)		<u>\$</u>	<u>14,955</u>
Balance, December 31, 2010		<u>\$</u>	<u>14,955</u>

**BOROUGH OF PARK RIDGE  
STATEMENT OF 2009 APPROPRIATION RESERVES  
ELECTRIC UTILITY OPERATING FUND**

	Balance, December 31, <u>2009</u>	Encumbrances <u>Cancelled</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<b>OPERATING</b>					
Salaries and Wages	\$ 3,000		\$ 3,000	\$ 2,278	\$ 722
Other Expenses	43,110		43,110	26,654	16,456
Group Health Insurance	1,454	\$ 583	2,037		2,037
Purchase of Electric Current	<u>226,747</u>	<u>53,756</u>	<u>280,503</u>	<u>-</u>	<u>280,503</u>
 Total Operating	 <u>274,311</u>	 <u>54,339</u>	 <u>328,650</u>	 <u>28,932</u>	 <u>299,718</u>
 <b>CAPITAL IMPROVEMENTS</b>					
Capital Improvement Fund					
Capital Outlay	<u>35,632</u>	<u>-</u>	<u>35,632</u>	<u>372</u>	<u>35,260</u>
 Total Capital Improvements	 <u>35,632</u>	 <u>-</u>	 <u>35,632</u>	 <u>372</u>	 <u>35,260</u>
 <b>DEFERRED CHARGES AND STATUTORY</b>					
Statutory Expenditures					
Contribution to					
Social Security System (O.A.S.I.)	<u>4,277</u>	<u>-</u>	<u>4,277</u>	<u>2</u>	<u>4,275</u>
 Total Deferred Charges and Statutory	 <u>4,277</u>	 <u>-</u>	 <u>4,277</u>	 <u>2</u>	 <u>4,275</u>
 Expenditures	 <u>4,277</u>	 <u>-</u>	 <u>4,277</u>	 <u>2</u>	 <u>4,275</u>
	 <u>\$ 314,220</u>	 <u>\$ 54,339</u>	 <u>\$ 368,559</u>	 <u>\$ 29,306</u>	 <u>\$ 339,253</u>

EXHIBIT E-16

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

Balance, December 31, 2009	\$ 752,874
Increased by:	
Charges to 2010 Budget Appropriations	<u>616,178</u>
	1,369,052
Decreased by:	
Cash Disbursements	\$ 693,212
Cancelled Encumbrances Payable Restored to Appropriation Reserves	54,339
Transferred to Accounts Payable	<u>5,323</u>
	<u>752,874</u>
Balance, December 31, 2010	<u>\$ 616,178</u>

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

Balance, December 31, 2009	\$ 2,877
Increased by:	
Charges to Improvement Authorizations	<u>152,086</u>
	154,963
Decreased by:	
Cancelled Contracts Restored to Improvement Authorizations	<u>2,877</u>
Balance, December 31, 2010	<u>\$ 152,086</u>

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

Increased by:	
Transferred from Encumbrances Payable	<u>\$ 5,323</u>
Balance, December 31, 2010	<u>\$ 5,323</u>

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

Balance, December 31, 2009	\$ 12,054
Increased by:	
Budget Appropriation for Interest on Bonds	<u>57,045</u>
	69,099
Decreased by:	
Interest Paid	<u>57,854</u>
Balance, December 31, 2010	<u>\$ 11,245</u>

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

Ord. No.	Improvement Description	Ordinance Date	Amount	Balance, December 31, 2009		Cancelled Contracts	Paid or Charged	Balance, December 31, 2010	
				Funded	Unfunded			Funded	Unfunded
03-05	Improvement of Electric System	4/22/2003	\$ 250,000	\$ 33,904		\$ 2,525		\$ 36,429	
06-18	Various Improvements	9/5/2006	520,000	797		352		1,149	
10-15	Acquisition of Aerial Bucket Truck	5/11/2010	180,000	-	\$ 180,000	-	\$ 152,086	-	\$ 27,914
				\$ 34,701	\$ -	\$ 180,000	\$ 152,086	\$ 37,578	\$ 27,914
							\$ 152,086		

Contracts Payable

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

Purpose	Date of Issue	Amount of Original Issue	Maturity of Bonds Outstanding at December 31, 2010	Interest Rate	Balance, December 31, 2009	Decreased	Balance, December 31, 2010
Electric Utility Bonds	10/15/2007	\$ 1,693,000	2011-16	3.875%	\$ 1,493,000	\$ 100,000	\$ 1,393,000
			2017-18	3.875%			
			2019	3.875%			
			2020	4.000%			
					\$ 1,493,000	\$ 100,000	\$ 1,393,000
							\$ 100,000

Paid by Budget Appropriation

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

Balance, December 31, 2009	\$ 266,500
Increased by:	
2010 Budget Appropriation - Due from Electric Utility Operating Fund	5,000
Balance, December 31, 2010	\$ 271,500

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

Balance, December 31, 2009	\$ 8,818,328
Increased by:	
Serial Bonds Paid by Operating Budget	\$ 100,000
Capital Outlay Operating Budgets	158,341
	258,341
	9,076,669
Decreased by:	
Transferred to Deferred Reserve for Amortization	2,877
Balance, December 31, 2010	\$ 9,073,792

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

Ord. No.	<u>Improvement Description</u>	Balance December 31, 2009	Transferred from Reserve for Amortization	Balance, December 31, 2010
03-05	Improvement of Electric System	\$ 33,904	2,525	\$ 36,429
06-18	Various Improvements	797	352	1,149
		\$ 34,701	\$ 2,877	\$ 37,578

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

Balance, December 31, 2009	<u>\$ 105,231</u>
Balance, December 31, 2010	<u><u>\$ 105,231</u></u>

EXHIBIT E-26

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

<u>Ord.</u> <u>No.</u>	<u>Purpose</u>	Balance, December 31, <u>2009</u>	2010 <u>Authorizations</u>	Balance, December 31, <u>2010</u>
8/14/90	Improvement of Mill Road Utility Substation & Acquisition of Automotive Vehicle	\$ 68,784		\$ 68,784
3/12/96	Installation of Underground Electric - Bear's Nest II	162,554		162,554
10-15	Acquisition of Aerial Bucket Truck	<u>-</u>	<u>\$ 180,000</u>	<u>180,000</u>
		<u>\$ 231,338</u>	<u>\$ 180,000</u>	<u>\$ 411,338</u>

**UTILITY TRUST FUND**

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

Balance, December 31, 2009		\$ 574,978
Increased by Receipts:		
Water Utility Deposits	\$ 35,807	
Electric Utility Deposits	<u>52,462</u>	
		<u>88,269</u>
		663,247
Decreased by Disbursements:		
Water Utility Deposits	24,388	
Electric Utility Deposits	<u>38,489</u>	
		<u>62,877</u>
Balance, December 31, 2010		<u>\$ 600,370</u>

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

	Balance, December 31, <u>2009</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance, December 31, <u>2010</u>
Water Utility	\$ 393,955	\$ 35,807	\$ 24,388	\$ 405,374
Electric Utility	<u>181,023</u>	<u>52,462</u>	<u>38,489</u>	<u>194,996</u>
	<u>\$ 574,978</u>	<u>\$ 88,269</u>	<u>\$ 62,877</u>	<u>\$ 600,370</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, 2009	\$ 56,216	\$ -
Increased by Receipts:		
Membership Fees	\$ 218,733	
Miscellaneous Revenue	31,553	
Received from General Capital Fund	<u>-</u>	<u>\$ 80,000</u>
	<u>250,286</u>	<u>80,000</u>
	306,502	80,000
Decreased by Disbursements:		
2010 Appropriations	197,209	
Petty Cash	250	
Appropriation Reserves	6	
Encumbrances Payable	3,779	
Improvement Authorizations		74,226
Payments Made for Swim Pool Utility Operating Fund	<u>-</u>	<u>5,774</u>
	<u>201,244</u>	<u>80,000</u>
Balance, December 31, 2010	<u>\$ 105,258</u>	<u>\$ -</u>

EXHIBIT G-6

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

	Balance, December 31, <u>2010</u>
Fund Balance	\$ 50
Capital Improvement Fund	16,000
Due to Swim Pool Utility Operating Fund	18,236
Due from Other Trust Fund	(69,040)
Grants Receivable	(72,440)
Improvement Authorizations <u>Ord. No.</u>	
92 Improvement to Swim Pool	(500)
06-10 Pool Rehabilitation	(39,560)
08-15 Handicap Bathroom	122,252
10-06 ADA Improvements - Bathrooms	<u>25,002</u>
	<u>\$ -</u>

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

Increased by:	
Received from Treasurer	\$ <u>250</u>
Balance, December 31, 2010	\$ <u>250</u>

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

Ord. No.	Grantor	Balance December 31, 2009	Grant Awards	Received	Balance December 31, 2010	Balance Pledged to Improvement Authorizations
08-15	Community Development Block Grant	\$ 42,252			\$ 42,252	\$ 42,252
10-06	Community Development Block Grant	<u>-</u>	\$ 99,228	\$ 69,040	<u>30,188</u>	<u>30,188</u>
		<u>\$ 42,252</u>	<u>\$ 99,228</u>	<u>\$ 69,040</u>	<u>\$ 72,440</u>	<u>\$ 72,440</u>
				Due from Other Trust Fund		<u>\$ 69,040</u>

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

Balance, December 31, 2009	\$ 23,010
Increased by:	
2010 Anticipated Revenue - Capital Improvement Fund	<u>15,000</u>
	38,010
Decreased by:	
2010 Budget Appropriation - Cost of Improvements - Ord. 6-10	\$ 14,000
Payments made by Swim Pool Capital Fund - 2010 Budget Appropriations	<u>5,774</u>
	<u>19,774</u>
Balance, December 31, 2010	<u>\$ 18,236</u>

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

Balance, December 31, 2009	\$ 80,000
Decreased by:	
Payments received from Capital Fund	<u>\$ 80,000</u>

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

Increased by:	
Payments made by General Capital Fund-Accrued Interest on Notes	<u>\$ 1,800</u>
Balance, December 31, 2010	<u>\$ 1,800</u>

**BOROUGH OF PARK RIDGE  
STATEMENT OF DEFERRED CHARGES  
SWIM POOL UTILITY OPERATING FUND**

	Balance, December 31, <u>2009</u>	Raised in 2010 <u>Budget</u>
Operating Deficit	\$ 8,588	\$ 8,588

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

	Balance, December 31, <u>2009</u>	Balance, December 31, <u>2010</u>
Handicapped Improvements	\$ 6,625	\$ 6,625
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>\$ 980,248</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, 2009	2010 Improvement Authorizations	Balance, December 31, 2010
06-10	Pool Rehabilitation	\$ 120,000	09/05/06	\$ 24,440	\$ 24,440		\$ 24,440
08-15	Handicap Bathroom	125,000	11/25/08	125,000	125,000		125,000
10-06	ADA Improvements to Bathrooms	99,228	3/15/2010	99,228	-	\$ 99,228	99,228
					<u>\$ 149,440</u>	<u>\$ 99,228</u>	<u>\$ 248,668</u>

Deferred Reserve For  
Amortization

\$ 99,228

**BOROUGH OF PARK RIDGE  
STATEMENT OF 2009 APPROPRIATION RESERVES  
SWIM POOL UTILITY OPERATING FUND**

	Balance, December 31, <u>2009</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<b>OPERATING</b>				
Salaries and Wages	\$ 5,564	\$ 5,564		\$ 5,564
Other Expenses	<u>50,419</u>	<u>50,419</u>	\$ 6	<u>50,413</u>
Total Operating	<u>55,983</u>	<u>55,983</u>	<u>6</u>	<u>55,977</u>
<b>CAPITAL IMPROVEMENTS</b>				
Capital Outlay	<u>1,000</u>	<u>1,000</u>	-	<u>1,000</u>
Total Capital Improvements	<u>1,000</u>	<u>1,000</u>	-	<u>1,000</u>
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES</b>				
Statutory Expenditures				
Contribution to Social Security System (O.A.S.I.)	<u>426</u>	<u>426</u>	-	<u>426</u>
Total Deferred Charges and Statutory Expenditures	<u>426</u>	<u>426</u>	-	<u>426</u>
	<u>\$ 57,409</u>	<u>\$ 57,409</u>	<u>\$ 6</u>	<u>\$ 57,403</u>

EXHIBIT G-16

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

Balance, December 31, 2009	\$ 4,305
Increased by:	
Charges to 2010 Budget Appropriations	<u>180</u>
	4,485
Decreased by:	
Cash Disbursements	\$ 3,779
Transferred to Accounts Payable	<u>526</u>
	<u>4,305</u>
Balance, December 31, 2010	<u>\$ 180</u>

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

Increased by:	
Transferred from Encumbrances Payable	\$ <u>526</u>
Balance, December 31, 2010	\$ <u><u>526</u></u>

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

Increased by:	
Budget Appropriation for Interest on Notes	\$ 2,050
Decreased by:	
Interest Paid by General Capital Fund	<u>1,800</u>
Balance, December 31, 2010	\$ <u><u>250</u></u>



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

Balance, December 31, 2009	\$	31,000
Decreased by:		
Due to Swim Pool Utility Operating Fund as Anticipated Revenue		15,000
Balance, December 31, 2010	\$	16,000

EXHIBIT G-22

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

Balance, December 31, 2009	\$	926,188
Increased by:		
2010 Budget Appropriation - Cost of Improvement		14,000
Balance, December 31, 2010	\$	940,188

EXHIBIT G-23

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

<u>Ord. No.</u>	<u>Improvement Description</u>	Balance December 31, <u>2009</u>	Fixed Capital Authorized	Balance, December 31, <u>2010</u>
08-15	Handicapped Bathroom	\$ 42,252		\$ 42,252
10-06	ADA Improvements to Bathrooms	-	\$ 99,228	99,228
		\$ 42,252	\$ 99,228	\$ 141,480
	Grants Receivable		\$ 99,228	

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

<u>Ord.</u> <u>No.</u>	<u>Purpose</u>	Balance, December 31, <u>2009</u>	Cancelled by Budget <u>Appropriation</u>	Balance, December 31, <u>2010</u>
92	Improvement to Swim Pool	\$ 500		\$ 500
06-10	Pool Rehabilitation	78,000	\$ 14,000	64,000
08-15	Handicap Bathroom	<u>2,748</u>	<u>-</u>	<u>2,748</u>
		<u>\$ 81,248</u>	<u>\$ 14,000</u>	<u>\$ 67,248</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, 2009	\$ 11,427	\$ 1,902	\$ 9,525
Increased by:			
State Aid	<u>20,600</u>	<u>-</u>	<u>20,600</u>
	32,027	1,902	30,125
Decreased by:			
Public Assistance Expenditures Eligible for State Aid	<u>18,746</u>	<u>-</u>	<u>18,746</u>
Balance, December 31, 2010	<u>\$ 13,281</u>	<u>\$ 1,902</u>	<u>\$ 11,379</u>

EXHIBIT H-2

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

Balance, December 31, 2009	<u>\$ 2,000</u>
Balance, December 31, 2010	<u>\$ 2,000</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, 2009	\$ 9,427	\$ 1,902	\$ 7,525
Increased by:			
Revenues	<u>20,600</u>	<u>-</u>	<u>20,600</u>
	30,027	1,902	28,125
Decreased by:			
Expenditures	<u>18,746</u>	<u>-</u>	<u>18,746</u>
Balance, December 31, 2010	<u>\$ 11,281</u>	<u>\$ 1,902</u>	<u>\$ 9,379</u>

EXHIBIT H-4

**STATEMENT OF PUBLIC ASSISTANCE REVENUES**

	<u>Total</u>	<u>Account #1</u>	<u>Account #2</u>
State Aid Payments	<u>\$ 20,600</u>	<u>-</u>	<u>\$ 20,600</u>
Total Revenues/Receipts	<u>\$ 20,600</u>	<u>\$ -</u>	<u>\$ 20,600</u>

EXHIBIT H-5

**STATEMENT OF PUBLIC ASSISTANCE EXPENDITURES**

	<u>Total</u>	<u>Account #1</u>	<u>Account #2</u>
Current Year Assistance Reported			
Maintenance	\$ 6,280		\$ 6,280
Temporary Rental Assistance	<u>12,060</u>	<u>-</u>	<u>12,060</u>
Total Payments Reported	18,340	-	18,340
Payments for Assistance Not Reported	<u>406</u>	<u>-</u>	<u>406</u>
Total Expenditures/Disbursements	<u>\$ 18,746</u>	<u>\$ -</u>	<u>\$ 18,746</u>

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

**PART II**

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**GOVERNMENT AUDITING STANDARDS**

**YEAR ENDED DECEMBER 31, 2010**

# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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ANDREW PARENTE, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH KOZAK, CPA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
RALPH M. PICONE, CPA, RMA, PSA

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

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, 2010, and have issued our report thereon dated June 9, 2011 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**

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed in the accompanying schedule of findings and responses we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2010-1, 2010-2, 2010-5 and 2010-6 to be material weaknesses.

A significant deficiency is a deficiency or combination of significant deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2010-3 and 2010-4 to be significant deficiencies.

### **Compliance and Other Matters**

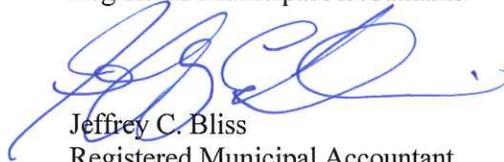
As part of obtaining reasonable assurance about whether the Borough of Park Ridge's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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 2010-1 through 2010-6.

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 the governing body, management and 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  
June 9, 2011

**BOROUGH OF PARK RIDGE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Federal Program	State Account Number	CFDA Number	Award Amount	2010 Grant Receipts	Balance January 1, 2010	Revenue Realized	Expended	Balance December 31, 2010	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	\$ 3,733	\$ 3,659	\$ 4,400	\$ -	\$ 3,659	\$ 633
Over th Limit Under Arrest	066-1160-100-057	20.601	4,400					4,400	
U.S. Department of Transportation (Passed Through State Department of Transportation Highway Planning and Construction Program: Impvts to 5th Street Section 1 (Ord 2010-25) Impvts to 5th Street Section 2 (Ord 2010-09) Pedestrian Train Station Impvts (Ord. 2009-11)		20.205	200,000	124,551		200,000	200,000	200,000	200,000
	078-6320-480-AKE		200,000			200,000			
	078-6320-480-XXX		200,000						
	078-6320-480-AKC		79,000	25,541	79,000		5,952	73,048	5,952
U.S. Department of Housing and Urban Development (Passed through County of Bergen Community Development Agency)									
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	19,656		42,252	42,252		42,252
Handicap Bathrooms - Swim Pool (Ord. 10-06)	PV-PR-03-09	14.218	56,976	49,384	-	56,976	31,974	25,002	31,974
					\$ 124,911	\$ 503,628	\$ 280,178	\$ 348,361	



**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, 2010**

**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	\$ 4,400	\$ 39,187	\$ 43,587
General Capital Fund	400,000		400,000
Swim Pool Utility Capital Fund	99,228		99,228
Public Assistance Fund	<u>-</u>	<u>20,600</u>	<u>20,600</u>
	<u>\$ 503,628</u>	<u>\$ 59,787</u>	<u>\$ 563,415</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, 2010**

**NOTE 5 FEDERAL AND STATE LOANS OUTSTANDING**

The Borough's federal and state loans outstanding at December 31, 2010, 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>\$463,633</u>

**NOTE 6 RECLASSIFICATION**

The balance at January 1, 2010 for the Pedestrian Train Station Improvements of the Federal Highway Planning and Construction Program was reclassified to the Schedule of Expenditures of Federal Awards. This program was previous reported on the Schedule of Expenditures of State Financial Assistance for the year ended December 31, 2009.

**BOROUGH OF PARK RIDGE  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

*Part I – Summary of Auditor's Results*

**Financial Statements**

Type of auditors' report issued on financial statements

Qualified \_\_\_\_\_

Internal control over financial reporting:

1) Material weakness(es) identified

  X   yes           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

**BOROUGH OF PARK RIDGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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 2010-1** – Our audit revealed that general ledger account balances were not in agreement with subsidiary ledgers and supporting documentation for the various funds.

**Criteria** – Division of Local Government Services Technical Accounting Directive 85-3.

**Condition** – 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.

**Cause** – Current year tax and utility levies, anticipated revenue and appropriated budget accounts and cash receipt/disbursement transactions required adjusting entries to reconcile the various Fund's general ledger account balances and transactions with their respective subsidiary ledgers and supporting documentation.

**Effect** – The accuracy of the Borough's Fund financial statements could be compromised due to unposted or misposted transactions which are not reconciled between the general ledger accounts and subsidiary reports and supporting documentation or not recorded in a general ledger accounting system.

**Recommendation** – The general ledger accounts be reconciled to their respective subsidiary ledgers and supporting documentation on a monthly basis for all funds.

**Response** – Management has reviewed this finding and has indicated corrective action has been developed and implemented in 2011 to address this finding.

**BOROUGH OF PARK RIDGE  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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 2010-2** – Our audit of the bank reconciliations of the various funds revealed the existence of numerous reconciling items on the monthly bank account reconciliations. In addition, we noted monthly bank reconciliations were not performed timely.

**Criteria** – Internal controls over bank accounts.

**Condition** – 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.

**Cause** – Reconciling items on the Borough's bank reconciliations were not reviewed and adjusted accordingly in the Borough's accounting records on a timely basis.

**Effect** – General ledger account balances were not adjusted to reflect all the activity as reported on the Borough's bank account statements.

**Recommendation** – Reconciling items on the Borough's bank reconciliations be reviewed and cleared of record and monthly bank reconciliations be prepared in a timely manner.

**Response** – Management has reviewed this finding and has indicated corrective action has been developed and implemented in 2011 to address this finding.

**BOROUGH OF PARK RIDGE  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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 2010-3** – Our audit of the grant receivables, other receivables and reserve for grant proceeds in the General Capital Fund revealed numerous account balances which appeared old, inactive or misclassified.

**Criteria** – Internal controls over financial reporting.

**Condition** – 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.

**Cause** – Certain prior year grant receivables, other receivables and reserve for grant proceeds balances are not identified by specific ordinance and appear to be uncollectable or proceeds misclassified in prior years.

**Effect** – General ledger account balances for grant receivables, other receivables and reserves for grant proceeds may not reflect actual amounts due or available from the respective grantor agencies in the General Capital Fund.

**Recommendation** – Prior year grant receivables, other receivables and reserve for grant proceeds in the General Capital Funds be reviewed and appropriate action be taken to clear them of record.

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

**BOROUGH OF PARK RIDGE  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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 2010-4** – Our audit of miscellaneous reserves in the Current Fund and Other Trust Fund revealed numerous old, inactive, improper and misclassified account balances.

**Criteria** – Requirements of Audit; NJSA 40A:4-39.

**Condition** – 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.

**Cause** – Certain reserve balances appear to be from the transfer of prior year budgeted appropriation balances which are not eligible to receive state approved Dedication by Riders. Certain Current Fund reserves which have State approved dedication by riders are not being accounted for in the Other Trust Fund. In addition certain miscellaneous reserves in the Other Trust Fund do not have approved dedication by riders from the State.

**Effect** – Certain miscellaneous reserve accounts are not accounted for in the appropriate fund and the Borough may not be in compliance with the local budget law.

**Recommendation** – A review be made of the miscellaneous reserve accounts in the Current Fund and Other Trust Fund and dedication by riders be obtained where appropriate and unallowable reserves be cleared of record. In addition, all approved dedication by rider reserve accounts be accounted for in the Other Trust Fund.

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

**BOROUGH OF PARK RIDGE  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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 2010-5** – Our audit revealed in certain instances, goods and/or services were ordered or wire transfer payments were made prior to the issuance of an approved purchase order. In addition, we noted purchase orders were not issued in all instances when contracts were awarded by the Governing Body.

**Criteria** – N.J.A.C. 5:30-5.2.

**Condition** – 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.

**Cause** – Approved purchase orders are not issued prior to the ordering or payment of goods or services or when contracts are awarded by the Governing Body.

**Effect** – Appropriations may not be available for goods ordered, services rendered or contracts awarded without an approved purchase order being prepared.

**Recommendation** – Internal controls be reviewed and revised to ensure approved purchase orders are issued prior to the ordering or wire transfer payment of goods or services and commitment of Borough funds.

**Response** – Management has reviewed this finding and has indicated continued efforts will be made to ensure corrective action is taken in 2011.

**BOROUGH OF PARK RIDGE  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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 2010-6** – Our audit revealed that Federal and State payroll tax withholdings and filings are not being remitted timely.

**Criteria** – Federal and State filing requirements.

**Condition** – 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.

**Cause** – Internal control procedures are not in place to ensure payroll taxes and filings are remitted timely.

**Effect** – The Borough is not in compliance with Federal and State filing requirements and may incur penalties and interest due to the late filing of employee payroll taxes.

**Recommendation** – Internal control procedures be reviewed and enhanced to ensure Federal and State payroll tax withholdings and filings are remitted to the respective agencies in a timely manner.

**Response** – Management has reviewed this finding and has indicated corrective action has been developed and implemented in 2011. Management has further indicated effective January 1, 2011 the Borough contracted with a payroll service company to process payroll and payroll tax filings with the respective federal and state agencies.

**BOROUGH OF PARK RIDGE  
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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*.

**STATUS OF PRIOR YEAR FINDINGS**

**Finding 2009-1**

General ledgers are not maintained for the Swim Pool Utility Operating, Swim Pool Utility Capital, Other Trust Fund, Affordable Housing Trust Fund, Animal Control Trust Fund, Unemployment Insurance Trust Fund, Municipal Open Space Preservation Trust Fund and Utilities' Trust Fund.

**Current Status**

Corrective action was taken.

**Finding 2009-2**

Bank reconciliations at December 31, 2009 contained various reconciling items for bank adjustments, ACH returns, returned checks and interfunds for the current and prior months.

**Current Status**

See Finding 2010-2

**Finding 2009-3**

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**

See Finding 2010-3

**Finding 2009-4**

Prior year miscellaneous reserve account balances exist in the Current Fund in the amount of \$77,000 and the Other Trust Fund in the amount of \$80,000 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**

See Finding 2010-4

**BOROUGH OF PARK RIDGE  
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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*.

**STATUS OF PRIOR YEAR FINDINGS (Continued)**

**Finding 2009-5**

Various budget line item transfers in the Water and Electric Utility Operating Funds and cancelled appropriation balances in the amount of \$300,000 in the electric utility operating fund were not formally approved by the Mayor and Council. These resolutions were approved by the Board of Public Works only.

**Current Status**

Corrective action was taken.

**Finding 2009-6**

Improvement authorizations in the General Capital Fund and Water Utility Capital Fund adopted over five years ago have deficit cash balances at December 31, 2009.

**Current Status**

Corrective action was taken. See general comments.

**Finding 2009-7**

Claims paid from the Water and Electric Utility Funds, as well as, certain Trust Funds are not approved by the Mayor and Council and included in the official minutes of the Borough. The Water and Electric Utility Fund claims were approved by the Board of Public Works only.

**Current Status**

Corrective action was taken.

**Finding 2009-8**

Goods are ordered and services rendered prior to a purchase order being approved and issued to the respective vendor. Purchase orders are not issued upon the approval and award of contracts by the Mayor and Council.

**Current Status**

See Finding 2010-5

**BOROUGH OF PARK RIDGE  
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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*.

**STATUS OF PRIOR YEAR FINDINGS (Continued)**

**Finding 2009-9**

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.

**Current Status**

See Finding 2010-6

**Finding 2009-10**

The amounts transferred and deposited into the Net Payroll and Payroll Agency bank accounts for each pay period were not in agreement with the amounts reported on the respective payroll reports.

**Current Status**

Corrective action was taken.

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

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**PART III**

**SUPPLEMENTARY DATA  
LETTER OF COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2010**

**BOROUGH OF PARK RIDGE  
SUPPLEMENTARY DATA**

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

	<u>Year 2010</u>		<u>Year 2009</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>				
Fund Balance Utilized	\$ 640,000	1.69 %	\$ 1,125,000	3.05 %
Miscellaneous - From Other Than Local				
Property Tax Levies	2,659,307	7.02	2,740,457	7.43
Collection of Delinquent Taxes and Tax Title Liens	268,061	0.71	240,062	0.65
Collection of Current Tax Levy	34,128,169	90.15	32,679,631	88.60
Other Credits to Income	<u>160,008</u>	<u>0.42</u>	<u>100,604</u>	<u>0.27</u>
 Total Income	 <u>37,855,545</u>	 <u>100.00 %</u>	 <u>36,885,754</u>	 <u>100.00 %</u>
 <b>EXPENDITURES</b>				
Budget Expenditures				
Municipal Purposes	11,050,908	29.50 %	11,206,698	30.68 %
County Taxes	3,840,894	10.25	3,826,654	10.48
Local District School Tax	22,453,756	59.94	21,478,872	58.81
Other Expenditures	<u>112,197</u>	<u>0.30</u>	<u>13,000</u>	<u>0.04</u>
 Total Expenditures	 <u>37,457,755</u>	 <u>100.00 %</u>	 <u>36,525,224</u>	 <u>100.00 %</u>
 Excess in Revenue	 397,790		 360,530	
 Adjustments to Income before Fund Balance:				
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year	 <u>110,000</u>		 <u>90,000</u>	
 Regulatory Excess to Fund Balance	 507,790		 450,530	
 Fund Balance, January 1	 <u>823,535</u>		 <u>1,498,005</u>	
	1,331,325		1,948,535	
 Less Utilization as Anticipated Revenue	 <u>640,000</u>		 <u>1,125,000</u>	
 Fund Balance, December 31	 <u>\$ 691,325</u>		 <u>\$ 823,535</u>	

**BOROUGH OF PARK RIDGE  
SUPPLEMENTARY DATA**

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

	<u>Year 2010</u>		<u>Year 2009</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>				
Fund Balance Utilized	\$ 830,721	20.34 %	\$ 870,882	23.61 %
Water Rents	2,609,088	63.87	2,233,754	60.55
Miscellaneous Fees	303,136	7.42	322,647	8.75
Employee Health Benefit Contributions	17,433	0.43		
Other Credits to Income	<u>324,341</u>	<u>7.94</u>	<u>261,617</u>	<u>7.09</u>
 Total Income	 <u>4,084,719</u>	 <u>100.00 %</u>	 <u>3,688,900</u>	 <u>100.00 %</u>
 <b>EXPENDITURES</b>				
Operating	2,843,500	87.18 %	2,932,500	83.76 %
Capital Improvements	247,500	7.59	410,700	11.73
Deferred Charges and Statutory Expenditures	<u>170,721</u>	<u>5.23</u>	<u>157,682</u>	<u>4.50</u>
 Total Expenditures	 <u>3,261,721</u>	 <u>100.00 %</u>	 <u>3,500,882</u>	 <u>100.00 %</u>
 Excess in Revenue	 822,998		 188,018	
 Fund Balance, January 1	 <u>959,564</u>		 <u>1,642,428</u>	
	1,782,562		1,830,446	
 Less Utilization as Anticipated Revenue	 <u>830,721</u>		 <u>870,882</u>	
 Fund Balance, December 31	 <u>\$ 951,841</u>		 <u>\$ 959,564</u>	

**BOROUGH OF PARK RIDGE  
SUPPLEMENTARY DATA**

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

	<u>Year 2010</u>		<u>Year 2009</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>				
Fund Balance Utilized	\$ 694,491	6.31 %	\$ 760,143	6.84 %
Electric Charges	9,903,981	90.03	9,917,957	89.29
Miscellaneous Fees	47,882	0.44	59,571	0.54
Employee Health Benefit Contributions	15,116	0.14		
Other Credits to Income	339,253	3.08	370,426	3.33
	<u>11,000,723</u>	<u>100.00 %</u>	<u>11,108,097</u>	<u>100.00 %</u>
<b>EXPENDITURES</b>				
Operating	9,813,500	94.21 %	9,882,000	94.25 %
Capital Improvements	229,500	2.20	273,000	2.60
Debt Service	157,045	1.51	160,922	1.53
Deferred Charges and Statutory Expenditures	166,637	1.60	169,221	1.61
Refund of Prior Year Revenues	49,941	0.48	-	-
	<u>10,416,623</u>	<u>100.00 %</u>	<u>10,485,143</u>	<u>100.00 %</u>
Excess in Revenue	584,100		622,954	
Fund Balance, January 1	<u>852,277</u>		<u>989,466</u>	
	1,436,377		1,612,420	
Less Utilization as Anticipated Revenue	<u>694,491</u>		<u>760,143</u>	
Fund Balance, December 31	<u>\$ 741,886</u>		<u>\$ 852,277</u>	

**BOROUGH OF PARK RIDGE  
SUPPLEMENTARY DATA**

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

	<u>Year 2010</u>		<u>Year 2009</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 10,288	3.09 %	\$ 60,286	23.76 %
Membership Fees	218,733	65.69	165,040	65.05
Miscellaneous Fees	31,553	9.48	20,087	7.92
Capital Improvement Fund	15,000	4.50		
Other Credits to Income	<u>57,403</u>	<u>17.24</u>	<u>8,285</u>	<u>3.27</u>
Total Income	<u>332,977</u>	<u>100.00 %</u>	<u>253,698</u>	<u>100.00 %</u>
EXPENDITURES				
Operating	214,640	86.45 %	241,200	91.96 %
Capital Improvements	1,000	0.40	1,000	0.38
Debt Service	2,050	0.83		
Deferred Charges and Statutory Expenditures	<u>30,598</u>	<u>12.32</u>	<u>20,086</u>	<u>7.66</u>
Total Expenditures	<u>248,288</u>	<u>100.00 %</u>	<u>262,286</u>	<u>100.00 %</u>
Excess (Deficit) in Revenue	<u>84,689</u>		<u>(8,588)</u>	
Operating Deficit to be Raised in Budget of Succeeding Year			<u>\$ (8,588)</u>	
Statutory Excess to Fund Balance	84,689			
Fund Balance, January 1	<u>26,100</u>		<u>86,386</u>	
	110,789		86,386	
Less Utilization as Anticipated Revenue	<u>10,288</u>		<u>60,286</u>	
Fund Balance, December 31	<u>\$ 100,501</u>		<u>\$ 26,100</u>	

**BOROUGH OF PARK RIDGE  
SUPPLEMENTARY DATA**

**Comparative Schedule of Tax Rate Information**

	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Tax Rate</u>	<u>\$1.988</u>	<u>\$1.901</u>	<u>\$1.857</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.468	.439	.439
Municipal – Open Space			.010
County	.219	.210	.205
County – Open Space	.003	.012	.012
Local District School	1.297	1.240	1.191

Assessed Valuation

2010	<u>\$1,731,455,707</u>	
2009		<u>\$1,732,015,306</u>
2008		<u>\$1,727,777,833</u>

**Comparison of Tax Levies and Collection**

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2010	\$ 34,469,794	\$ 34,128,169	99.00%
2009	32,964,084	32,679,631	99.13%
2008	32,195,470	31,860,870	98.96%

**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>
2010		\$ 231,180	\$ 231,180	0.67%
2009	\$ 4,247	263,589	267,836	0.81%
2008	3,796	250,892	254,688	0.79%

**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>
2010	\$100,650
2009	100,650
2008	104,800

**Comparison of Water Utility Levies**

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(*)</u>	<u>Percentage of Collection</u>
2010	\$2,699,705	\$2,609,088	96.64%
2009	2,226,486	2,233,754	100.33%
2008	2,538,883	2,553,306	100.56%

**Comparison of Electric Utility Levies**

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(*)</u>	<u>Percentage of Collection</u>
2010	\$10,058,296	\$9,903,981	98.46%
2009	9,913,045	9,917,957	100.05%
2008	10,447,375	10,452,713	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	2010	\$691,325	\$505,000 (1)
	2009	823,535	640,000
	2008	1,498,005	1,125,000
	2007	1,782,884	1,284,000
	2006	1,266,170	570,000
Water Utility Fund	2010	\$951,841	\$762,800 (1)
	2009	959,564	830,721
	2008	1,642,428	870,882
	2007	2,126,821	658,633
	2006	1,563,767	393,881
Electric Utility Operating Fund	2010	\$741,886	\$634,479 (1)
	2009	852,277	694,491
	2008	989,466	760,143
	2007	1,133,461	662,067
	2006	1,103,167	354,141
Swim Pool Utility Operating Fund	2010	\$100,501	\$18,800 (1)
	2009	26,100	10,288
	2008	86,386	60,286
	2007	123,841	57,465
	2006	119,129	44,465

(1) The above fund balance amounts appropriated represent the surplus anticipated in the 2011 introduced municipal budget. The 2011 municipal budget has not been legally adopted as of the date of audit.

**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 Ruschman	Mayor		
Steven Hopper	Councilman		
John Kane	Councilman		
Ann Kilmartin	Councilwoman		
Terence Maguire	Councilman		
Keith Misciagna	Councilman		
Michael Viola	Councilman		
Helene V. Fall	Borough Administrator		
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)	
Kelley R. O'Donnell	Borough Clerk	(a)	
Helyn Beer	Subdivision Search Officer	(a)	
Nick Saluzzi	Construction Code Official	(a)	
William Beattie	Director of Operations	(a)	
Joseph Barnes	Cashier, Public Works	(a)	
Donna J. Baboulis, Esq.	Judge, Municipal Court	1,000,000	MELJIF
Linda Champion	Court Administrator	1,000,000	MELJIF
Lillian Denmark	Deputy Court Administrator	1,000,000	MELJIF
Robert Campora	Tax Assessor	(a)	
Peter Wayne	Superintendent of Public Works	(a)	
Chris Botta	Borough Prosecutor	(a)	
Robert Metzdorf	Public Defender	(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 \$950,000 per loss covering all employees.

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

**GENERAL COMMENTS**

**Finance**

- **Finding** – Our audit of petty cash disbursements revealed that the Borough has not adopted a formal petty cash policy.

**Recommendation** – The Borough adopt and implement a formal written policy regarding purchases reimbursed through the Borough’s petty cash fund.

- **Finding** – Our audit of billing adjustments for rents and other account charges in the Water and Electric Utility Operating Funds revealed that billing adjustments were not formerly approved by a supervisor or administration.

**Recommendation** – Billing adjustments for rents and other account charges in the Water and Electric Utility Operating Funds be formerly approved by a supervisor or administrative personnel.

- **Finding** – Our audit of the Unemployment Insurance Trust Fund revealed the following:
  - a) Amounts deducted from employees were not transferred from the Payroll Agency account to the Unemployment Insurance account.
  - b) 2010 Amounts due to the State for quarterly reimbursement charges have not been remitted.

**Recommendation** – Internal control procedures be implemented to ensure the timely transfer of employee deductions for unemployment insurance to the Unemployment Insurance Trust Fund account and the timely payment of the quarterly reimbursable unemployment charges.

- **Finding** – Our audit revealed that a corrective action plan was not completed for all recommendations reported in the 2009 annual audit report.

**Recommendation** – The corrective action plan include the corrective actions to be taken for all of the recommendations reported in the annual audit report.

- **Finding** – Our audit revealed several improvement authorizations over five years old have deficit cash balances at year end. It was noted that the Borough has provided appropriations in the 2011 budget and is in the process of reviewing the long-term financing to address the deficit in the various capital ordinances therefor no recommendation is warranted.

**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, it was noted that the fee ordinance did not include fee amounts (i.e., guest fees, swim lessons, pictures and fines) to be charged for each of the various fees collected by the pool.

**Recommendation** – Pre-numbered receipts be issued for each fee collected for the Swim Pool. In addition, the fee ordinance be updated to include fee amounts for all of the various fees collected.

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

**GENERAL COMMENTS**

**Public Assistance**

- **Finding** – Our audit revealed that the State GA-6 and GA-6A reports were not in agreement with the cash disbursement ledger.

**Recommendation** – The monthly GA-6 and GA-6A reports be reviewed and reconciled to the monthly cash disbursement ledger.

**Departments**

**Municipal Court**

- **Finding** – Our audit of disbursements from the Municipal Court regular and bail accounts revealed only one authorized check signature was required for the issuances of checks. However, we noted effective May 1, 2011 the Borough entered into an interlocal services agreement with another municipality to participate in a joint municipal court. Therefore no recommendation is deemed warranted.

**Other Departments**

- **Finding** – Our audit of the various Municipal Departments revealed the following:
  - A) Formal cash receipt journals were not maintained by the Borough Clerk, DPW, Fire Prevention, Police, Planning/Zoning Boards and Recreation Departments.
  - 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) Pre-numbered receipts were not issued for all amounts collected.
  - D) 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** – Periodic review be made of the various municipal department revenue collection accounting and reporting procedures to ensure procedures implemented in 2011 are adhered to.

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

**GENERAL COMMENTS**

**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 \$21,000 through June 30, 2010 and \$26,000 as of July 1, 2010. The Borough has adopted a resolution increasing the threshold to \$29,000 through June 30, 2010 and \$36,000 as of July 1, 2010 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:

- Roof Replacement Utility Garage
- Barrier Free Alterations – Swim Club
- Tree Trimming and Removal Services
- Four Wheel Drive Backhoe
- Hydraulic Aerial Truck Lift

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

Our examination of expenditures did not reveal any payments, contracts or agreements in excess of \$21,000 "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 5, 2010 adopted the following resolution authorizing interest to be charged on delinquent taxes and water accounts:

**BOROUGH OF PARK RIDGE  
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**GENERAL COMMENTS**

**Collection of Interest of Delinquent Taxes (Continued)**

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

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

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

**Delinquent Taxes and Tax Title Liens**

The last tax sale was held on December 10, 2010.

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>
2010	0
2009	1
2008	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.

**Suggestions to Management**

- Electronic payments applied to taxes, water and electric utility rents and charges should be reviewed in a timely manner.
- Borough review its existing policy of not charging delinquent interest on water and electric rents which are paid subsequent to their due date.

**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**

It is recommended that:

**Finance**

1. The general ledger accounts be reconciled to their respective subsidiary ledgers and supporting documentation on a monthly basis for all funds.
- \* 2. Reconciling items on the Borough's bank reconciliations be reviewed and cleared of record and monthly bank reconciliations be prepared in a timely manner.
- \* 3. Prior year grant receivables, other receivables and reserve for grant proceeds in the General Capital Fund be reviewed and appropriate action be taken to clear them of record.
- \* 4. A review be made of the miscellaneous reserve accounts in the Current Fund and Other Trust Fund and dedication by riders be obtained where appropriate and unallowable reserves be cleared of record. In addition, all approved dedication by rider reserve accounts be accounted for in Other Trust Fund.
- \* 5. The Borough adopt and implement a formal written policy regarding purchases reimbursed through the Borough's petty cash fund.
- \* 6. Billing adjustments for rents and other account charges in the Water and Electric Utility Operating Funds be formerly approved by a supervisor or administrative personnel.
7. Internal control procedures be implemented to ensure the timely transfer employee deductions for unemployment insurance to the Unemployment Insurance Trust Fund account and the timely payment of the quarterly reimbursable unemployment charges.
8. The corrective action plan include the corrective actions to be taken for all of the recommendations reported in the annual audit report.

**Purchasing and Accounts Payable**

- \* It is recommended that internal controls be reviewed and revised to ensure approved purchase orders are issued prior to the ordering or wire transfer payment of goods or services and commitment of Borough funds.

**Payroll**

- \* It is recommended that internal control procedures be reviewed and enhanced to ensure Federal and State payroll tax withholdings and filings are remitted to the respective agencies in a timely manner.

**Swim Pool Utility**

It is recommended that pre-numbered receipts be issued for each fee collected for the Swim Pool. In addition the fee ordinance be updated to include fees amounts for all of the various fees collected.

**BOROUGH OF PARK RIDGE  
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**RECOMMENDATIONS**

**Public Assistance**

It is recommended that the monthly GA-6 and GA-6A reports be reviewed and reconciled to the monthly cash disbursement ledger.

**Departments**

It is recommended that a periodic review be made of the various municipal department revenue collection accounting and reporting procedures to ensure procedures implemented in 2011 are adhered to.

\* \* \* \* \*

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.

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