

BOROUGH OF PARK RIDGE
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2009

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BOROUGH OF PARK RIDGE

**BOROUGH OF PARK RIDGE
TABLE OF CONTENTS**

<u>Exhibits</u>		<u>Page</u>
	<u>PART I</u>	
	Independent Auditors' Report	1-2
A	Comparative Balance Sheets – Regulatory Basis -Current Fund	3-4
A-1	Comparative Statements of Operations and Changes in Fund Balance - Regulatory Basis - Current Fund	5
A-2	Statement of Revenues – Regulatory Basis – Current Fund	6-7
A-3	Statement of Expenditures – Regulatory Basis – Current Fund	8-12
B	Comparative Balance Sheets – Regulatory Basis -Trust Funds	13-14
C	Comparative Balance Sheets – Regulatory Basis - General Capital Fund	15
C-1	Comparative Statements of Changes in Fund Balance – Regulatory Basis General Capital Fund	16
D	Comparative Balance Sheets – Regulatory Basis - Water Utility Fund	17-18
D-1	Comparative Statements of Operations and Changes in Operating Fund Balance - Regulatory Basis - Water Utility Operating Fund	19
D-2	Comparative Statements of Changes in Fund Balance – Regulatory Basis – Water Utility Capital Fund	20
D-3	Statement of Revenues – Regulatory Basis - Water Utility Operating Fund	21
D-4	Statement of Expenditures – Regulatory Basis - Water Utility Operating Fund	22
E	Comparative Balance Sheets – Regulatory Basis – Electric Utility Fund	23-24
E-1	Comparative Statements of Operations and Changes in Fund Balance - Regulatory Basis – Electric Utility Operating Fund	25
E-2	Comparative Statements of Changes in Fund Balance – Regulatory Basis – Electric Utility Fund	26
E-3	Statement of Revenues – Regulatory Basis - Electric Utility Operating Fund	27
E-4	Statement of Expenditures – Regulatory Basis - Electric Utility Operating Fund	28
F	Comparative Balance Sheets – Regulatory Basis – Utility Trust Fund	29
G	Comparative Balance Sheets – Regulatory Basis – Swim Pool Utility Fund	30-31
G-1	Comparative Statements of Operations and Changes in Operating Fund Balance - Regulatory Basis – Swim Pool Utility Operating Fund	32
G-2	Comparative Statements of Changes in Fund Balance – Regulatory Basis – Swim Pool Utility Capital Fund	33
G-3	Statement of Revenues – Regulatory Basis – Swim Pool Utility Operating Fund	34
G-4	Statement of Expenditures – Regulatory Basis – Swim Pool Utility Operating Fund	35
H	Comparative Balance Sheets – Regulatory Basis - Public Assistance Fund	36
I	Comparative Balance Sheets – Regulatory Basis – General Fixed Assets Account Group	37
	Notes to Financial Statements	38-71
	<u>Current Fund</u>	
A-4	Statement of Current Cash and Investments – Collector/Treasurer	72
A-5	Statement of Change Funds	73
A-6	Statement of Petty Cash Funds	73
A-7	Statement of Due from State of New Jersey Senior Citizens' and Veterans' Deductions	74
A-8	Statement of Taxes Receivable and Analysis of Property Tax Levy	75
A-9	Statement of Tax Title Liens Receivable	76
A-10	Statement of Property Acquired for Taxes - Assessed Valuations	76
A-11	Statement of Other Receivables – Woodcliff Lake Tri Boro LOSAP	76
A-12	Statement of Revenue Accounts Receivable	77
A-13	Statement of Grants Receivable	78
A-14	Statement of Deferred Charges - Special Emergency Authorization (40A:4-53)	79

BOROUGH OF PARK RIDGE
TABLE OF CONTENTS
(Continued)

<u>Exhibits</u>		<u>Page</u>
<u>Current Fund (Continued)</u>		
A-15	Statement of Deferred Charges	79
A-16	Statement of 2008 Appropriation Reserves	80-81
A-17	Statement of Encumbrances Payable	82
A-18	Statement of Prepaid Taxes	82
A-19	Statement of Tax Overpayments	83
A-20	Statement of Due to Library	83
A-21	Statement of County Taxes Payable	83
A-22	Statement of Local District School Tax Payable	84
A-23	Statement of Fees Payable	84
A-24	Statement of Prepaid Revenue – Fire Prevention	84
A-25	Statement of Reserve for Tax Appeals	84
A-26	Statement of Miscellaneous Reserves	85
A-27	Statement of Reserve for Appropriated Grants	86
A-28	Statement of Reserve for Grants – Unappropriated	86
A-29	Statement of Emergency Notes	87
<u>Trust Funds</u>		
B-1	Statement of Trust Funds Cash	88
B-2	Statement of Due to State of New Jersey – Dog License Fees – Animal Control Fund	89
B-3	Statement of Due To Current Fund - Animal Control Fund	89
B-4	Statement of Reserve for Animal Control Fund Expenditures – Animal Control Fund	89
B-5	Statement of Due to State – Unemployment Claims – Unemployment Insurance Trust Fund	90
B-6	Statement of Due to Current Fund – Unemployment Insurance Trust Fund	90
B-7	Statement of Reserve for Unemployment Insurance Benefits – Unemployment Insurance Trust Fund	90
B-8	Statement of Encumbrances Payable – Municipal Open Space Preservation Trust Fund	91
B-9	Statement of Reserve for Open Space Expenditures – Municipal Open Space Preservation Trust Fund	91
B-10	Statement of Reserve for Affordable Housing – Affordable Housing Trust Fund	91
B-11	Statement of Developers Escrow – Other Trust Fund	92
B-12	Statement of Payroll Deductions Payable – Other Trust Fund	92
B-13	Statement of Miscellaneous Reserves and Deposits – Other Trust Fund	93
<u>General Capital Fund</u>		
C-2	Statement of General Capital Cash and Investments	94
C-3	Analysis of General Capital Cash and Investments	95-96
C-4	Statement of Grants Receivable	97
C-5	Statement of Other Accounts Receivable	97
C-6	Statement of Due from Current Fund	97
C-7	Statement of Deferred Charges to Future Taxation - Funded	98
C-8	Statement of Deferred Charges to Future Taxation - Unfunded	99
C-9	Statement of Deferred Charges	100
C-10	Statement of Contracts Payable	100
C-11	Statement of Capital Improvement Fund	100
C-12	Statement of Improvement Authorizations	101
C-13	Statement of Bond Anticipation Notes Payable	102
C-14	Statement of General Serial Bonds	103
C-15	Statement of Green Trust Loan Payable	104
C-16	Statement of Due to Swim Pool Utility Capital Fund	105
C-17	Statement of Reserve for Grant Proceeds	105
C-18	Statement of Reserve for Payment of Debt Service	105
C-19	Statement of Bonds and Notes Authorized But Not Issued	106

**BOROUGH OF PARK RIDGE
TABLE OF CONTENTS
(Continued)**

<u>Exhibits</u>		<u>Page</u>
	<u>Water Utility Fund</u>	
D-5	Statement of Cash – Collector/Treasurer	107
D-6	Analysis of Cash – Water Utility Capital Fund	107
D-7	Statement of Change Funds – Water Utility Operating Fund	108
D-8	Statement of Water Rents Receivable – Water Utility Operating Fund	108
D-9	Statement of Other Accounts Receivable – Water Utility Operating Fund	108
D-10	Statement of Woodcliff Lake Surcharge Receivable – Water Utility Operating Fund	109
D-11	Statement of Fixed Capital – Water Utility Capital Fund	110
D-12	Statement of Fixed Capital Authorized and Uncompleted – Water Utility Capital Fund	111
D-13	Statement of Due from Current Fund – Water Utility Operating Fund	112
D-14	Statement of Due from Electric Utility Operating Fund – Water Utility Operating Fund	112
D-15	Statement of Due from Water Utility Operating Fund – Water Utility Capital Fund	112
D-16	Statement of Deferred Charges- Overexpenditure of Appropriation Reserves – Water Utility Operating Fund	112
D-17	Statement of 2008 Appropriation Reserves – Water Utility Operating Fund	113
D-18	Statement of Encumbrances Payable – Water Utility Operating Fund	114
D-19	Statement of Accounts Payable – Water Utility Operating Fund	114
D-20	Statement of Improvement Authorizations – Water Utility Capital Fund	115
D-21	Statement of Capital Improvement Fund – Water Utility Capital Fund	116
D-22	Statement of Reserve for Amortization – Water Utility Capital Fund	116
D-23	Statement of Deferred Reserve for Amortization – Water Utility Capital Fund	116
D-24	Statement of Reserve for Well #20	117
D-25	Statement of Miscellaneous Reserves – Water Utility Operating Fund	117
D-26	Statement of Bonds and Notes Authorized But Not Issued – Water Utility Capital Fund	118
	<u>Electric Utility Fund</u>	
E-5	Statement of Cash – Collector/Treasurer	119
E-6	Analysis of Cash – Electric Utility Capital Fund	119
E-7	Statement of Change Funds – Electric Utility Operating Fund	120
E-8	Statement of Light and Power Charges Receivable – Electric Utility Operating Fund	120
E-9	Statement of Other Accounts Receivable – Electric Utility Operating Fund	120
E-10	Statement of Fixed Capital – Electric Utility Capital Fund	121
E-11	Statement of Fixed Capital Authorized and Uncompleted – Electric Utility Capital Fund	122
E-12	Statement of Due from Current Fund – Electric Utility Operating Fund	123
E-13	Statement of Due from Electric Utility Operating Fund – Electric Utility Capital Fund	123
E-14	Statement of Deferred Charges- Overexpenditure of Appropriation Reserves – Electric Utility Operating Fund	123
E-15	Statement of 2008 Appropriation Reserves – Electric Utility Operating Fund	124
E-16	Statement of Encumbrances Payable – Electric Utility Operating Fund	124
E-17	Statement of Contracts Payable – Electric Utility Capital Fund	125
E-18	Statement of Accounts Payable – Electric Utility Operating Fund	125
E-19	Statement of Accrued Interest on Bonds – Electric Utility Operating Fund	125
E-20	Statement of Improvement Authorizations – Electric Utility Capital Fund	126
E-21	Statement of Serial Bonds – Electric Utility Capital Fund	127
E-22	Statement of Capital Improvement Fund – Electric Utility Capital Fund	128
E-23	Statement of Reserve for Amortization – Electric Utility Capital Fund	128
E-24	Statement of Deferred Reserve for Amortization – Electric Utility Capital Fund	128
E-25	Statement of Reserve for Payment of Debt – Electric Utility Capital Fund	129
E-26	Statement of Bonds and Notes Authorized But Not Issued – Electric Utility Capital Fund	129

BOROUGH OF PARK RIDGE
TABLE OF CONTENTS
(Continued)

	<u>Page</u>
<u>PART III</u>	
Comparative Statements of Operations and Changes in Fund Balance - Current Fund	161
Comparative Statements of Operations and Changes in Fund Balance - Water Utility Operating Fund	162
Comparative Statements of Operations and Changes in Fund Balance - Electric Utility Operating Fund	163
Comparative Statements of Operations and Changes in Fund Balance - Swim Pool Utility Operating Fund	164
Comparative Schedule of Tax Rate Information	165
Comparison of Tax Levies and Collection	166
Delinquent Taxes and Tax Title Liens	166
Property Acquired by Tax Title Lien Liquidation	166
Comparison of Water Utility Levies	166
Comparison of Electric Utility Levies	166
Comparative Schedule of Fund Balances	167
Officials in Office and Surety Bonds	168
General Comments	169-173
Appreciation	173
Recommendations	174-176

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

PART I

**REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2009**

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INDEPENDENT AUDITORS' 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, 2009 and the related statement of operations and changes in fund balance - regulatory basis, statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year then ended. 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 audit. The financial statements of the Borough of Park Ridge as of December 31, 2008, were audited by other auditors whose report dated August 21, 2009 expressed a qualified opinion on those financial statements prepared using regulatory accounting practices which differ from accounting principles generally accepted in the United States of America. Their report on the regulatory basis of accounting was qualified due to the presentation of the unaudited Length of Service Award Program Fund financial statements.

Except as discussed in the fourth paragraph, 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. 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 audit provides 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 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.

INDEPENDENT AUDITORS' REPORT (Continued)

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

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, 2009, or the changes in its financial position, or, where applicable, its cash flows for the year then ended. Further, the Borough has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

However, 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, 2009 and the results of operations and changes in fund balance - regulatory basis, and the revenues - regulatory basis and the expenditures - regulatory basis of the various funds for the year then ended on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated September 9, 2010 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.

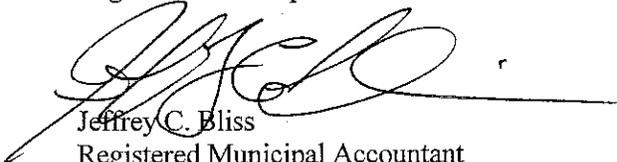
Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Park Ridge. The supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough 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
September 9, 2010

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2009 AND 2008

	<u>Reference</u>	<u>2009</u>	<u>2008</u> (Restated)
ASSETS			
Cash and Investments	A-4	\$ 1,993,782	\$ 2,248,549
Cash - Change Funds	A-5	175	175
Cash - Petty Cash Fund	A-6	300	
Grant Receivables	A-13	61,767	72,567
Due from State of New Jersey - Senior Citizens' and Veterans' Deductions	A-7	-	1,250
		<u>2,056,024</u>	<u>2,322,541</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-8	263,589	250,892
Tax Title Liens Receivable	A-9	4,247	3,796
Property Acquired for Taxes - Assessed Valuation	A-10	100,650	104,800
Revenue Accounts Receivable	A-12	8,195	7,341
Other Receivables	A-11	13,000	
Due from Animal Control Fund	B-3	4,616	3,172
Due from Unemployment Trust Fund	B-6		19,896
Due from Public Assistance Fund	H-3	2,000	2,000
		<u>396,297</u>	<u>391,897</u>
Deferred Charges			
Special Emergency Authorizations	A-14	144,000	272,000
Emergency Authorizations	A-15	90,000	
Overexpenditure of Appropriations	A-15	-	32,806
		<u>234,000</u>	<u>304,806</u>
 Total Assets		 <u>\$ 2,686,321</u>	 <u>\$ 3,019,244</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2009 AND 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u> (Restated)
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3,A-16	\$ 386,085	\$ 329,664
Encumbrances Payable	A-17	328,053	63,570
Prepaid Taxes	A-18	245,555	234,705
Tax Overpayments	A-19	10,110	
Due to Library	A-20		7,290
County Taxes Payable	A-21	4,493	
Fees Payable	A-23	4,927	
Prepaid Revenue - Fire Prevention	A-24	17,815	
Emergency Notes	A-29	120,000	240,000
Due to General Capital Fund	C-6	98,162	
Due to Water Utility Operating Fund	D-13	203	
Due to Electric Utility Operating Fund	E-12	1,789	
Reserve for:			
Tax Appeals	A-25	106,101	56,101
Miscellaneous Reserves	A-26	76,579	138,134
Appropriated Grant Reserves	A-27	41,591	57,459
Unappropriated Grant Reserves	A-28	<u>25,026</u>	<u>2,419</u>
		1,466,489	1,129,342
Reserve for Receivables and Other Assets	A	396,297	391,897
Fund Balance	A-1	<u>823,535</u>	<u>1,498,005</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 2,686,321</u>	 <u>\$ 3,019,244</u>

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
CURRENT FUND
FOR THE YEARS ENDING DECEMBER 31, 2009 AND 2008

	<u>Reference</u>	<u>2009</u>	<u>2008</u> (Restated)
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 1,125,000	\$ 1,284,000
Miscellaneous Revenue Anticipated	A-2	2,592,950	2,427,301
Receipts from Delinquent Taxes	A-2	240,062	232,117
Receipts from Current Taxes	A-2	32,679,631	31,860,870
Non-Budget Revenue	A-2	147,507	338,134
Other Credits to Income			
Unexpended Balances of Appropriation Reserves	A-16	73,418	245,310
Statutory Excess - Animal Control Fund	B-3	1,444	
Cancelled Due to Library	A-20	7,290	
Outstanding Checks Cancelled	A-1		3,496
Interfunds Liquidated	A	18,452	-
		<u>36,885,754</u>	<u>36,391,228</u>
Total Revenue			
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries & Wages	A-3	3,925,067	3,933,376
Other Expenses	A-3	5,146,668	4,874,042
Capital Improvements	A-3	65,000	60,000
Debt Service	A-3	1,023,099	1,063,267
Deferred Charges and Statutory			
Expenditures - Municipal	A-3	1,046,864	951,058
County Taxes	A-21	3,826,654	3,753,066
Local District School Tax	A-22	21,478,872	20,583,527
Municipal Open Space Tax	A-1		173,375
Interfunds and Other Receivables Created	A	13,000	396
		<u>36,525,224</u>	<u>35,392,107</u>
Total Expenditures			
Excess in Revenue		360,530	999,121
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-15	90,000	-
Statutory Excess to Fund Balance		450,530	999,121
FUND BALANCE, JANUARY 1	A	1,498,005	1,782,884
		1,948,535	2,782,005
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	1,125,000	1,284,000
FUND BALANCE, DECEMBER 31	A	<u>\$ 823,535</u>	<u>\$ 1,498,005</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 ENDING DECEMBER 31, 2009

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
FUND BALANCE ANTICIPATED	A-1	\$ 1,125,000	\$ 1,125,000	-
MISCELLANEOUS REVENUES				
Licenses				
Alcoholic Beverages	A-12	5,000	6,976	\$ 1,976
Fees and Permits				
Fire Code Department	A-12	25,000	34,980	9,980
Board of Health	A-12	25,000	20,677	(4,323)
Fines and Costs - Municipal Court	A-12	85,000	101,973	16,973
Interest and Costs on Taxes	A-12	40,000	55,850	15,850
Interest on Investments and Deposits	A-12	115,000	6,709	(108,291)
Joint Insurance Fund Dividend	A-12	11,000	8,583	(2,417)
Recreation Fees	A-12	35,000	43,219	8,219
Hotel Tax	A-12	315,000	211,114	(103,886)
Recycling Program	A-12	25,000	21,921	(3,079)
Cable Television Franchise Fee	A-12	79,836	109,387	29,551
Water Utility Rental Fees	A-12	105,000	105,000	-
Pistol Range Fee	A-12	12,000	14,800	2,800
Host Community Fees	A-12	85,000	101,507	16,507
Tri-Boro Safety Corps.	A-12	50,000	27,904	(22,096)
Post Office Rental	A-12	103,818	190,333	86,515
Consolidated Municipal Property Tax Relief Aid	A-12	112,788	112,788	-
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	A-12	377,408	377,408	-
Watershed Moratorium Offset Aid	A-12	1,598	1,598	-
Uniform Construction Code Fees	A-12	140,000	133,465	(6,535)
Clean Communities Program - Reserve	A-28	663	663	-
Body Armor Replacement Fund	A-28	1,755	1,756	1
Electric Utility Payment in Lieu of Franchise and Gross Receipts Taxes	A-12	500,000	500,000	-
Life Hazard Use Fees	A-12	13,840	12,558	(1,282)
Library Rental Fees	A-12	80,000	80,000	-
Water Utility - Payments in Lieu of Taxes	A-12	100,000	100,000	-
Electric Utility - Payments in Lieu of Taxes	A-12	155,000	155,000	-
Sprint Cell Tower Rent	A-12	65,000	56,781	(8,219)
 Total Miscellaneous Revenues	 A-1	 <u>2,664,706</u>	 <u>2,592,950</u>	 <u>(71,756)</u>
RECEIPTS FROM DELINQUENT TAXES	A-1,A-8	<u>215,000</u>	<u>240,062</u>	<u>25,062</u>
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET				
Local Tax For Municipal Purposes	A-2	<u>7,612,264</u>	<u>7,874,105</u>	<u>261,841</u>
	A-3	<u>\$ 11,616,970</u>	11,832,117	<u>\$ 215,147</u>
Non-Budget Revenue	A-1,A-2		<u>147,507</u>	
			<u>\$11,979,624</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 ENDING DECEMBER 31, 2009**

	<u>Reference</u>	<u>Realized</u>
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenue from Collections	A-1, A-8	\$ 32,679,631
Less Allocated to School and County Taxes	A-21,A-22	<u>25,305,526</u>
		7,374,105
Add Appropriation Reserve for Uncollected Taxes	A-3	<u>500,000</u>
Amount for Support of Municipal Budget Appropriation	A-2	<u>\$ 7,874,105</u>
 Interest on Investments		
Cash Receipts	A-12	\$ 3,870
Due from General Capital Fund	C-6	<u>2,839</u>
	A-2	<u>\$ 6,709</u>
 Analysis of Non-Budget Revenue		
Insurance Refunds		\$ 52,236
Tax Search Printouts		2,013
Parking Permits		20,031
Police Fees		2,005
Sale of Equipment		1,260
Snow Removal		10,080
Bid Specs		4,605
Zoning Permits		5,000
Housing Registration		13,525
Police Outside Duty Administration Fees		6,578
Zoning/Planning Board Fees		1,006
Senior Citizen Administration Fees		2,195
Miscellaneous		<u>26,973</u>
	A-2, A-4	<u>\$ 147,507</u>

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDING DECEMBER 31, 2009

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
General Administration					
Salaries and Wages	\$ 199,825	\$ 180,825	\$ 178,158	\$ 2,667	
Other Expenses	10,350	14,350	14,302	48	
Mayor and Council					
Salaries and Wages	39,600	39,600	39,600		
Other Expenses	22,500	20,000	19,211	789	
Municipal Clerk					
Salaries and Wages	57,638	77,438	77,404	34	
Other Expenses	46,450	46,226	42,653	3,573	
Financial Administration					
Salaries and Wages	50,000	50,000	42,173	7,827	
Other Expenses	18,950	14,950	10,383	4,567	
Audit Services					
Other Expenses	25,200	25,200	20,400	4,800	
Revenue Administration					
Salaries and Wages	87,063	57,063	57,045	18	
Other Expenses	24,525	11,525	10,945	580	
Tax Assessment Administration					
Salaries and Wages	20,625	22,225	21,460	765	
Other Expenses	4,530	4,530	4,107	423	
Legal Services and Costs					
Other Expenses	120,000	210,000	182,050	27,950	
Engineering Services and Costs					
Other Expenses	20,000	31,500	25,739	5,761	
Vision Plan Committee					
Other Expenses	18,000	18,000	17,949	51	
Beautification Committee					
Other Expenses	10,000	13,905	10,437	3,468	
LAND USE ADMINISTRATION					
Planning Board					
Salaries and Wages	33,394	33,394	26,549	6,845	
Other Expenses	53,230	53,230	25,170	28,060	
Zoning Board of Adjustment					
Salaries and Wages	40,301	35,301	34,476	825	
Other Expenses	5,350	14,355	10,911	3,444	
Zoning Officer					
Salaries and Wages	12,358	12,358	11,684	674	
Other Expenses	7,530	1,530	1,486	44	
Housing Task Force					
Salaries and Wages	9,150	9,150	9,138	12	
Other Expenses	2,000	2,000	1,997	3	
INSURANCE					
General Liability	173,012	173,012	124,100	48,912	
Unemployment Insurance	23,000	3,000		3,000	
Employee Group Health	1,090,348	1,065,998	1,063,337	2,661	

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDING DECEMBER 31, 2009

	<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 - Regular	\$ 2,073,605	\$ 2,073,605	\$ 2,070,913	\$ 2,692	
Other Expenses	125,300	128,300	126,887	1,413	
Police Reserves/EMC					
Salaries and Wages	15,500	15,500	14,620	880	
Other Expenses	18,800	17,300	17,098	202	
Tri-Borough Safety Corps					
Salaries and Wages	250	250	250		
Other Expenses	217,800	228,300	227,024	1,276	
Emergency Management Services					
Salaries and Wages	3,000	2,000	2,000		
Other Expenses	7,334	6,449	5,671	778	
Municipal Court					
Salaries and Wages	130,800	115,800	112,813	2,987	
Other Expenses	9,950	9,950	8,967	983	
Public Defender					
Salaries and Wages	3,500	4,315	4,310	5	
First Aid Organization					
Other Expenses - Contribution	17,500	17,500	17,500		
Fire Department					
Salaries and Wages	39,885	39,885	39,885		
Other Expenses	81,800	81,800	81,783	17	
Fire Hydrant Services	13,500	13,500	12,440	1,060	
Fire Prevention					
Salaries and Wages	34,050	34,050	34,030	20	
Other Expenses	10,275	8,275	7,535	740	
Municipal Prosecutor					
Contractual	9,875	9,875	9,750	125	
PUBLIC WORKS FUNCTION					
Streets and Road Maintenance					
Salaries and Wages	526,170	546,170	545,944	226	
Other Expenses	166,400	160,219	154,773	5,446	
Sewer System					
Salaries and Wages	79,610	75,110	75,079	31	
Other Expenses	14,530	14,530	12,299	2,231	
Shade Tree Commission					
Other Expenses	12,500	1,500	658	842	
Solid Waste Collection					
Other Expenses - Sanitation	497,917	497,917	497,917		
Other Expenses - Recycling	122,750	132,750	114,687	18,063	
Building and Grounds					
Salaries and Wages	73,069	73,069	70,203	2,866	
Other Expenses	45,200	113,700	107,251	6,449	
Vehicle Maintenance					
Salaries and Wages	70,974	75,574	72,863	2,711	
Other Expenses	56,800	41,800	38,220	3,580	

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 ENDING DECEMBER 31, 2009

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Cont'd)					
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries and Wages	\$ 25,347	\$ 25,347	\$ 24,490	\$ 857	
Other Expenses - Regular	64,512	64,512	59,749	4,763	
Welfare/Administration of Public Service					
Salaries and Wages	8,559	8,624	8,622	2	
Other Expenses	300	300	300		
Aid to Mental Health					
Other Expenses	8,000	8,000	8,000		
Contributions to Social Service Agencies					
Other Expenses	1,500	1,500	1,000	500	
PARKS AND RECREATION FUNCTIONS					
Recreation Services and Programs					
Salaries and Wages	52,500	53,400	53,398	2	
Other Expenses	44,500	39,500	39,455	45	
Senior Citizens					
Salaries and Wages	11,000	11,000	10,704	296	
Other Expenses	6,000	14,000	13,667	333	
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events	2,000	2,000	2,000		
Park Ridge Television					
Salaries and Wages	3,000	7,700	7,680	20	
Other Expenses	3,000	2,250	1,909	341	
Terminal Leave	112,734	112,734	112,687	47	
Municipal Services Act					
Other Expenses	6,500	15,500	6,809	8,691	
UNIFORM CONSTRUCTION CODE					
APPROPRIATIONS OFFSET BY DEDICATED					
REVENUES (N.J.A.C. 5:23-4-17)					
Construction Code Official					
Salaries and Wages	145,705	123,705	123,648	57	
Other Expenses	7,050	7,050	5,208	1,842	
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	96,000	91,000	82,358	8,642	
Telephone	35,000	35,000	28,302	6,698	
Water	16,000	13,000	8,645	4,355	
Gas and Oil	36,000	30,000	20,791	9,209	
Gasoline	75,000	75,000	60,993	14,007	
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Dumping Fees	205,500	205,500	188,848	16,652	-
	7,669,280	7,726,280	7,435,497	290,783	-
Contingent	2,500	33,500	20,478	13,022	-
	7,671,780	7,759,780	7,455,975	303,805	-
Detail:					
Salaries and Wages	3,969,087	3,925,067	3,891,576	33,491	-
Other Expenses	3,702,693	3,834,713	3,564,399	270,314	-

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 ENDING DECEMBER 31, 2009

	<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)					
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Deferred Charges					
Overexpenditure of Budget Appropriations	\$ 32,806	\$ 32,806	\$ 32,806		
Statutory Expenditures					
Contribution to					
Social Security System	205,000	207,000	186,052	\$ 20,948	
Police & Firemen Retirement System	546,588	546,588	546,588		
Public Employees Retirement System	132,470	132,470	132,470	-	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>916,864</u>	<u>918,864</u>	<u>897,916</u>	<u>20,948</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>8,588,644</u>	<u>8,678,644</u>	<u>8,353,891</u>	<u>324,753</u>	<u>-</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Recycling Tax	12,000	12,000	11,331	669	
SEWERAGE PROCESSING AND DISPOSAL					
Bergen County Utilities Authority-Sewer Fees	526,796	526,796	526,796		
OTHER COMMON OPERATING FUNCTIONS					
Tax Appeals	50,000	50,000	50,000		
EDUCATION FUNCTIONS					
Maintenance of Free Public Library	662,741	662,741	659,232	3,509	
PUBLIC SAFETY FUNCTION					
LOSAP					
Fire Department	40,000	40,000		40,000	
Tri-Borough Ambulance	13,000	13,000		13,000	
STORM WATER PLANNING					
Other Expenses	<u>5,000</u>	<u>5,000</u>	<u>2,000</u>	<u>3,000</u>	<u>-</u>
Total Other Operations Excluded from "CAPS"	<u>1,309,537</u>	<u>1,309,537</u>	<u>1,249,359</u>	<u>60,178</u>	<u>-</u>
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Clean Communities Program	663	663	663		
Body Armor Fund Grant	1,755	1,755	601	1,154	-
Total Public and Private Programs Offset by Revenues	<u>2,418</u>	<u>2,418</u>	<u>1,264</u>	<u>1,154</u>	<u>-</u>
Total Operations Excluded from "CAPS"	<u>1,311,955</u>	<u>1,311,955</u>	<u>1,250,623</u>	<u>61,332</u>	<u>-</u>
Detail:					
Other Expenses	<u>1,311,955</u>	<u>1,311,955</u>	<u>1,250,623</u>	<u>61,332</u>	<u>-</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDING DECEMBER 31, 2009

	<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>
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	\$ 65,000	\$ 65,000	\$ 65,000	-	-
Total Capital Improvements Excluded from "CAPS"	<u>65,000</u>	<u>65,000</u>	<u>65,000</u>	<u>-</u>	<u>-</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	600,000	600,000	600,000		
Interest on Bonds	340,887	340,887	340,886		\$ 1
Interest on Notes	51,616	51,616	51,345		271
Green Trust Loan Program					
Loan Repayments for Principal and Interest	<u>30,868</u>	<u>30,868</u>	<u>30,868</u>	<u>-</u>	<u>-</u>
Total Municipal Debt Service Excluded from "CAPS"	<u>1,023,371</u>	<u>1,023,371</u>	<u>1,023,099</u>	<u>-</u>	<u>272</u>
DEFERRED CHARGES MUNICIPAL- EXCLUDED FROM "CAPS"					
DEFERRED CHARGES					
Special Emergency Authorizations-5 Years	<u>128,000</u>	<u>128,000</u>	<u>128,000</u>	<u>-</u>	<u>-</u>
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>2,528,326</u>	<u>2,528,326</u>	<u>2,466,722</u>	<u>\$ 61,332</u>	<u>272</u>
Subtotal General Appropriations	11,116,970	11,206,970	10,820,613	386,085	272
Reserve for Uncollected Taxes	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>-</u>
Total General Appropriations	<u>\$ 11,616,970</u>	<u>\$ 11,706,970</u>	<u>\$ 11,320,613</u>	<u>\$ 386,085</u>	<u>\$ 272</u>
	<u>Reference</u>	<u>A-2</u>		<u>A, A-1</u>	<u>A-1</u>
Budget	A-3	\$ 11,616,970			
Emergency Authorization	A-15	<u>90,000</u>			
	A-3	<u>\$ 11,706,970</u>			
Cash Disbursed	A-4		\$ 10,171,010		
Encumbrances Payable	A-17		328,053		
Deferred Charges					
Special Emergency Authorization	A-14		128,000		
Overexpenditure of Budget Appropriations	A-15		32,806		
Due to General Capital Fund	C-6		110,744		
Reserve for Tax Appeals	A-25		50,000		
Reserve for Uncollected Taxes	A-2		<u>500,000</u>		
	A-3		<u>\$ 11,320,613</u>		

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2009 AND 2008**

ASSETS	<u>Reference</u>	<u>2009</u>	<u>2008</u> (Restated)
ANIMAL CONTROL FUND			
Cash	B-1	\$ <u>10,035</u>	\$ <u>8,431</u>
OTHER TRUST FUND			
Cash	B-1	<u>1,027,734</u>	<u>837,792</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Cash	B-1	<u>35,383</u>	<u>57,151</u>
MUNICIPAL OPEN SPACE PRESERVATION TRUST FUND			
Cash	B-1	<u>764,109</u>	<u>846,224</u>
AFFORDABLE HOUSING TRUST FUND			
Cash	B-1	<u>661,099</u>	<u>644,137</u>
LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)			
Investments	B	603,639	440,063
Contributions Receivable		<u>76,607</u>	<u>-</u>
		<u>680,246</u>	<u>440,063</u>
Total Assets		<u>\$ 3,178,606</u>	<u>\$ 2,833,798</u>

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2009 AND 2008

LIABILITIES AND RESERVES	<u>Reference</u>	<u>2009</u>	<u>2008</u> (Restated)
ANIMAL CONTROL FUND			
Due to State of New Jersey	B-2	\$ 10	
Due to Current Fund	B-3	4,616	\$ 3,172
Reserve for Animal Control Fund Expenditures	B-4	<u>5,409</u>	<u>5,259</u>
		10,035	8,431
OTHER TRUST FUND			
Developers Escrow	B-11	451,694	517,694
Payroll Deductions Payable	B-12	356,738	111,104
Miscellaneous Reserves & Deposits	B-13	<u>219,302</u>	<u>208,994</u>
		1,027,734	837,792
UNEMPLOYMENT INSURANCE TRUST FUND			
Due to Current Fund	B-6		19,896
Due to State of New Jersey	B-5	29,055	
Reserve for Unemployment Insurance Benefits	B-7	<u>6,328</u>	<u>37,255</u>
		35,383	57,151
MUNICIPAL OPEN SPACE PRESERVATION TRUST FUND			
Encumbrances Payable	B-8	-	125,000
Reserve for Open Space Expenditures	B-9	<u>764,109</u>	<u>721,224</u>
		764,109	846,224
AFFORDABLE HOUSING TRUST FUND			
Reserve for Affordable Housing	B-10	<u>661,099</u>	<u>644,137</u>
LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)			
Reserve for LOSAP Benefits	B	<u>680,246</u>	<u>440,063</u>
 Total Liabilities and Reserves		 <u>\$ 3,178,606</u>	 <u>\$ 2,833,798</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2009 AND 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
ASSETS			
Cash and Investments	C-2,C-3	\$ 33,984	\$ 951,041
Grants Receivable	C-4	369,734	290,734
Other Receivables	C-5	102,714	102,714
Due from Current Fund	C-6	98,162	
Deferred Charges to Future Taxation			
Funded	C-7	9,529,998	10,142,000
Unfunded	C-8	6,089,133	4,840,063
Deferred Charges Expenditure without Ordinance Appropriation	C-9	<u>59,855</u>	<u>59,855</u>
 Total Assets		 <u>\$ 16,283,580</u>	 <u>\$ 16,386,407</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Serial Bonds	C-14	\$ 9,042,000	\$ 9,642,000
Bond Anticipation Notes	C-13	3,200,000	2,300,000
Green Trust Loan	C-15	487,998	500,000
Contracts Payable	C-10	1,139,121	
Improvement Authorizations			
Funded	C-12	1,150,962	1,325,557
Unfunded	C-12	887,854	2,332,405
Capital Improvement Fund	C-11	8,767	7,767
Due to Swim Pool Utility Capital Fund	C-16	80,000	
Reserve for Grant Proceeds	C-17	249,685	249,685
Reserve for Payment of Debt	C-18	3,888	3,888
Fund Balance	C-1	<u>33,305</u>	<u>25,105</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 16,283,580</u>	 <u>\$ 16,386,407</u>

There were bonds and notes authorized but not issued on December 31, 2009 and 2008 of \$2,917,313 and \$2,540,063, respectively. (Exhibit C-19)

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDING DECEMBER 31, 2009 AND 2008

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
Balance, January 1	C	\$ 25,105	\$ 9,771
Increased by:			
Cancellation of Funded Improvement Authorizations	C-11		92,834
Premium on Sale of Notes	C-2	<u>8,200</u>	<u>-</u>
		33,305	102,605
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-1	<u>-</u>	<u>77,500</u>
Balance, December 31	C	<u>\$ 33,305</u>	<u>\$ 25,105</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2009 AND 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
ASSETS			
OPERATING FUND			
Cash	D-5	\$ 4,247,889	\$ 4,673,803
Cash - Change Fund	D-7	25	25
Due from Current Fund	D-13	203	
Due from Electric Utility Operating Fund	D-14	711	
Due from Utilities Trust Fund	F-3	-	1,556
		<u>4,248,828</u>	<u>4,675,384</u>
Receivables With Full Reserves			
Water Rents Receivable	D-8	122,864	130,132
Other Accounts Receivable	D-9	30,812	32,531
Woodcliff Lake Surcharge Receivable	D-10	20,248	18,743
		<u>173,924</u>	<u>181,406</u>
Deferred Charges			
Overexpenditure of Appropriation Reserves	D16	-	20,641
		<u>4,422,752</u>	<u>4,877,431</u>
CAPITAL FUND			
Due from Water Utility Operating Fund	D-15	433,088	168,088
Fixed Capital	D-11	10,706,480	9,222,211
Fixed Capital Authorized and Uncompleted	D-12	535,031	1,484,883
		<u>11,674,599</u>	<u>10,875,182</u>
Total Capital Fund		<u>\$ 16,097,351</u>	<u>\$ 15,752,613</u>

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2009 AND 2008
(Continued)

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	D-4,D-17	\$ 358,234	\$ 333,686
Encumbrances Payable	D-18	200,292	114,986
Accounts Payable	D-19	229	
Due to Water Utility Capital Fund	D-15	433,088	168,088
Miscellaneous Reserves	D-25	<u>2,297,421</u>	<u>2,436,837</u>
		3,289,264	3,053,597
Reserve for Receivables	D	173,924	181,406
Fund Balance	D-1	<u>959,564</u>	<u>1,642,428</u>
Total Operating Fund		<u>4,422,752</u>	<u>4,877,431</u>
CAPITAL FUND			
Improvement Authorization			
Funded	D-20	238,255	13,255
Unfunded	D-20	277,074	277,074
Capital Improvement Fund	D-21	481,669	456,669
Reserve for Amortization	D-22	10,353,256	8,629,532
Deferred Reserve for Amortization	D-23	238,255	1,427,562
Reserve for Well #20	D-24	65,000	50,000
Fund Balance	D-2	<u>21,090</u>	<u>21,090</u>
Total Capital Fund		<u>11,674,599</u>	<u>10,875,182</u>
		<u>\$ 16,097,351</u>	<u>\$ 15,752,613</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2009 and 2008 of \$650,000 and \$650,000 respectively. (See Exhibit D-26)

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, 2009 AND 2008

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	D-3	\$ 870,882	\$ 658,633
Water Rents	D-3	2,233,754	2,553,306
Miscellaneous Fees	D-3	322,647	321,813
Other Credits			
Appropriation Reserves Lapsed	D-17	261,617	28,238
Cancellation of Outstanding Checks	D-1	-	883
		<u>3,688,900</u>	<u>3,562,873</u>
Total Income			
EXPENDITURES			
Operating	D-4	2,932,500	2,859,065
Capital Improvements	D-4	410,700	403,700
Deferred Charges and Statutory Expenditures	D-4	157,682	125,868
		<u>3,500,882</u>	<u>3,388,633</u>
Total Expenditures			
Excess in Revenue		188,018	174,240
Fund Balance, January 1,	D	1,642,428	2,126,821
		1,830,446	2,301,061
Decreased by:			
Utilized as Anticipated Revenue	D-3	870,882	658,633
Balance, December 31,	D	<u>\$ 959,564</u>	<u>\$ 1,642,428</u>

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE- REGULATORY BASIS
WATER UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
Balance, January 1	D	\$ 21,090	\$ 21,090
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, 2009

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	D-1	\$ 870,882	\$ 870,882	
Water Rents	D-1,D-3	2,400,000	2,233,754	\$ (166,246)
Miscellaneous	D-1,D-3	<u>230,000</u>	<u>322,647</u>	<u>92,647</u>
 Budget Revenues	 D-4	 <u>\$ 3,500,882</u>	 <u>3,427,283</u>	 <u>\$ (73,599)</u>

Analysis of Realized Revenue

Water Rents:

Cash Receipts	D-8	\$ 2,232,840
Due from Current Fund	D-8	203
Due from Electric Utility Operating Fund	D-8	<u>711</u>
	D-3	<u>\$ 2,233,754</u>

Miscellaneous:

Fire Sprinkler	D-9	\$ 62,664
Hydrants	D-9	29,435
Mobile Antenna Rents	D-5	188,817
Interest on Investments	D-5	11,369
Miscellaneous Fees	D-5	<u>30,362</u>
	D-3	<u>\$ 322,647</u>

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
OPERATING				
Salaries and Wages	\$ 1,078,000	\$ 1,078,000	\$ 1,062,400	\$ 15,600
Other Expenses	1,548,500	1,538,385	1,288,063	250,322
Group Health Insurance	<u>306,000</u>	<u>316,115</u>	<u>316,062</u>	<u>53</u>
Total Operating	<u>2,932,500</u>	<u>2,932,500</u>	<u>2,666,525</u>	<u>265,975</u>
CAPITAL IMPROVEMENTS				
Capital Improvement Fund	25,000	25,000	25,000	
Capital Outlay	<u>385,700</u>	<u>385,700</u>	<u>298,145</u>	<u>87,555</u>
Total Capital Improvements	<u>410,700</u>	<u>410,700</u>	<u>323,145</u>	<u>87,555</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES				
Deferred Charges				
Overexpenditure of Appropriation Reserves	20,641	20,641	20,641	
Statutory Expenditures				
Contribution to				
Public Employees Retirement System	58,041	58,041	58,041	
Social Security System (O.A.S.I.)	<u>79,000</u>	<u>79,000</u>	<u>74,296</u>	<u>4,704</u>
Total Deferred Charges and Regulatory Expenditures	<u>157,682</u>	<u>157,682</u>	<u>152,978</u>	<u>4,704</u>
	<u>\$ 3,500,882</u>	<u>\$ 3,500,882</u>	<u>\$ 3,142,648</u>	<u>\$ 358,234</u>
	<u>Reference</u>	D-3	D-1	D, D-1
Cash Disbursed	D-5		\$ 2,896,715	
Encumbrances Payable	D-18		200,292	
Deferred Charge				
Overexpenditure of Appropriation Reserves	D-16		20,641	
Due to Water Utility Capital Fund	D-15		<u>25,000</u>	
	D-4		<u>\$ 3,142,648</u>	

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
ELECTRIC UTILITY FUND
AS OF DECEMBER 31, 2009 AND 2008

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
ASSETS			
OPERATING FUND			
Cash	E-5	\$ 2,108,743	\$ 2,431,235
Cash - Change Fund	E-7	50	50
Due from Current Fund	E-12	1,789	
Due from Utilities Trust Fund	F-4	<u>-</u>	<u>2,450</u>
		<u>2,110,582</u>	<u>2,433,735</u>
Receivables With Full Reserves			
Light and Power Charges Receivable	E-8	382,517	393,420
Other Accounts Receivable	E-9	<u>18,242</u>	<u>18,115</u>
		<u>400,759</u>	<u>411,535</u>
Deferred Charges			
Overexpenditure of Appropriation Reserves	E-14	<u>-</u>	<u>22,551</u>
Total Operating Fund		<u>2,511,341</u>	<u>2,867,821</u>
CAPITAL FUND			
Due From Electric Utility Operating Fund	E-13	178,446	318,996
Fixed Capital	E-10	10,542,666	9,952,922
Fixed Capital Authorized and Uncompleted	E-11	<u>34,701</u>	<u>381,500</u>
Total Capital Fund		<u>10,755,813</u>	<u>10,653,418</u>
		<u>\$ 13,267,154</u>	<u>\$ 13,521,239</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
ELECTRIC UTILITY FUND
AS OF DECEMBER 31, 2009 AND 2008
(Continued)

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	E-4,E-15	\$ 314,220	\$ 991,411
Encumbrances Payable	E-16	752,874	73,450
Accounts Payable	E-18		70,103
Accrued Interest on Bonds	E-19	12,054	12,860
Due to Water Utility Operating Fund	D-14	711	-
Due to Electric Utility Capital Fund	E-13	<u>178,446</u>	<u>318,996</u>
		1,258,305	1,466,820
Reserve for Receivables	E	400,759	411,535
Fund Balance	E-1	<u>852,277</u>	<u>989,466</u>
Total Operating Fund		<u>2,511,341</u>	<u>2,867,821</u>
CAPITAL FUND			
Serial Bonds	E-21	1,493,000	1,593,000
Contracts Payable	E-17	2,877	
Improvement Authorizations Funded	E-20	34,701	183,128
Capital Improvement Fund	E-22	266,500	261,500
Reserve for Amortization	E-23	8,818,328	8,310,084
Deferred Reserve for Amortization	E-24	34,701	200,000
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>10,755,813</u>	<u>10,653,418</u>
		<u>\$ 13,267,154</u>	<u>\$ 13,521,239</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2009 and 2008 of \$231,338 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, 2009 AND 2008

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	E-3	\$ 760,143	\$ 662,067
Light and Power Charges	E-3	9,917,957	10,452,713
Miscellaneous Fees	E-3	59,571	105,823
Other Credits to Income			
Appropriation Reserves Lapsed	E-15	300,323	100,532
Cancellation of Outstanding Checks	E-1		1,004
Cancellation of Accounts Payable	E-18	<u>70,103</u>	<u>-</u>
 Total Income		 <u>11,108,097</u>	 <u>11,322,139</u>
 EXPENDITURES			
Operating	E-4	9,882,000	10,282,757
Capital Improvements	E-4	273,000	211,000
Debt Service	E-4	160,922	178,339
Deferred Charges and Statutory Expenditures	E-4	<u>169,221</u>	<u>131,971</u>
 Total Expenditures		 <u>10,485,143</u>	 <u>10,804,067</u>
 Excess in Revenue		 622,954	 518,072
 Fund Balance, January 1,	 E	 <u>989,466</u>	 <u>1,133,461</u>
		1,612,420	1,651,533
Decreased by:			
Utilized as Anticipated Revenue	E-3	<u>760,143</u>	<u>662,067</u>
 Balance, December 31,	 E	 <u>\$ 852,277</u>	 <u>\$ 989,466</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, 2009 AND 2008

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
Balance, January 1	E	\$ 475	\$ 475
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, 2009**

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	E-1	\$ 760,143	\$ 760,143	
Light and Power Charges	E-1,E-3	9,950,000	9,917,957	\$ (32,043)
Miscellaneous	E-1,E-3	<u>75,000</u>	<u>59,571</u>	<u>(15,429)</u>
 Budget Revenues	 E-4	 <u>\$ 10,785,143</u>	 <u>10,737,671</u>	 <u>\$ (47,472)</u>
 <u>Analysis of Realized Revenue</u>				
 Light and Power Charges				
Cash Receipts	E-8		\$ 9,916,168	
Due from Current Fund	E-8		<u>1,789</u>	
	E-3		<u>\$ 9,917,957</u>	
 Miscellaneous:				
Interest on Investments	E-5		\$ 5,979	
Dusk to Dawn Fees	E-9		21,058	
Miscellaneous Fees	E-5		<u>32,534</u>	
	E-3		<u>\$ 59,571</u>	

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
ELECTRIC UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries and Wages	\$ 1,005,000	\$ 1,005,000	\$ 1,002,000	\$ 3,000	
Other Expenses	444,000	534,925	491,815	43,110	
Group Health Insurance	328,000	337,075	335,621	1,454	
Purchase of Electric Current	7,700,000	7,650,000	7,123,253	226,747	\$ 300,000
Franchise & Gross Receipts Taxes-Current Fund	500,000	500,000	500,000		
Payment in Lieu of Taxes - Current Fund	255,000	155,000	155,000	-	-
	<u>10,232,000</u>	<u>10,182,000</u>	<u>9,607,689</u>	<u>274,311</u>	<u>300,000</u>
CAPITAL IMPROVEMENTS					
Capital Improvement Fund	5,000	5,000	5,000		
Capital Outlay	218,000	268,000	232,368	35,632	-
	<u>223,000</u>	<u>273,000</u>	<u>237,368</u>	<u>35,632</u>	<u>-</u>
MUNICIPAL DEBT SERVICE -					
Payment of Bond Principal	100,000	100,000	100,000		
Interest on Bonds	60,922	60,922	60,922	-	-
	<u>160,922</u>	<u>160,922</u>	<u>160,922</u>	<u>-</u>	<u>-</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Deferred Charges					
Overexpenditure of Appropriation Reserves	22,551	22,551	22,551		
Statutory Expenditures					
Contribution to					
Public Employees Retirement System	65,670	65,670	65,670		
Social Security System (O.A.S.I.)	81,000	81,000	76,723	4,277	-
	<u>169,221</u>	<u>169,221</u>	<u>164,944</u>	<u>4,277</u>	<u>-</u>
	<u>\$ 10,785,143</u>	<u>\$ 10,785,143</u>	<u>\$ 10,170,923</u>	<u>\$ 314,220</u>	<u>\$ 300,000</u>

	<u>Reference</u>	E-3	E-1	E, E-1
Cash Disbursed	E-5		\$ 9,329,576	
Deferred Charges				
Overexpenditure of Appropriation Reserves	E-14		22,551	
Encumbrances Payable	E-16		752,874	
Accrued Interest on Bonds	E-19		60,922	
Due to Electric Utility Capital Fund	E-13		<u>5,000</u>	
	E-4		<u>\$10,170,923</u>	

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
UTILITY TRUST FUND
AS OF DECEMBER 31, 2009 AND 2008

ASSETS	<u>Reference</u>	<u>2009</u>	<u>2008</u>
Cash	F-1	\$ 574,978	\$ 567,460
LIABILITIES AND RESERVES			
Deposits Payable			
Water Customers	F-2	\$ 393,955	\$ 391,363
Electric Customers	F-2	181,023	172,091
Due to Water Utility Operating Fund	F-3		1,556
Due to Electric Utility Operating Fund	F-4	<u>-</u>	<u>2,450</u>
 Total Liabilities and Reserves		 <u>\$ 574,978</u>	 <u>\$ 567,460</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SWIM POOL UTILITY FUND
AS OF DECEMBER 31, 2009 AND 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
ASSETS			
OPERATING FUND			
Cash	G-5	\$ 56,216	\$ 85,263
Due from Swim Pool Utility Capital Fund	G-8	<u>23,010</u>	<u>12,510</u>
		<u>79,226</u>	<u>97,773</u>
Deferred Charges			
Operating Deficit	G-10	<u>8,588</u>	<u>-</u>
Total Operating Fund		<u>87,814</u>	<u>97,773</u>
CAPITAL FUND			
Grants Receivable	G-7	42,252	42,252
Due from General Capital Fund	G-9	80,000	-
Fixed Capital	G-11	980,248	884,188
Fixed Capital Authorized and Uncompleted	G-12	<u>149,440</u>	<u>245,500</u>
Total Capital Fund		<u>1,251,940</u>	<u>1,171,940</u>
		<u>\$ 1,339,754</u>	<u>\$ 1,269,713</u>

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SWIM POOL UTILITY FUND
AS OF DECEMBER 31, 2009 AND 2008
(Continued)

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	G-4,G-13	\$ 57,409	\$ 8,487
Encumbrances Payable	G-14	<u>4,305</u>	<u>2,900</u>
		61,714	11,387
Fund Balance	G-1	<u>26,100</u>	<u>86,386</u>
Total Operating Fund		<u>87,814</u>	<u>97,773</u>
CAPITAL FUND			
Bond Anticipation Note	G-16	80,000	
Due to Swim Pool Utility Operating Fund	G-8	23,010	12,510
Improvement Authorizations			
Funded	G-15	42,252	42,252
Unfunded	G-15	107,188	129,688
Capital Improvement Fund	G-17	31,000	31,000
Reserve for Amortization	G-18	926,188	884,188
Deferred Reserve for Amortization	G-19	42,252	30,000
Reserve for Grant Receivable	G-20		42,252
Fund Balance	G-2	<u>50</u>	<u>50</u>
Total Capital Fund		<u>1,251,940</u>	<u>1,171,940</u>
		<u>\$ 1,339,754</u>	<u>\$ 1,269,713</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2009 and 2008 of \$81,248 and \$173,248 respectively. (See Exhibit G-21)

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, 2009 AND 2008

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	G-3	\$ 60,286	\$ 57,465
Membership Fees	G-3	165,040	159,960
Miscellaneous Fees	G-3	20,087	23,286
Other Credits			
Appropriation Reserves Lapsed	G-13	<u>8,285</u>	<u>11,764</u>
Total Income		<u>253,698</u>	<u>252,475</u>
EXPENDITURES			
Operating	G-4	241,200	202,240
Capital Improvements	G-4	1,000	11,000
Deferred Charges and Statutory Expenditures	G-4	<u>20,086</u>	<u>19,225</u>
Total Expenditures		<u>262,286</u>	<u>232,465</u>
Excess (Deficit) in Revenue		<u>(8,588)</u>	<u>20,010</u>
Operating Deficit to be Raised in Budget of Succeeding Year	G-10	<u>\$ (8,588)</u>	
Statutory Excess to Fund Balance			20,010
Fund Balance, January 1,	G	<u>\$ 86,386</u>	<u>123,841</u>
		86,386	143,851
Decreased by:			
Utilized as Anticipated Revenue	G-3	<u>60,286</u>	<u>57,465</u>
Balance, December 31,	G	<u>\$ 26,100</u>	<u>\$ 86,386</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, 2009 AND 2008

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
Balance, January 1	G	\$ 50	\$ 50
Balance, December 31,	G	<u>\$ 50</u>	<u>\$ 50</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
SWIM POOL UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	G-1	\$ 60,286	\$ 60,286	
Membership Fees	G-1,G-5	179,000	165,040	\$ (13,960)
Miscellaneous	G-1,G-3	<u>23,000</u>	<u>20,087</u>	<u>(2,913)</u>
 Budget Revenues	 G-4	 <u>\$ 262,286</u>	 <u>245,413</u>	 <u>\$ (16,873)</u>

Analysis of Realized Revenue

Miscellaneous				
Interest on Investments			\$ 120	
Swim Lessons			5,291	
Fines			323	
Guest Fees			10,953	
Snack Bar Concession Fee			3,100	
Miscellaneous			<u>300</u>	
	G-3,G-5		<u>\$ 20,087</u>	

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SWIM POOL UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
OPERATING				
Salaries and Wages	\$ 105,700	\$ 105,700	\$ 100,136	\$ 5,564
Other Expenses	<u>135,500</u>	<u>135,500</u>	<u>85,081</u>	<u>50,419</u>
 Total Operating	 <u>241,200</u>	 <u>241,200</u>	 <u>185,217</u>	 <u>55,983</u>
 CAPITAL IMPROVEMENTS				
Capital Outlay	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
 Total Capital Improvements	 <u>1,000</u>	 <u>1,000</u>	 <u>-</u>	 <u>1,000</u>
 DEFERRED CHARGES AND STATUTORY EXPENDITURES				
Deferred Charges				
Cost of Improvements-Ord. 6-10	12,000	12,000	12,000	
Statutory Expenditures				
Contribution to Social Security System (O.A.S.I.)	<u>8,086</u>	<u>8,086</u>	<u>7,660</u>	<u>426</u>
 Total Deferred Charges and Regulatory Expenditures	 <u>20,086</u>	 <u>20,086</u>	 <u>19,660</u>	 <u>426</u>
	<u>\$ 262,286</u>	<u>\$ 262,286</u>	<u>\$ 204,877</u>	<u>\$ 57,409</u>

	<u>Reference</u>	G-3	G-1	G,G-1
Cash Disbursed	G-5		\$ 188,572	
Encumbrances Payable	G-14		4,305	
Due to Swim Pool Utility Capital Fund	G-8		<u>12,000</u>	
	G-4		<u>\$ 204,877</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, 2009 AND 2008**

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
ASSETS			
Cash	H-1	\$ 11,427	\$ 8,548
Due From State	H-2	<u> -</u>	<u> 1,510</u>
		<u>\$ 11,427</u>	<u>\$ 10,058</u>
LIABILITIES AND RESERVES			
Due to Current Fund	H-3	\$ 2,000	\$ 2,000
Reserve for Public Assistance	H-4	<u> 9,427</u>	<u> 8,058</u>
		<u>\$ 11,427</u>	<u>\$ 10,058</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
Land	\$ 14,838,300	\$ 7,144,612
Buildings and Building Improvements	5,515,900	7,059,929
Machinery and Equipment	<u>6,759,548</u>	<u>11,228,338</u>
	<u>\$ 27,113,748</u>	<u>\$ 25,432,879</u>
Investment in Fixed Assets	<u>\$ 27,113,748</u>	<u>\$ 25,432,879</u>

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NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

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, 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.

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

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Borough has the following funds and account group:

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

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

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

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

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

Municipal 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.

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

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

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

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

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Utility Rents - 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.

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 2009 and 2008 the Borough Council increased the original budget by \$90,000 and \$11,494. The increase in 2009 was attributable to an emergency resolution for legal expenses. The increase in 2008 was funded by additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2009 and 2008.

**BOROUGH OF PARK RIDGE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Excess Expenditures Over Appropriations

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

<u>2008</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
2007 Appropriation Reserves			
Water Utility Operating Fund			
Other Expenses	\$39,017	\$59,658	\$20,641

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

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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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 and streets and sidewalks are not capitalized.

Fixed Assets purchased after December 31, 2008 are stated as cost. Donated fixed assets are recorded at estimated fair market value at the date of donation.

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

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

General Fixed Assets (Continued)

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

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

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

Reclassifications - Certain reclassifications have been made to the December 31, 2008 balances to conform to the December 31, 2009 presentation.

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.

**BOROUGH OF PARK RIDGE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2009 AND 2008**

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 maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank 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 for a temporary period ending December 31, 2013. SIPC replaces cash claims up to a maximum of \$100,000 for each failed brokerage firm. At December 31, 2009 and 2008, the book value of the Borough's deposits were \$11,504,870 and \$9,077,060 and bank and brokerage firm balances of the Borough's deposits amounted to \$14,026,041 and \$9,005,197, 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>2009</u>	<u>2008</u>
Insured	<u>\$ 14,026,041</u>	<u>\$ 9,005,197</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2009 and 2008, 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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

As of December 31, 2009 and 2008, the Borough had the following investments:

	<u>2009</u>		<u>2008</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)		\$ 21,059		\$ 4,282,824
Lincoln Financial Group				
LOSAP Investment Fund (Unaudited)	\$ 603,639	-	\$ 440,063	-
	<u>\$ 603,639</u>	<u>\$ 21,059</u>	<u>\$ 440,063</u>	<u>\$ 4,282,824</u>

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial risk. As of December 31, 2009 and 2008, \$624,698 and \$4,722,887 of the Borough’s investments were exposed to custodial credit risk as follows:

	<u>2009</u>	<u>2008</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)	\$ 603,639	\$ 440,063
Book Value	<u>21,059</u>	<u>4,282,824</u>
	<u>\$ 624,698</u>	<u>\$ 4,722,887</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 and NJAC 5:30-14.19). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2009 and 2008, the Borough’s investment in Lincoln Financial Group was rated Baa2, respectively and MBIA Inc. was rated Ba3 and Ba1, respectively, by Moody’s Investors Service.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Concentration of Credit Risk – The Borough places no limit in the amount the Borough may invest in any one issuer. For 2009, 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, 2009. For 2008 more than five (5) percent of the Borough’s investments are in MBIA Assets Management Program. These investments are 91% of the Borough’s total investments at December 31, 2008.

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 respective Utility Operating Funds in accordance with the regulatory basis of accounting.

NOTE 3 TAXES AND UTILITY RENTS AND CHARGES RECEIVABLE

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 and charges, which represented 96%, 100% and 100% of the delinquent tax, water and electric rent and charges receivable at December 31, 2008.

Receivables at December 31, 2008 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Electric Utility</u>	<u>Total</u>
<u>2008</u>				
Property Taxes	\$ 250,892			\$ 250,892
Tax Title Liens	3,796			3,796
Utility Rents and Charges	-	\$ 181,406	\$ 411,535	592,941
	<u>\$ 254,688</u>	<u>\$ 181,406</u>	<u>\$ 411,535</u>	<u>\$ 847,629</u>

In 2008, the Borough collected \$232,117 and \$144,554 and \$438,667 from delinquent taxes, water utility and electric utility, rents and charges which represented 98%, 100% and 100% of the delinquent tax, water and electric, rents and charges receivable at December 31, 2007.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

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>2009</u>	<u>2008</u>
Issued		
General		
Bonds, Notes and Loans	\$ 12,729,998	\$ 12,442,000
Electric Utility		
Bonds	1,493,000	1,593,000
Swim Pool Utility		
Notes	<u>80,000</u>	<u>-</u>
	14,302,998	14,035,000
Less Funds Temporarily Held to Pay Bonds, Notes and Loans	<u>137,299</u>	<u>109,119</u>
Net Debt Issued	14,165,699	13,925,881
Authorized But Not Issued		
General		
Bonds and Notes	2,917,313	2,540,063
Water Utility		
Bonds and Notes	650,000	650,000
Electric Utility		
Bonds and Notes	231,338	231,338
Swim Pool Utility		
Bonds and Notes	<u>81,248</u>	<u>173,248</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 18,045,598</u>	<u>\$ 17,520,530</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 4 MUNICIPAL DEBT (Continued)

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 .75% at December 31, 2009 and 2008, respectively.

	<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>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2008</u>			
General Debt	\$ 14,982,063	\$ 3,888	\$ 14,978,175
School Debt	3,690,000	3,690,000	-
Utility Debt	<u>2,659,586</u>	<u>2,659,586</u>	<u>-</u>
Total	<u>\$ 21,331,649</u>	<u>\$ 6,353,474</u>	<u>\$ 14,978,175</u>

The Borough's remaining borrowing power under N.J.S. 40A:2-6, as amended, at December 31, was as follows:

	<u>2009</u>	<u>2008</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 69,366,614	\$ 69,836,234
Net Debt	<u>15,692,703</u>	<u>14,978,175</u>
Remaining Borrowing Power	<u>\$ 53,673,911</u>	<u>\$ 54,858,059</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 4 MUNICIPAL DEBT (Continued)

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>2009</u>	<u>2008</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%	\$ 4,640,000	\$ 4,990,000
\$4,827,000, 2007 Bonds, due in annual installments of \$250,000 to \$350,000 through October, 2023, interest at 3.875 to 4.00%	<u>4,402,000</u>	<u>4,652,000</u>
	<u>\$ 9,042,000</u>	<u>\$ 9,642,000</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>2009</u>	<u>2008</u>
\$500,000, 2008 Loans, due in semi - annual installments of \$12,002 to \$16,833 through July, 2026, interest at 2.00%	<u>\$ 487,998</u>	<u>\$ 500,000</u>

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>2009</u>	<u>2008</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%	<u>\$ 1,493,000</u>	<u>\$ 1,593,000</u>
	<u>\$ 1,493,000</u>	<u>\$ 1,593,000</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 4 MUNICIPAL DEBT (Continued)

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2009 is as follows:

Calendar Year	General		Electric Utility		Total
	Principal	Interest	Principal	Interest	
2010	\$ 649,365	\$ 329,463	\$ 100,000	\$ 57,854	\$ 1,136,682
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
2015-2019	3,540,088	823,174	725,000	121,675	5,209,937
2020-2024	2,596,747	204,249	168,000	6,510	2,975,506
2025-2026	66,341	1,666	-	-	68,007
	<u>\$ 9,529,998</u>	<u>\$ 2,448,188</u>	<u>\$ 1,493,000</u>	<u>\$ 372,895</u>	<u>\$ 13,844,081</u>

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years 2009 and 2008 were as follows:

	Balance, December 31, <u>2008</u>	Additions	Reductions	Balance, December 31, <u>2009</u>	Due Within <u>One Year</u>
<u>2009</u>					
General Capital Fund					
Bonds Payable	\$ 9,642,000		\$ 600,000	\$ 9,042,000	\$ 625,000
Intergovernmental Loans Payable	500,000	-	12,002	487,998	24,365
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, 2009 AND 2008**

NOTE 4 MUNICIPAL DEBT (Continued)

Changes in Long-Term Municipal Debt (Continued)

	December 31, <u>2007</u>	<u>Additions</u>	<u>Reductions</u>	December 31, <u>2008</u>	Within <u>One Year</u>
<u>2008</u>					
General Capital Fund					
Bonds Payable	\$ 10,167,000		\$ 525,000	\$ 9,642,000	\$ 600,000
Intergovernmental Loans Payable	-	\$ 500,000	-	500,000	12,002
General Capital Fund Long-Term Liabilities	<u>\$ 10,167,000</u>	<u>\$ 500,000</u>	<u>\$ 525,000</u>	<u>\$ 10,142,000</u>	<u>\$ 612,002</u>
Electric Capital Fund					
Bonds Payable	\$ 1,693,000	-	\$ 100,000	\$ 1,593,000	\$ 100,000
Electric Capital Fund Long-Term Liabilities	<u>\$ 1,693,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ 1,593,000</u>	<u>\$ 100,000</u>

Short-Term Debt

The Borough's short-term capital debt activity for the years 2009 and 2008 was as follows:

	Balance, December 31, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2009</u>
<u>2009</u>				
Bond Anticipation Notes				
General Capital Fund	\$ 2,300,000	\$ 3,200,000	\$ 2,300,000	\$ 3,200,000
Swim Pool Capital Fund	-	80,000	-	80,000
Total	<u>\$ 2,300,000</u>	<u>\$ 3,280,000</u>	<u>\$ 2,300,000</u>	<u>\$ 3,280,000</u>
	Balance, December 31, <u>2007</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2008</u>
<u>2008</u>				
Bond Anticipation Notes				
General Capital Fund	\$ 160,000	\$ 2,300,000	\$ 160,000	\$ 2,300,000
Total	<u>\$ 160,000</u>	<u>\$ 2,300,000</u>	<u>\$ 160,000</u>	<u>\$ 2,300,000</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 4 MUNICIPAL DEBT (Continued)

Short-Term Debt (Continued)

In addition to the debt shown in the above schedule, municipalities may issue debt to finance special emergency appropriations to temporarily finance operating expenditures. This debt which is not included in the Borough's statutory debt limit calculation is reported in the Current Fund for the years 2009 and 2008 as follows:

	Balance, December 31, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2009</u>
<u>2009</u>				
Special Emergency Notes	\$ 240,000	\$ 120,000	\$ 240,000	\$ 120,000
Total	<u>\$ 240,000</u>	<u>\$ 120,000</u>	<u>\$ 240,000</u>	<u>\$ 120,000</u>
	Balance, December 31, <u>2007</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2008</u>
<u>2008</u>				
Special Emergency Notes	\$ 360,000	\$ 240,000	\$ 360,000	\$ 240,000
Total	<u>\$ 360,000</u>	<u>\$ 240,000</u>	<u>\$ 360,000</u>	<u>\$ 240,000</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 5 FIXED ASSETS

General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years 2009 and 2008.

	Balance, December 31, <u>2008</u>	<u>Additions</u>	<u>Retirements</u>	Prior Period <u>Adjustment</u>	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>
		Balance December 31, <u>2007</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2008</u>
<u>2008</u>					
Land		\$ 7,144,612			\$ 7,144,612
Buildings and Building Improvements		7,059,929			7,059,929
Machinery and Equipment		<u>11,228,338</u>	<u>-</u>	<u>-</u>	<u>11,228,338</u>
		<u>\$ 25,432,879</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,432,879</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 5 FIXED ASSETS (Continued)

Utility Funds Fixed Assets

The following is a summary of changes in the water utility fund fixed assets for the years 2009 and 2008.

<u>Water Utility Fund</u>	Balance December 31, <u>2008</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2009</u>
<u>2009</u>				
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	<u>2,336,996</u>	<u>556,508</u>	<u>-</u>	<u>2,893,504</u>
	<u>\$ 9,222,211</u>	<u>\$ 1,484,269</u>	<u>\$ -</u>	<u>\$ 10,706,480</u>
	Balance December 31, <u>2007</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2008</u>
<u>2008</u>				
Fixed Capital				
Land and Land Rights	\$ 12,887			\$ 12,887
Structures and System Improvements	6,872,328			6,872,328
Vehicles and Equipment	<u>2,336,996</u>	<u>\$ -</u>	<u>\$ -</u>	<u>2,336,996</u>
	<u>\$ 9,222,211</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,222,211</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 5 FIXED ASSETS (Continued)

Utility Funds Fixed Assets (Continued)

The following is a summary of changes in the electric utility fund fixed assets for the years 2009 and 2008.

<u>Electric Utility Fund</u>	Balance December 31, <u>2008</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2009</u>
<u>2009</u>				
Fixed Capital				
Structures and System Improvements	\$ 8,045,365	\$ 489,364		\$ 8,534,729
Vehicles and Equipment	<u>1,907,557</u>	<u>100,380</u>	<u>-</u>	<u>2,007,937</u>
	<u>\$ 9,952,922</u>	<u>\$ 589,744</u>	<u>\$ -</u>	<u>\$ 10,542,666</u>
	Balance December 31, <u>2007</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2008</u>
<u>2008</u>				
Fixed Capital				
Structures and System Improvements	\$ 8,045,365			\$ 8,045,365
Vehicles and Equipment	<u>1,907,557</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,907,557</u>
	<u>\$ 9,952,922</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,952,922</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 5 FIXED ASSETS (Continued)

Utility Fund Fixed Assets

The following is a summary of changes in the swim pool utility fund fixed assets for the years 2009 and 2008.

<u>Swim Pool Utility Fund</u>	Balance December 31, <u>2008</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2009</u>
<u>2009</u>				
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>
	Balance December 31, <u>2007</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2008</u>
<u>2008</u>				
Fixed Capital				
Land and Land Improvements	\$ 43,376			\$ 43,376
Pool Facilities and Improvements	780,416			780,416
Furniture & Equipment	<u>60,396</u>	<u>\$ -</u>	<u>\$ -</u>	<u>60,396</u>
	<u>\$ 884,188</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 884,188</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

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>2009</u>		<u>2008</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	\$ 6,616	\$ 100,154	\$ 25,068	
Trust Fund:				
Animal Control		4,616		\$ 3,172
Unemployment Insurance				19,896
General Capital Fund	98,162	80,000		
Water Utility:				
Operating	914	433,088	1,556	168,088
Capital	433,088		168,088	
Electric Utility:				
Operating	1,789	179,157	2,450	318,996
Capital	178,446		318,996	
Utility Trust Fund				4,006
Swim Pool Utility:				
Operating	23,010		12,510	
Capital	80,000	23,010		12,510
Public Assistance Fund	-	2,000	-	2,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 822,025</u>	<u>\$ 822,025</u>	<u>\$ 528,668</u>	<u>\$ 528,668</u>

The above balances are the result of expenditures being paid by one fund on behalf of another and/or receipts deposited 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, 2009 AND 2008**

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>2009</u>	Utilized in Subsequent Year's Budget	Fund Balance December 31, <u>2008</u>	Utilized in Subsequent Year's Budget
Current Fund				
Cash Surplus	\$ 647,768	\$ 640,000	\$ 1,359,382	\$ 1,125,000
Non-Cash Surplus	<u>175,767</u>	<u>-</u>	<u>138,623</u>	<u>-</u>
	<u>\$ 823,535</u>	<u>\$ 640,000</u>	<u>\$ 1,498,005</u>	<u>\$ 1,125,000</u>
Water Utility Operating Fund				
Cash Surplus	\$ 959,564	\$ 830,721	\$ 1,621,787	\$ 870,882
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>20,641</u>	<u>-</u>
	<u>\$ 959,564</u>	<u>\$ 830,721</u>	<u>\$ 1,642,428</u>	<u>\$ 870,882</u>
Electric Utility Operating Fund				
Cash Surplus	\$ 852,277	\$ 694,491	\$ 966,915	\$ 760,143
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>22,551</u>	<u>-</u>
	<u>\$ 852,277</u>	<u>\$ 694,491</u>	<u>\$ 989,466</u>	<u>\$ 760,143</u>
Swim Pool Utility Operating Fund				
Cash Surplus	\$ 17,512	\$ 10,288	\$ 86,386	\$ 60,286
Non-Cash Surplus	<u>8,588</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 26,100</u>	<u>\$ 10,288</u>	<u>\$ 86,386</u>	<u>\$ 60,286</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 8 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

	<u>Balance</u> <u>December 31,</u>	<u>Subsequent Year</u> <u>Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Budgets</u>
<u>2009</u>			
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	
<u>2008</u>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	\$ 272,000	\$ 128,000	\$ 144,000
Overexpenditure of Appropriations	32,806	32,806	
General Capital Fund			
Expenditure without Ordinance Appropriation	59,855	-	59,855
Water Utility Fund			
Overexpenditure of Appropriation Reserves	20,641	20,641	
Electric Utility Fund			
Overexpenditure of Appropriation Reserves	22,551	22,551	

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

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 \$736,444 and \$772,804 at December 31, 2009 and 2008, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS

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

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.

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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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.

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.

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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Significant Legislation

P.L. 2009, c. 19, effective March 17, 2009 provides an option for local employers to contribute 50 percent of the normal and accrued liability contribution amounts certified by the PERS and PFRS for payments due in State fiscal year 2009. This law also provides that a local employer may pay 100 percent of the required contribution. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries for PERS and PFRS will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the State fiscal year ending June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

P.L. 2008, c. 89, effective November 1, 2008, increased the TPAF and PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; changed the early retirement provisions; increased the minimum annual compensation required for membership eligibility for new members on or after the effective date of this law.

P.L. 2007, c. 103, certain parts effective July 1, 2007, provided for the following: changed contribution rates of TPAF, PERS, and Defined Contribution Retirement Program (DCRP) to 5.5 percent of annual compensation; imposed an annual maximum wage contribution base and a new retirement age to new employees; implemented changes to State Health Benefits Program (SHBP) which included the creation of the School Employees' Health Benefit Program (SEHBP) and established an employee contribution of 1.5 percent of the employee's base salary.

Funded Status and Funding Progress

As of June 30, 2008, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS, is 72.6 percent with an unfunded actuarial accrued liability of \$34.4 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 69.6 percent and \$23.0 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 77.2 percent and \$11.4 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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Actuarial Methods and Assumptions

In the June 30, 2008 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 5.5% for PERS, 8.50% for PFRS and 5.5% for DCRP of employees' annual compensation.

Annual Pension Cost (APC)

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2009 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% employee contribution.

During the years ended December 31, 2009, 2008 and 2007, the Borough was required to contribute for normal cost pension contributions 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>
2009	\$ 546,588	\$ 256,181	None
2008	349,570	204,226	None
2007	235,542	115,090	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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Funding Policy

The Borough fund its post-retirement medical obligations on a pay-as-you-go basis. For the years 2009, 2008 and 2007, the Borough paid \$618,400, \$573,156 and \$520,812, respectively for post-retirement health coverage premiums for eligible retirees and their dependents.

Annual OPEB Cost and Net OPEB Obligation

The Borough's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Borough's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Borough's net OPEB obligation to the plan.

Annual Required Contribution	
Total Annual OPEB Cost (Expense)	\$ 2,136,400
Contributions Made	<u>618,400</u>
Increase in Net OPEB Obligation	1,518,000
Net OPEB Obligation - Beginning of Year	<u>-</u>
Net OPEB Obligation - End of Year	<u>\$ 1,518,000</u>

The Borough's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year 2009 is 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>
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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Actuarial Methods and Assumptions

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

In the January 1, 2009, actuarial valuation, the projected unit credit 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, for medical benefits, of 10 percent initially, reduced by decrements to an ultimate rate of 5 percent after ten years. For prescription drug benefits, an initial trend rate of 11 percent, reduced by decrements to an ultimate rate of 5 percent after twelve 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, 2009 was 29 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.

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.

**BOROUGH OF PARK RIDGE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 12 RISK MANAGEMENT (Continued)

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>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2009	None	\$ 30,965	\$ 6,328
2008	\$ 7,588	11,238	37,255
2007	7,038	11,697	40,565

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, 2009 and 2008. 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, 2009 and 2008, the Borough reserved \$106,101 and \$56,101, 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, 2009 and 2008, 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, 2009 AND 2008**

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, 2009 and 2008, the Borough has not estimated its estimated 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 in part 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 \$1,393 and \$1,393 for 2009 and 2008, respectively, for each eligible volunteer fire department member into the Plan. The Borough also contributed a one-third (1/3) share of \$1,393 and \$1,393 for 2009 and 2008, respectively for each eligible volunteer Tri-Boro Corp. member into the Plan. In addition, the Boroughs of Montvale and Woodcliff Lake also contribute a one-third (1/3) share each of the \$1,393 and \$1,393 for 2009 and 2008, respectively, for each eligible Tri-Boro 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, a subsidiary of Lincoln National Corporation 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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

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

Vesting and Benefits (Continued)

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

Reporting Requirements

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

NOTE 16 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

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

<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
2009		
Mill Pond Dam Rehabilitation	\$241,000	2010
2009 Road Improvement Program	600,000	2010
Mill Road Powerhouse	108,000	2010

NOTE 17 RESTATEMENTS

The Current Fund has been restated as of and for the year ended December 31, 2008 to reflect the consolidation of the Grant Fund with the Current Fund and the reclassification of the Municipal Open Space Preservation assets and liabilities to the Trust Funds. Conversely the Trust Funds have also been restated to reflect the reclassification of the Municipal Open Space Preservation assets and liabilities into its own separate trust fund as required under the regulatory basis of accounting.

	<u>Balance, December 31, 2008 Prior to Restatement</u>	<u>Restatement</u>	<u>Balance December 31, 2008 Restated</u>
<u>Current Fund</u>			
Assets			
Cash and Investments	\$ 3,094,773	\$ (846,224)	\$ 2,248,549
Grants Receivable	-	72,567	72,567
Due from Federal and State Grant Fund	12,689	(12,689)	
Total Assets	3,805,590	(786,346)	3,019,244

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 17 RESTATEMENTS (Continued)

	Balance, December 31, 2008 Prior to Restatement	Restatement	Balance December 31, 2008 Restated
Liabilities, Reserves and Fund Balance			
Liabilities:			
Due to Open Space Trust Fund	\$ 721,224	\$ (721,224)	
Reserve for Open Space Expenditures	125,000	(125,000)	
Reserve for Appropriate Grant Reserves		57,459	\$ 57,459
Reserve for Unappropriated Grant Reserves		2,419	2,419
Total Liabilities	1,915,688	(786,346)	1,129,342
Reserve for Receivables and Other Assets	404,586	(12,689)	391,897
Fund Balance	1,485,316	12,689	1,498,005
Total Liabilities Reserves and Fund Balance	3,805,590	(786,346)	3,019,244
 <u>Federal and State Grant Fund</u>			
Assets			
Grants Receivable	72,567	(72,567)	
Total Assets	72,567	(72,567)	
 Liabilities and Reserves			
Unappropriated Reserves	2,419	(2,419)	
Due to Current Fund	12,689	(12,689)	
Appropriated Reserves	57,459	(57,459)	
Total Liabilities and Reserves	72,567	(72,567)	
 <u>Municipal Open Space Preservation Trust Fund</u>			
Assets			
Cash	-	846,224	846,224
Total Assets	-	846,224	846,224
 Liabilities and Reserves			
Encumbrances Payable	-	125,000	125,000
Reserve for Open Space Expenditures	-	721,224	721,224
Total Reserves and Liabilities	-	846,224	846,224

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 17 RESTATEMENTS (Continued)

The Other Trust Fund has been restated for the asset and liability values at December 31, 2008 as reflected in the 2008 Annual Financial Statement account balances as supported by the Borough's internal accounting records. It appears the amounts reported in the 2008 audit report as of December 31, 2008 were not updated from the prior year (2007) account balances.

	Balance, December 31, 2008 Prior to Restatement	Restatement	Balance December 31, 2008 Restated
<u>Other Trust Fund</u>			
Assets			
Cash	\$ 710,204	\$ 127,588	\$ 837,792
Total Assets	710,204	127,588	837,792
Liabilities and Reserves			
Developers Escrow	653,529	(135,835)	517,694
Payroll Deductions Payable	-	111,104	111,104
Miscellaneous Reserves & Deposits	56,675	152,319	208,994
Total Liabilities and Reserves	710,204	127,588	837,792

NOTE 18 SUBSEQUENT EVENTS

Bond Anticipation Notes

On February 5, 2010 the Borough issued Bond Anticipation Notes in the amount of \$4,726,650 to temporarily finance expenditures related to various capital projects. The Borough has awarded the sale of said notes to Jeffries & Company, Inc. at an interest rate of 1.5%. These notes dated February 5, 2010 will mature on February 4, 2011.

Debt Authorized

On May 11, 2010, the Borough adopted Bond Ordinances authorizing the issuance of \$625,000 and \$180,000 in Bonds or Bond Anticipation Notes to fund certain water and electric capital projects, respectively. 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, 2008 (Restated)		\$ 2,248,549
Increased by:		
Non-Budget Revenue	\$ 147,507	
Petty Cash	750	
Taxes Receivable	32,576,488	
Revenue Accounts Receivable	2,587,692	
NJ Senior Citizen and Veteran's Deductions.	109,750	
Grant Receivables	10,800	
Prepaid Taxes	245,555	
Tax Overpayments	85,967	
Fees Payable	13,599	
Prepaid Revenue - Fire Prevention	17,815	
Miscellaneous Reserves	58,096	
Reserve for Grants - Unappropriated	25,026	
Emergency Notes	120,000	
Received from Unemployment Insurance Trust Fund	19,896	
Received for Water Utility Operating Fund	203	
Received for Electric Utility Operating Fund	1,789	
	<u>36,020,933</u>	
		38,269,482
Decreased by Disbursements:		
2009 Budget Appropriations	10,171,010	
2008 Budget Reserves	268,078	
Encumbrances Payable	51,738	
Petty Cash	1,050	
Tax Overpayment Refunds	75,857	
County Taxes Payable	3,822,161	
Local District School Tax Payable	21,478,872	
Fees Payable	8,672	
LOSAP Contribution Made for the Borough of Woodcliff Lake	13,000	
Miscellaneous Reserves	119,651	
Reserve for Grants- Appropriated	15,868	
Emergency Notes	240,000	
Payments Made for General Capital Fund	9,743	
	<u>36,275,700</u>	
Balance, December 31, 2009		<u>\$ 1,993,782</u>

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

Balance, December 31, 2008	\$ <u>175</u>
Balance, December 31, 2009	\$ <u>175</u>

Analysis of Balance

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

STATEMENT OF PETTY CASH FUNDS

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

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

Balance, December 31, 2008		\$ 1,250
Increased by:		
Senior Citizens' Deductions per Tax Duplicate 2009	\$ 11,000	
Veterans' Deductions per Tax Duplicate 2009	<u>98,250</u>	
		<u>109,250</u>
		110,500
Decreased by:		
Receipts from State of New Jersey	109,750	
Veterans' Deductions Disallowed by Tax Collector	<u>750</u>	
		<u>110,500</u>
Balance, December 31, 2009		<u>\$ -</u>

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

Year	Balance, December 31, 2008	2009 Levy	Senior Citizens' and Veterans' Deductions Disallowed	Cash Collections 2008	2009	Senior Citizens' and Veterans' Deductions Allowed	Transferred to Tax Title Liens	Remitted, Abated or Cancelled	Balance, December 31, 2009
2008	\$ 250,892				\$ 240,062			\$ 6,403	4,427
2009	-	\$ 32,964,084	\$ 750	\$ 234,705	\$ 32,336,426	\$ 109,250	\$ 451	24,840	\$ 259,162
	\$ 250,892	\$ 32,964,084	\$ 750	\$ 234,705	\$ 32,576,488	\$ 109,250	\$ 451	\$ 31,243	\$ 263,589

Analysis of 2009 Property Tax Levy

TAX YIELD	
General Purpose Tax	\$ 32,925,613
Added and Omitted Taxes (54:4-63.10 et seq.)	<u>38,471</u>
	\$ 32,964,084
TAX LEVY	
Local District School Taxes	\$ 21,478,872
County Taxes - General	\$ 3,622,322
County Open Space Preservation	199,839
Due County for Added and Omitted Taxes (54:4-63.10 et seq.)	<u>4,493</u>
	3,826,654
Local Tax for Municipal Purposes	7,612,264
Add Additional Tax Levies	<u>46,294</u>
	7,658,558
	<u>\$ 32,964,084</u>

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

Balance, December 31, 2008	\$ 3,796
Increased by:	
Transfer from Taxes Receivable	<u>451</u>
Balance, December 31, 2009	<u>\$ 4,247</u>

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

Balance, December 31, 2008	\$ 104,800
Decreased by:	
Prior Period Adjustment	<u>4,150</u>
Balance, December 31, 2009	<u>\$ 100,650</u>

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

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

BOROUGH OF PARK RIDGE
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, December 31, <u>2008</u>	Accrued in <u>2009</u>	Collected in <u>2009</u>	Balance, December 31, <u>2009</u>
Borough Clerk				
Licenses				
Alcoholic Beverages		\$ 6,976	\$ 6,976	
Fire Code Department				
Fees and Permits		34,980	34,980	
Health Officer and Registrar				
Fees and Permits		20,677	20,677	
Municipal Court				
Fines and Costs	\$ 7,341	102,827	101,973	\$ 8,195
Interest and Cost on Taxes		55,850	55,850	
Interest on Investments		3,870	3,870	
Joint Insurance Fund Dividend		8,583	8,583	
Recreation Fees		43,219	43,219	
Hotel Tax		211,114	211,114	
Recycling Program		21,921	21,921	
Cable Television Franchise Fee		109,387	109,387	
Water Utility Rental Fees		105,000	105,000	
Pistol Range Fee		14,800	14,800	
Host Community Fees		101,507	101,507	
Tri-Boro Safety Corps		27,904	27,904	
Post Office Rental		190,333	190,333	
Consolidated Municipal Property Tax Relief Aid		112,788	112,788	
Energy Receipts Tax		377,408	377,408	
Watershed Moratorium Offset Aid		1,598	1,598	
Uniform Construction Code Fees		133,465	133,465	
Electric Utility Payment in Lieu of Franchise & Gross Receipts Taxes		500,000	500,000	
Life Hazard Use Fees		12,558	12,558	
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	
Sprint Cell Tower Rent	-	56,781	56,781	-
	<u>\$ 7,341</u>	<u>\$ 2,588,546</u>	<u>\$ 2,587,692</u>	<u>\$ 8,195</u>

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

	Balance, December 31, <u>2008</u>	Accrued in <u>2009</u>	Cash <u>Receipts</u>	Balance, December 31, <u>2009</u>
Bergen County Open Space	\$ 60,000			\$ 60,000
Municipal Alliance on Alcoholism & Drug Abuse	<u>12,567</u>	\$ -	<u>\$ 10,800</u>	<u>1,767</u>
	<u>\$ 72,567</u>	<u>\$ -</u>	<u>\$ 10,800</u>	<u>\$ 61,767</u>

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

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance, December 31, 2008</u>	<u>Raised in 2009 Budget</u>	<u>Balance, December 31, 2009</u>
2005	Storm Damage	\$ 600,000	\$ 120,000	\$ 240,000	\$ 120,000	\$ 120,000
2007	Revision & Codification of Ordinance	20,000	4,000	16,000	4,000	12,000
2007	Preparation of Tax Map	20,000	4,000	16,000	4,000	12,000
				<u>\$ 272,000</u>	<u>\$ 128,000</u>	<u>\$ 144,000</u>

STATEMENT OF DEFERRED CHARGES

	<u>Balance, December 31, 2008</u>	<u>Amount Resulting from 2009 Budget</u>	<u>Raised in 2009 Budget</u>	<u>Balance as of December 31, 2009</u>
Overexpenditure of Appropriation	\$ 32,806	\$	32,806	
Emergency Authorization	-	\$ 90,000	-	\$ 90,000
	<u>\$ 32,806</u>	<u>\$ 90,000</u>	<u>\$ 32,806</u>	<u>\$ 90,000</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF 2008 APPROPRIATION RESERVES**

	Balance, December 31, 2008	Encumbrance Payable Cancelled	Balance After Modification	Expended	Balance Lapsed
Salaries and Wages					
General Administration	\$ 16		\$ 16		\$ 16
Mayor & Council	5,500		-		-
Municipal Clerk	288		288		288
Collection of Taxes	288		288		288
Tax Assessment Administration	17		17		17
Planning Board	932		932		932
Zoning Board Adjustment	1,544		1,544		1,544
Uniform Construction Code	183		183		183
Zoning Official	4		4		4
Housing Task Force	124		124		124
Police	21,899		69,120	\$ 64,330	4,790
Police Pistol Range	981		481		481
Police Reserve	880		880		880
Fire Department	425		425		425
Tri Boro Safety Corps	11,150		11,150		11,150
Fire Prevention/Uniform Fire Code	43		43		43
Municipal Prosecutor	3		128	125	3
Road Repairs and Maintenance	9,238		238		238
Public Buildings & Grounds	2,563		63		63
Maintenance of Vehicles	1,242		242		242
Board of Health	1,797		297		297
Senior Citizen Van	345		345		345
PKRG	2,490		90		90
Recreation	12		12		12
Sewer System	345		345		345
Municipal Court	2		2		2
Public Defender	20	-	20	-	20
Total Salaries & Wages	62,331	-	87,277	64,455	22,822
Other Expenses					
General Administration	631		1,281	1,248	33
Beautification Committee	912		2,687	2,684	3
Public Employee Award Program	4,000		-		-
Municipal Clerk	14,270		14,270	11,020	3,250
Mayor Special Committee	130		330	297	33
Financial Administration	6,057		4,057	2,883	1,174
Collection of Taxes	258		658	649	9
Tax Assessment Administration			-		-
Other Expenses	402		402	100	302
Legal Services & Costs	11,070		7,570	4,699	2,871
Engineering Services & Costs	10,275		13,275	13,274	1
Preparation of Master Plan	5,000		5,000	5,000	-
Planning Board	4,418		4,418	4,371	47
Planning Consultant	2,500		18,500	7,360	11,140
Board of Adjustments	690		690	569	121
Uniform Construction Code	2,547		547	533	14
Zoning Board	889		389	385	4
Housing Task Force	555		555	134	421
Liability Insurance	38		38		38
Insurance					-
Bergen County Municipal Insurance	9,822		22		22
Group Insurance for Employees - Disability	18,607		1,607		1,607

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

Balance, December 31, 2008		\$ 63,570
Increased by:		
Charges to 2009 Appropriations		<u>328,053</u>
		391,623
Decreased by		
Payments	\$ 51,738	
Cancelled Encumbrances Restored to Appropriation Reserves	<u>11,832</u>	
		<u>63,570</u>
Balance, December 31, 2009		<u>\$ 328,053</u>

STATEMENT OF PREPAID TAXES

Balance, December 31, 2008		\$ 234,705
Increased by:		
Collection of 2010 Taxes		<u>245,555</u>
		480,260
Decreased by:		
Applied to 2009 Taxes Receivable		<u>234,705</u>
Balance, December 31, 2009		<u>\$ 245,555</u>

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

Increased by:		
Overpayments in 2009		\$ 85,967
Decreased by:		
Refunds		<u>75,857</u>
Balance, December 31, 2009		<u>\$ 10,110</u>

STATEMENT OF DUE TO LIBRARY

Balance, December 31, 2008		\$ 7,290
Decreased by:		
Cancelled to Operations		<u>\$ 7,290</u>

STATEMENT OF COUNTY TAXES PAYABLE

Increased by:			
2009 Levy		\$ 3,622,322	
General County			
County Open Space Preservation		199,839	
Added and Omitted Taxes (RS 54:4-63.1 et seq.)		<u>4,493</u>	
			\$ 3,826,654
Decreased by:			
Payments			<u>3,822,161</u>
Balance, December 31, 2009			<u>\$ 4,493</u>

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

Increased by:	
Levy Calendar Year 2009	\$ 21,478,872
Decreased by:	
Payments	<u>\$ 21,478,872</u>

EXHIBIT A-23

STATEMENT OF FEES PAYABLE

	<u>Fees Collected</u>	<u>Payments</u>	Balance, December 31, <u>2009</u>
Due State of New Jersey			
Marriage License Fees	\$ 1,560	\$ 1,360	\$ 200
State Construction Fees	<u>12,039</u>	<u>7,312</u>	<u>4,727</u>
	<u>\$ 13,599</u>	<u>\$ 8,672</u>	<u>\$ 4,927</u>

EXHIBIT A-24

STATEMENT OF PREPAID REVENUE - FIRE PREVENTION

Increased by:	
Cash Receipts - Collection of 2010 Revenue	<u>\$ 17,815</u>
Balance, December 31, 2009	<u>\$ 17,815</u>

EXHIBIT A-25

STATEMENT OF RESERVE FOR TAX APPEALS

Balance, December 31, 2008	\$ 56,101
Increased by:	
2009 Budget Appropriation	<u>50,000</u>
Balance, December 31, 2009	<u>\$ 106,101</u>

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

	Balance, December 31, <u>2008</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, December 31, <u>2009</u>
State of New Jersey	\$ 2,033		\$ 2,033	
Police Outside Security	(4,912)	\$ 58,096	61,190	\$ (8,006)
PKRG	500			500
Flood Emergency Reserve	44			44
Revaluation	732			732
Redevelopment Housing	20,290		20,290	
Planning Consultant	31,451		3,875	27,576
Planning Board Special Study	3,170			3,170
PLB Master Plan	5,930			5,930
Reserve for Fire Prevention	1,863		1,863	
Sprint Security Deposit	7,200			7,200
GR Municipal Services	9,292		2,116	7,176
Tax Maps	9,195			9,195
Codification of Ordinances	16,035		3,965	12,070
Deposits-Foreclosed Property	28			28
Public Defender	791			791
Gasoline Purchases	9,708			9,708
PLB	465			465
Fire Prevention	23,929		23,929	
Board of Health Code Fees	390	-	390	-
	<u>\$ 138,134</u>	<u>\$ 58,096</u>	<u>\$ 119,651</u>	<u>\$ 76,579</u>

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

	Balance, December 31, <u>2008</u>	Cash Disbursements	Balance, December 31, <u>2009</u>
DWI Enforcement	\$ 8,020	\$ 5,323	\$ 2,697
Click It or Ticket	3,659		3,659
Recycling Tonnage Grant	10,712	10,245	467
Alcohol Education and Rehab.-DWI Court	1,359	300	1,059
Domestic Violence Grant	2,178		2,178
Bergen County Recycling	6,040		6,040
Clean Communities	9,786		9,786
Body Armor Replacement Fund	3,884		3,884
Storm Water Planning	2,117		2,117
Police Hazardous Replacement Fund	2,406		2,406
Municipal Alliance on Alcoholism & Drug Abuse	7,298	-	7,298
	<u>\$ 57,459</u>	<u>\$ 15,868</u>	<u>\$ 41,591</u>

EXHIBIT A-28

STATEMENT OF RESERVE FOR GRANTS - UNAPPROPRIATED

	Balance, December 31, <u>2008</u>	Receipts	Realized in 2009 Budget	Balance, December 31, <u>2009</u>
Body Armor Grant	\$ 1,756		\$ 1,756	
Recycling Tonnage Grant		\$ 10,913		\$ 10,913
Clean Communities	<u>663</u>	<u>14,113</u>	<u>663</u>	<u>14,113</u>
	<u>\$ 2,419</u>	<u>\$ 25,026</u>	<u>\$ 2,419</u>	<u>\$ 25,026</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF EMERGENCY NOTES**

Balance, December 31, 2008	\$ 240,000
Increased by:	
Cash Received - Notes Issued	<u>120,000</u>
	360,000
Decreased by:	
Cash Disbursed - Notes Paid	<u>240,000</u>
Balance, December 31, 2009	<u>\$ 120,000</u>

TRUST FUNDS

BOROUGH OF PARK RIDGE
STATEMENT OF TRUST FUNDS CASH

	Animal Control	Unemployment Insurance	Other Trust	Open Space	Affordable Housing
Balance, December 31, 2008 (Restated)	\$ 8,431	\$ 57,151	\$ 837,792	\$ 846,224	\$ 644,137
Increased by Receipts:					
Interest on Deposits		38			
Developers Escrow		\$ 41,336			
Payroll Deductions Payable		7,532,570			
Due to State of NJ - Registration Fees	720				
Animal License Fees	3,454		247,242		
Miscellaneous Reserves					
Reserve for Affordable Housing	<u>4,174</u>	<u>38</u>	<u>7,821,148</u>	<u>-</u>	<u>130,562</u>
	12,605	57,189	8,658,940	846,224	774,699
Decreased by Disbursements:					
Developers Escrow			107,336		
Payroll Deductions Payable			7,286,936		
Payments to Current Fund		19,896			
Dog License Fees Paid to State of NJ	710				
Reserve for Animal Expenditures	1,860			82,115	
Encumbrances Payable					
Due to State - Unemployment Claims		1,910			
Miscellaneous Reserves			236,934		
Reserve for Affordable Housing Expenditures	<u>2,570</u>	<u>21,806</u>	<u>7,631,206</u>	<u>82,115</u>	<u>113,600</u>
Balance, December 31, 2009	\$ <u>10,035</u>	\$ <u>35,383</u>	\$ <u>1,027,734</u>	\$ <u>764,109</u>	\$ <u>661,099</u>

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

Increased by:		
State Fees Collected	\$	720
Decreased by:		
Payments to State		<u>710</u>
Balance, December 31, 2009	\$	<u>10</u>

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

Balance, December 31, 2008	\$	3,172
Increased by:		
Statutory Excess in Reserve for Animal Control Expenditures		<u>1,444</u>
Balance, December 31, 2009	\$	<u>4,616</u>

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

Balance, December 31, 2008	\$	5,259
Increased by:		
Animal License Fees		<u>3,454</u>
		8,713
Decreased by:		
Expenditures Under R.S. 4:19-15.11:		
Cash Disbursements	\$	1,860
Statutory Excess Due Current Fund		<u>1,444</u>
		<u>3,304</u>
Balance, December 31, 2009	\$	<u>5,409</u>

EXHIBIT B-5

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

Increased by:	
Unemployment Claims	\$ 30,965
Decreased by:	
Payments to State	<u>1,910</u>
Balance, December 31, 2009	<u>\$ 29,055</u>

EXHIBIT B-6

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

Balance, December 31, 2008	\$ 19,896
Decreased by:	
Payments	<u>\$ 19,896</u>

EXHIBIT B-7

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

Balance, December 31, 2008	\$ 37,255
Increased by:	
Interest	<u>38</u>
	37,293
Decrease by:	
Unemployment Claims Due to State	<u>30,965</u>
Balance, December 31, 2009	<u>\$ 6,328</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF ENCUMBRANCES PAYABLE
MUNICIPAL OPEN SPACE PRESERVATION TRUST FUND**

Balance, December 31, 2008 (Restated)		\$ 125,000
Decreased by:		
Cash Disbursements	\$ 82,115	
Cancelled Encumbrances Restored to Reserve	<u>42,885</u>	
		<u>\$ 125,000</u>

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

Balance, December 31, 2008 (Restated)		\$ 721,224
Increased by:		
Cancelled Encumbrances Payable		<u>42,885</u>
Balance, December 31, 2009		<u>\$ 764,109</u>

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

Balance, December 31, 2008		\$ 644,137
Increased by:		
Cash Receipts		<u>130,562</u>
		774,699
Decreased by:		
Cash Disbursements		<u>113,600</u>
Balance, December 31, 2009		<u>\$ 661,099</u>

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

Balance, December 31, 2008 (Restated)	\$ 517,694
Increased by:	
Deposits Collected	<u>41,336</u>
	559,030
Decreased by:	
Cash Disbursements	<u>107,336</u>
Balance, December 31, 2009	<u>\$ 451,694</u>

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

Balance, December 31, 2008 (Restated)	\$ 111,104
Increased by:	
Cash Receipts	<u>7,532,570</u>
	7,643,674
Decreased by:	
Cash Disbursements	<u>7,286,936</u>
Balance, December 31, 2009	<u>\$ 356,738</u>

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

	Balance, December 31, <u>2008</u> (Restated)	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2009</u>
Fire Prevention Penalty Fees	\$ 10,756	\$ 3,485		\$ 14,241
DARE Donations	17,626	16,254	\$ 11,566	22,314
Recreation Fees	23,130	38,387	41,113	20,404
POAA	1,252	100	131	1,221
Tax Sale Premiums	56,055		33,355	22,700
Legal Advertising Deposits	6,088	600	322	6,366
Fuel Depot Fees (Community Resale)	19,848	168,351	136,577	51,622
Open Bail Account	643	27	89	581
Miscellaneous Fees and Deposits	<u>73,596</u>	<u>20,038</u>	<u>13,781</u>	<u>79,853</u>
	<u>\$ 208,994</u>	<u>\$ 247,242</u>	<u>\$ 236,934</u>	<u>\$ 219,302</u>
Cash Receipts		\$ 247,242		
Cash Disbursements		<u>-</u>	<u>\$ 236,934</u>	
		<u>\$ 247,242</u>	<u>\$ 236,934</u>	

Analysis of Miscellaneous Fees and Deposits - December 31, 2009

First Friends	\$ 9,767
Flowers Holiday Decorations	236
Mayor's Golf Outing	4,071
Teen Center	6,659
Sidewalk and Curb Deposits	52,294
Firemen's Convention	3,600
Retirement	5
Other	<u>3,221</u>
	<u>\$ 79,853</u>

GENERAL CAPITAL

BOROUGH OF PARK RIDGE
STATEMENT OF GENERAL CAPITAL CASH AND INVESTMENTS

Balance, December 31, 2008		\$ 951,041
Increased by Receipts:		
Interest on Investments and Deposits	\$ 2,839	
Premium on Sale of Bond Anticipation Note	8,200	
Deferred Charges Unfunded - Grant Receipts	28,180	
Bond Anticipation Notes	900,000	
Bond Anticipation Notes Received for Swim Pool Capital Fund	<u>80,000</u>	
		<u>1,019,219</u>
		1,970,260
Decreased by Disbursements:		
Payments made for Current Fund	45,744	
Improvement Authorizations	<u>1,890,532</u>	
		<u>1,936,276</u>
Balance, December 31, 2009		<u>\$ 33,984</u>

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

	Balance, December 31, <u>2009</u>
Fund Balance	\$ 33,305
Capital Improvement Fund	8,767
Reserve for Grant Proceeds	249,685
Reserve for Payment of Debt	3,888
Contracts Payable	1,139,121
Due to Swim Pool Utility Capital Fund	80,000
Grants Receivable	(369,734)
Other Receivables	(102,714)
Due from Current Fund	(98,162)
Deferred Charges Expenditure without Ordinance Appropriation	(59,855)
Excess Note Proceeds	28,180
Improvement Authorizations:	
Ordinance	
<u>Number</u>	
95-17/01-19 Removal of Gasoline Tank	(23,750)
98-9 Acquisition of Property	(800)
00-2C Street Lights Program	7,787
00-4 Improvement to Ridge Avenue	(5,462)
00-13 Renovation of High School	(33,541)
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
02-6B/04-08 Removal of Gasoline Tanks	6,870
03-4I/03-12 Construction Police & TBS Hdqtrs	(800)
04-13 Multi Purpose Artificial Turf Installation	(38,091)
04-5C-06-7E Mill Pond Park	68,722
04-5D Recycling Center Improvements	850
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	(947,010)
07-7B Engineering & Design for Dredging Mill Pond	200,000
07-9A Acquisition of New Automotive Vehicle	63,603
07-9B Various Improvements	(390)
07-9D Improvement of Firehouse Building & Lighting	54,872
07-9F Improvement of Leroy Place & Sixth Street	248,005

BOROUGH OF PARK RIDGE
ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

		Balance, December 31, <u>2009</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	(76,418)
09-06	Improvement of Various Roads, Curbs & Sidewalks	(774,749)
09-11	Pedestrian Improvements to Train Station	79,000
09-16	Various Improvements & Acquisitions	<u>(218,609)</u>
		<u>\$ 33,984</u>

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

Ord. No.	Agency	Balance, December 31, <u>2008</u>	Grant Awards	Cash Receipts	Balance, December 31, <u>2009</u>	Balance, Pledged to Improvement Authorization
	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	-	\$ 79,000	-	79,000	79,000
		<u>\$ 290,734</u>	<u>\$ 79,000</u>	<u>\$ -</u>	<u>\$ 369,734</u>	<u>\$ 369,734</u>

EXHIBIT C-5

STATEMENT OF OTHER ACCOUNTS RECEIVABLE

Balance, December 31, 2008	<u>\$ 102,714</u>
Balance, December 31, 2009	<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>

EXHIBIT C-6

STATEMENT OF DUE FROM CURRENT FUND

Increased by:		
2009 Budget Appropriation - Capital Improvement Fund	\$ 65,000	
Payments Made for Current Fund	<u>45,744</u>	
		\$ 110,744
Decreased by:		
Interest on Investments	2,839	
General Capital Fund Expenditures Paid by Current Fund	<u>9,743</u>	
		<u>12,582</u>
Balance, December 31, 2009		<u>\$ 98,162</u>

BOROUGH OF PARK RIDGE
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2008		\$ 10,142,000
Decreased by:		
2009 Budget Appropriations		
General Serial Bonds	\$ 600,000	
Green Trust Loan	<u>12,002</u>	
		<u>612,002</u>
Balance, December 31, 2009		<u><u>\$ 9,529,998</u></u>

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

	Balance December 31, <u>2008</u>	Balance December 31, <u>2009</u>
Overexpenditure of Ordinance Appropriation	\$ 59,855	\$ 59,855

STATEMENT OF CONTRACTS PAYABLE

Increased by:		
Charges to Improvement Authorizations		<u>\$ 1,139,121</u>
Balance, December 31, 2009		<u>\$ 1,139,121</u>

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, January 1, 2009		\$ 7,767
Increased by:		
2009 Budget Appropriation		<u>65,000</u>
		72,767
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>64,000</u>
Balance, December 31, 2009		<u>\$ 8,767</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, 2009	Interest Rate	Balance, December 31, 2008	Increased	Decreased	Balance, December 31, 2009
General Improvements	6/15/2003	\$ 5,970,000	2010-2018	3.25	\$ 4,990,000		\$ 350,000	\$ 4,640,000
			2019-2021	3.50				
			2022	3.50				
General Improvements	10/15/2007	4,827,000	2010-2011	3.875	4,652,000		250,000	4,402,000
			2012-2014	3.875				
			2015-2021	3.875				
			2022	3.875				
			2023	4.000				
					<u>\$ 9,642,000</u>	<u>\$ 600,000</u>	<u>\$ 9,042,000</u>	
Paid by Budget Appropriation						<u>\$ 600,000</u>		

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

Purpose	Date of Issue	Amount of Original Issue	Maturity of Loans		Interest Rate	Balance, December 31, 2008	Decreased	Balance, December 31, 2009
			Date	Outstanding at December 31 2009 Amount				
Memorial Field Improvements	10/20/2008	\$ 500,000	1/23/2010	12,122	2.00			
			7/23/2010	12,243	2.00			
			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				
						\$ 500,000	\$ 12,002	\$ 487,998
						\$ 500,000	\$ 12,002	\$ 487,998
							\$ 12,002	

Paid By Budget Appropriation

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

Increased by:	
Swim Pool Utility BAN Proceeds Deposited in General Capital	\$ <u>80,000</u>
Balance, December 31, 2009	\$ <u>80,000</u>

STATEMENT OF RESERVE FOR GRANT PROCEEDS

<u>Agency</u>	Balance, December 31, <u>2008</u>	Balance, December 31, <u>2009</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>

STATEMENT OF RESERVE FOR PAYMENT OF DEBT SERVICE

Balance, December 31, 2008	\$ <u>3,888</u>
Balance, December 31, 2009	\$ <u>3,888</u>

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

Ord. No.	<u>Description</u>	Balance December 31, 2008	2009 <u>Authorizations</u>	Bond Anticipation Notes Issued	Balance December 31, 2009
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			243,000
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	261,900		\$ 261,900	-
08-08	Various Improvements and Acquisitions	807,500		638,100	169,400
09-06	Improvement of Various Roads, Curbs & Sidewalks		\$ 844,750		844,750
09-16	Various Improvements and Acquisitions	-	432,500	-	432,500
		<u>\$ 2,540,063</u>	<u>\$ 1,277,250</u>	<u>\$ 900,000</u>	<u>\$ 2,917,313</u>

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WATER UTILITY FUND

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

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2008	\$ 4,673,803	\$ -
Increased by Receipts:		
Water Rents	\$ 2,232,840	
Other Accounts Receivable	92,099	
Mobile Antenna Rents	188,817	
Interest on Investments	11,369	
Miscellaneous Fees	30,362	
Woodcliff Lake Surcharge	100,584	
Received for Water Utility Capital Fund	15,000	
Received from Utility Trust Fund	<u>1,556</u>	
	<u>2,672,627</u>	<u>-</u>
	7,346,430	-
Decreased by Disbursements:		
2009 Appropriations	2,896,715	
2008 Appropriation Reserves	72,069	
Encumbrances Payable	114,757	
Miscellaneous Reserves	<u>15,000</u>	
	<u>3,098,541</u>	<u>-</u>
Balance, December 31, 2009	<u>\$ 4,247,889</u>	<u>\$ -</u>

EXHIBIT E-6

**ANALYSIS OF CASH
WATER UTILITY CAPITAL FUND**

	Balance, December 31, <u>2009</u>
Fund Balance	\$ 21,090
Capital Improvement Fund	481,669
Reserve for Well # 20	65,000
Due from Electric Utility Operating Fund	(433,088)
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>225,000</u>
	<u>\$ -</u>

EXHIBIT D-7

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

Balance, December 31, 2008		\$ 25
Balance, December 31, 2009		<u>\$ 25</u>

EXHIBIT D-8

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

Balance, December 31, 2008		\$ 130,132
Increased by:		
Water Rents Levied		<u>2,226,486</u>
		2,356,618
Decreased by:		
Water Rents Collected:		
Cash Receipts	\$ 2,232,840	
Due from Current Fund	203	
Due from Electric Utility Operating Fund	<u>711</u>	
		<u>2,233,754</u>
Balance, December 31, 2009		<u>\$ 122,864</u>

EXHIBIT D-9

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

Balance, December 31, 2008		\$ 32,531
Increased by:		
Other Water Charges Levied - Fire Sprinkler/Hydrants		<u>90,380</u>
		122,911
Decreased by:		
Other Water Charges Collected:		
Fire Sprinklers	\$ 62,664	
Hydrants	<u>29,435</u>	
		<u>92,099</u>
Balance, December 31, 2009		<u>\$ 30,812</u>

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

Balance, December 31, 2008	\$ 18,743
Increased by:	
Surcharges Levied	<u>102,089</u>
	120,832
Decreased by:	
Surcharges Collected	<u>100,584</u>
Balance, December 31, 2009	<u><u>\$ 20,248</u></u>

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

	Balance, December 31, <u>2008</u>	<u>Additions</u> Costs from Fixed Capital Authorized & Uncompleted	Budget Capital Outlay	Balance, December 31, <u>2009</u>
Source of Supply Plant:				
Structures and Improvements	\$ 113,624		\$ 114,975	\$ 228,599
Wells and Springs	2,620,869	\$ 735,213	13,332	3,369,414
Pumping Plant:				
Land and Land Rights	12,887			12,887
Structures and Improvements	549,293		15,080	564,373
Electric Pumping Equipment	640,346		31,915	672,261
Water Treatment Plant - Water				
Treatment Equipment	515,014	439,639	12,099	966,752
Computer Hardware/Software	60,412		6,168	66,580
Transmission and Distribution Plant:				
Structures and Improvements	11,351		5,878	17,229
Distribution Reservoirs and Standpipes	908,091			908,091
Transmission and Distribution Mains	1,253,202		23,490	1,276,692
Services	219,699		1,235	220,934
Meters	720,027		8,667	728,694
Hydrants	217,964		9,891	227,855
Well Communication System	4,047			4,047
General Plant:				
Structures and Improvements	106,115			106,115
Improvements to Utility Garage	102,218			102,218
Office Furniture and Equipment	172,384		2,955	175,339
Transportation Equipment	356,788			356,788
Other General Equipment	305,011			305,011
Tools	86,472		10,555	97,027
Meter Reading System	6,763			6,763
Other Utility Plant:				
Other Tangible Property	189,759		53,177	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
	<u>\$ 9,222,211</u>	<u>\$ 1,174,852</u>	<u>\$ 309,417</u>	<u>\$ 10,706,480</u>
			\$ 298,145	
			<u>11,272</u>	
			<u>\$ 309,417</u>	

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

Ordinance #	Improvement Description	Date	Ordinance Amount	Balance, December 31, 2008	2009 Authorizations		Balance, December 31, 2009
					Deferred Reserve For Authorization	Costs to Fixed Capital	
				\$ 247,562	\$ 247,562		
96-8/98-11.1	Construction of Well #18	4/14/87	\$ 250,000	\$ 247,562	\$		
	Construction of Well #20	4/9/96	325,000	51,244	21,095	\$	30,149
96-8/98-11.1	Construction of Well #20	5/12/98	100,000	100,000	100,000		
98-11.2	Install Treatment Facilities Well #9 & 15	5/12/98	440,000	439,639	439,639		
98-11.3	Rehabilitation of Booster #3	5/12/98	190,000	186,210	172,955		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	200,000	193,601		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
				\$ 1,484,883	\$ 1,174,852	\$ 225,000	\$ 535,031

EXHIBIT D-13

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

Increased by:

Cash Received in Current Fund - Water Rents Receivable \$ 203

Balance, December 31, 2009 \$ 203

EXHIBIT D-14

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

Increased by:

Cash Received in Electric Utility Operating Fund - Water Rents Receivable \$ 711

Balance, December 31, 2009 \$ 711

EXHIBIT D-15

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

Balance, December 31, 2008 \$ 168,088

Increased by:

2009 Budget Appropriation-Capital Improvement Fund \$ 25,000
Improvement Authorization - Ord. 09-20
Funded by Reserve for Handy Harmon Settlement 225,000
Cash Received in Water Operating For Reserve for Well 20 15,000
265,000

Balance, December 31, 2009 \$ 433,088

EXHIBIT D-16

**STATEMENT OF DEFERRED CHARGES -
OVEREXPENDITURE OF APPROPRIATION RESERVES
WATER UTILITY OPERATING FUND**

Balance, December 31, 2008 \$ 20,641

Decreased by:

Raised in 2009 Budget \$ 20,641

**BOROUGH OF PARK RIDGE
STATEMENT OF 2008 APPROPRIATION RESERVES
WATER UTILITY OPERATING FUND**

	Balance, December 31, <u>2008</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING				
Salaries and Wages	\$ 71,540	\$ 71,540		\$ 71,540
Other Expenses	61,207	61,207	\$ 60,797	410
Group Insurance	<u>7,768</u>	<u>7,768</u>	<u>-</u>	<u>7,768</u>
	<u>140,515</u>	<u>140,515</u>	<u>60,797</u>	<u>79,718</u>
CAPITAL IMPROVEMENTS				
Capital Outlay	<u>183,181</u>	<u>183,181</u>	<u>11,272</u>	<u>171,909</u>
Total Capital Improvements	<u>183,181</u>	<u>183,181</u>	<u>11,272</u>	<u>171,909</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES				
Statutory Expenditures				
Contribution to Social Security System (O.A.S.I.)	<u>9,990</u>	<u>9,990</u>	<u>-</u>	<u>9,990</u>
Total Deferred Charges and Statutory Expenditures	<u>9,990</u>	<u>9,990</u>	<u>-</u>	<u>9,990</u>
	<u>\$ 333,686</u>	<u>\$ 333,686</u>	<u>\$ 72,069</u>	<u>\$ 261,617</u>
			Cash Disbursed <u>\$ 72,069</u>	

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

Balance, December 31, 2008		\$ 114,986
Increased by:		
Charges to 2009 Budget Appropriations		<u>200,292</u>
		315,278
Decreased by:		
Transfer to Accounts Payable	\$ 229	
Cash Disbursements	<u>114,757</u>	
		<u>114,986</u>
Balance, December 31, 2009		<u><u>\$ 200,292</u></u>

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

Increased by:		
Transfer from Encumbrances Payable		<u>\$ 229</u>
Balance, December 31, 2009		<u><u>\$ 229</u></u>

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

Ord. No.	Improvement Description	Date	Ordinance Amount	2009		2008		2009	
				Balance, December 31, 2008		Balance, December 31, 2009		Authorizations Handy Harmon Settlement	
				Funded	Unfunded	Funded	Unfunded	Reserve	Funded
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		
				\$ 13,255	\$ 277,074	\$ 225,000	\$ 238,255	\$ 277,074	
				Due from Water Utility Operating Fund					
					\$ 225,000				

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

Balance, December 31, 2008	\$ 456,669
Increased by:	
2009 Budget Appropriation - Due from Water Operating Fund	25,000
Balance, December 31, 2009	\$ 481,669

EXHIBIT D-22

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

Balance, December 31, 2008	\$ 8,629,532
Increased by:	
Transfer from Deferred Reserve for Amortization	\$ 1,414,307
Capital Outlay Budgets	309,417
	1,723,724
Balance, December 31, 2009	\$ 10,353,256

EXHIBIT D-23

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

Ord. No.	Improvement Description	Balance December 31, 2008	Fixed Capital Authorized	Transfer to Reserve for Amortization	Balance, December 31, 2009
	Construction of Well #18	\$ 247,562		\$ 247,562	
96-8/98-11.1	Construction of Well #20	225,000		225,000	
98-11.2	Install Treatment Facilities Well #9 & 15	440,000		440,000	
98-11.3	Rehabilitation of Booster #3	190,000		176,745	\$ 13,255
06-19A	Construction of Well #20	325,000		325,000	
09-20	Construction of Well #1, 2, & 17	-	\$ 225,000	-	225,000
		\$ 1,427,562	\$ 225,000	\$ 1,414,307	\$ 238,255
	Due From Water Utility Operating Fund - Handy Harmon Settlement Reserve		\$ 225,000		

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

Balance, December 31, 2008	\$ 50,000
Increased by:	
Due From Water Utility Operating Fund	15,000
Balance, December 31, 2009	\$ 65,000

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

	Balance, December 31, <u>2008</u>	<u>Increase</u>	<u>Decrease</u>	Balance, December 31, <u>2009</u>
Payment of Water Tank	\$ 9,201			\$ 9,201
Construction of Water Line	16,500		\$ 15,000	1,500
Woodcliff Lake Improvements	680,068	\$ 100,584		780,652
Handy Harmon Settlement	1,731,068	-	225,000	1,506,068
	<u>\$ 2,436,837</u>	<u>\$ 100,584</u>	<u>\$ 240,000</u>	<u>\$ 2,297,421</u>
Surcharge Collected		\$ 100,584		
Cash Disbursements			\$ 15,000	
Due To Water Utility Capital Fund		-	225,000	
		<u>\$ 100,584</u>	<u>\$ 240,000</u>	

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

Ord. No.	<u>Purpose</u>	Balance, December 31, <u>2008</u>	Balance, December 31, <u>2009</u>
96-8/98-	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	<u>100,000</u>	<u>100,000</u>
		<u>\$ 650,000</u>	<u>\$ 650,000</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, 2008	\$ 2,431,235	\$ -
Increased by Receipts:		
Light and Power Charges	\$ 9,916,168	
Other Accounts Receivable - Dusk to Dawn	21,058	
Interest on Investments	5,979	
Miscellaneous Fees	32,534	
Received from Utility Trust Fund	2,450	
Received for Water Utility Operating Fund	<u>711</u>	<u>-</u>
	<u>9,978,900</u>	<u>-</u>
	12,410,135	-
Decreased by Disbursements:		
2009 Appropriations	9,329,576	
2008 Appropriation Reserves	691,482	
Encumbrances Payable	73,056	
Interest on Bonds	61,728	
Payments made for Electric Utility Capital Fund	<u>145,550</u>	<u>-</u>
	<u>10,301,392</u>	<u>-</u>
Balance, December 31, 2009	<u>\$ 2,108,743</u>	<u>\$ -</u>

**ANALYSIS OF CASH
ELECTRIC UTILITY CAPITAL FUND**

	Balance, December 31, <u>2009</u>
Fund Balance	\$ 475
Capital Improvement Fund	266,500
Contracts Payable	2,877
Reserve for Payment of Debt	105,231
Due from Electric Utility Operating Fund	(178,446)
Ord. Improvement	
No. <u>Authorizations</u>	
08-14-90 Impvmt. 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	33,904
06-18 Various Improvements	<u>797</u>
	<u>\$ -</u>

EXHIBIT E-7

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

Balance, December 31, 2008		\$ <u>50</u>
Balance, December 31, 2009		\$ <u>50</u>

EXHIBIT E-8

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

Balance, December 31, 2008		\$ 393,420
Increased by:		
Electric Rents Levied		<u>9,913,045</u>
		10,306,465
Decreased by:		
Electric Rents Collected		
Cash Received	\$ 9,916,168	
Due from Current Fund	<u>1,789</u>	
Electric Rents Cancelled	9,917,957	
	<u>5,991</u>	
		<u>9,923,948</u>
Balance, December 31, 2009		\$ <u>382,517</u>

EXHIBIT E-9

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

Balance, December 31, 2008		\$ 18,115
Increased by:		
Other Electric Rents Levied - Dusk to Dawn		<u>21,185</u>
		39,300
Decreased by:		
Other Electric Rents Collected - Dusk to Dawn		<u>21,058</u>
Balance, December 31, 2009		\$ <u>18,242</u>

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

	Balance, December 31, 2008	Transfer from Fixed Capital Authorized & Uncompleted	Budget Capital Outlay	Balance, December 31, 2009
Structures and Improvements	\$ 297,833	\$ 293,688	\$ 129,995	\$ 721,516
Computer Hardware/Software	108,940		12,049	120,989
Regulating Station	6,102			6,102
Hydro Generator	7,732			7,732
Mill Road Substation	554,580			554,580
Brae Boulevard Substation	1,673,656			1,673,656
Poles, Towers and Fixtures	357,414		22,669	380,083
Cable & Wires	951,027		8,107	959,134
Underground Conduit	103,635			103,635
Underground Conductors & Devices	183,153		5,580	188,733
Line Transformers	534,843		3,614	538,457
Services	313,250		6,900	320,150
Installation of Customers' Services	8,817			8,817
Office Furniture, Etc.	209,470		2,955	212,425
Vehicles/Equipment	1,090,049		2,026	1,092,075
Meters & Current Transformers	291,557		5,604	297,161
Street Lighting & Signal System	274,825		13,065	287,890
Tools, Shop & Garage Equipment	164,224		11,617	175,841
Computer Hardware/Software	78,779			78,779
Meter Reading System	3,993		8,667	12,660
Smoke Detectors	149,897			149,897
Municipal Improvement	75,000			75,000
Holiday Decorations	35,795		9,955	45,750
Store Equipment	12,880			12,880
Laboratory Equipment	6,397			6,397
Miscellaneous Equipment	51,875			51,875
Bear's Nest Village- Regulating Station	713,408			713,408
Construction of Additional Voltage Regulat	149,395			149,395
Construction of Mini-Substation	349,860			349,860
Recreational Lighting	6,345		142	6,487
Scada System	102,275			102,275
Construction Services	200,757			200,757
Improvement to Utility Garage	225,962			225,962
Improvement to Electric System	185,045	6,051		191,096
Conversion Mill Road Substation & Museur	202,940	47,060		250,000
Replace Brae Road Transformer	244,881			244,881
Supervisor Pick-Up	26,331	-	-	26,331
	<u>\$ 9,952,922</u>	<u>\$ 346,799</u>	<u>\$ 242,945</u>	<u>\$ 10,542,666</u>
			2009 Budget Appropriations	\$ 232,368
			2008 Appropriation Reserves	<u>10,577</u>
			<u>\$ 242,945</u>	

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

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance, December 31, 2008</u>	<u>Transfer to Fixed Capital</u>	<u>Balance, December 31, 2009</u>
03-05	Improvement to Electric System	04/22/03	\$ 250,000	\$ 39,955	\$ 6,051	\$ 33,904
05	Conversion Mill Road Substation	03/22/05	100,000	47,060	47,060	-
06-18	Various Improvements	09/05/06	520,000	294,485	293,688	797
				<u>\$ 381,500</u>	<u>\$ 346,799</u>	<u>\$ 34,701</u>

EXHIBIT E-12

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

Increased by:	
Cash Received by Current Fund	\$ <u>1,789</u>
Balance, December 31, 2009	\$ <u>1,789</u>

EXHIBIT E-13

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

Balance, December 31, 2008	\$ 318,996
Increased by:	
2009 Budget Appropriation - Capital Improvement Fund	<u>5,000</u>
	323,996
Decreased by:	
Payments Made for Electric Utility Capital Fund	<u>145,550</u>
Balance, December 31, 2009	\$ <u>178,446</u>

EXHIBIT E-14

**STATEMENT OF DEFERRED CHARGES -
OVEREXPENDITURE OF APPROPRIATION RESERVES
ELECTRIC UTILITY OPERATING FUND**

Balance, December 31, 2008	\$ 22,551
Decreased by:	
Raised in 2009 Budget	<u>\$ 22,551</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF 2008 APPROPRIATION RESERVES
ELECTRIC UTILITY OPERATING FUND**

	Balance, December 31, <u>2008</u>	Encumbrances Cancelled	Balance After Modification	Paid or Charged	Balance Lapsed
OPERATING					
Salaries and Wages	\$ 99,866		\$ 99,866		\$ 99,866
Other Expenses	1,647	\$ 394	2,041		2,041
Purchase of Electric Current	<u>817,754</u>	<u>-</u>	<u>817,754</u>	<u>\$ 680,905</u>	<u>136,849</u>
 Total Operating	 <u>919,267</u>	 <u>394</u>	 <u>919,661</u>	 <u>680,905</u>	 <u>238,756</u>
CAPITAL IMPROVEMENTS					
Capital Outlay	<u>61,262</u>	<u>-</u>	<u>61,262</u>	<u>10,577</u>	<u>50,685</u>
 Total Capital Improvements	 <u>61,262</u>	 <u>-</u>	 <u>61,262</u>	 <u>10,577</u>	 <u>50,685</u>
DEFERRED CHARGES AND STATUTORY					
Statutory Expenditures					
Contribution to Social Security System (O.A.S.I.)	<u>10,882</u>	<u>-</u>	<u>10,882</u>	<u>-</u>	<u>10,882</u>
 Total Deferred Charges and Statutory Expenditures	 <u>10,882</u>	 <u>-</u>	 <u>10,882</u>	 <u>-</u>	 <u>10,882</u>
	<u><u>\$ 991,411</u></u>	<u><u>\$ 394</u></u>	<u><u>\$ 991,805</u></u>	<u><u>\$ 691,482</u></u>	<u><u>\$ 300,323</u></u>

EXHIBIT E-16

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

Balance, December 31, 2008	\$ 73,450
Increased by:	
Charges to 2009 Budget Appropriations	<u>752,874</u>
	826,324
Decreased by:	
Cash Disbursements	\$ 73,056
Cancelled Encumbrances Payable Restored to Appropriation Reserves	<u>394</u>
	<u>73,450</u>
Balance, December 31, 2009	<u><u>\$ 752,874</u></u>

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

Increased by:

Charges to Improvement Authorizations	<u>\$ 2,877</u>
---------------------------------------	-----------------

Balance, December 31, 2009

	<u>\$ 2,877</u>
--	-----------------

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

Balance, December 31, 2008

	\$ 70,103
--	-----------

Decreased by:

Cancellation of Accounts Payable	<u>\$ 70,103</u>
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**STATEMENT OF ACCRUED INTEREST ON BONDS
ELECTRIC UTILITY OPERATING FUND**

Balance, December 31, 2008

	\$ 12,860
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Increased by:

Budget Appropriation for Interest on Bonds	<u>60,922</u>
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	73,782
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Decreased by:

Interest Paid	<u>61,728</u>
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Balance, December 31, 2009

	<u>\$ 12,054</u>
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**BOROUGH OF PARK RIDGE
STATEMENT OF SERIAL BONDS
ELECTRIC UTILITY CAPITAL FUND**

Purpose	Date of Issue	Amount of Original Issue	Maturity of Bonds Outstanding at December 31, 2009		Interest Rate	Balance, December 31, 2008	Increased	Decreased	Balance, December 31, 2009
			Date	Amount					
Electric Utility Bonds	10/15/2007	\$ 1,693,000	2010	\$ 100,000	3.875 %				
			2011-16	125,000	3.875				
			2017-18	150,000	3.875				
			2019	175,000	3.875	\$ 1,593,000	\$ -	\$ 100,000	\$ 1,493,000
			2020	168,000	4.000				
						<u>\$ 1,593,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ 1,493,000</u>
								<u>\$ 100,000</u>	

Paid by Budget Appropriation

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

Balance, December 31, 2008	\$ 261,500
Increased by:	
2009 Budget Appropriation - Due from Electric Utility Operating Fund	5,000
Balance, December 31, 2009	\$ 266,500

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

Balance, December 31, 2008	\$ 8,310,084
Increased by:	
Serial Bonds Paid by Operating Budget	\$ 100,000
Capital Outlay Budgets	242,945
Transfer from Deferred Reserve for Amortization - Net	165,299
	508,244
Balance, December 31, 2009	\$ 8,818,328

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

Ord. No.	<u>Improvement Description</u>	Balance December 31 2008	Transfers (to) From Reserve for <u>Amortization</u>	Balance, December 31, 2009
03-05	Improvement of Electric System		\$ 33,904	\$ 33,904
04	Conversion Mill Road Substation & Museum	\$ 100,000	(100,000)	
05	Conversion Mill Road Substation & Museum	100,000	(100,000)	
06-18	Various Improvements	-	797	797
		\$ 200,000	\$ (165,299)	\$ 34,701

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

Balance, December 31, 2008	<u>\$ 105,231</u>
Balance, December 31, 2009	<u>\$ 105,231</u>

**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>2008</u>	Balance, December 31, <u>2009</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	<u>162,554</u>	<u>162,554</u>
		<u>\$ 231,338</u>	<u>\$ 231,338</u>

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UTILITY TRUST FUND

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

Balance, December 31, 2008		\$ 567,460
Increased by Receipts:		
Water Utility Deposits	\$ 34,100	
Electric Utility Deposits	<u>43,700</u>	
		<u>77,800</u>
		645,260
Decreased by Disbursements:		
Water Utility Deposits	31,508	
Electric Utility Deposits	34,768	
Payments to Water Utility Operating	1,556	
Payments to Electric Utility Operating	<u>2,450</u>	
		<u>70,282</u>
Balance, December 31, 2009		<u>\$ 574,978</u>

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

	Balance, December 31, <u>2008</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance, December 31, <u>2009</u>
Water Utility	\$ 391,363	\$ 34,100	\$ 31,508	\$ 393,955
Electric Utility	<u>172,091</u>	<u>43,700</u>	<u>34,768</u>	<u>181,023</u>
	<u>\$ 563,454</u>	<u>\$ 77,800</u>	<u>\$ 66,276</u>	<u>\$ 574,978</u>

EXHIBIT F-3

STATEMENT OF DUE TO WATER UTILITY OPERATING FUND

Balance, December 31, 2008	\$ 1,556
Decreased by:	
Cash Disbursements	<u>1,556</u>
Balance, December 31, 2009	<u>\$ -</u>

EXHIBIT F-4

STATEMENT OF DUE TO ELECTRIC UTILITY OPERATING FUND

Balance, December 31, 2008	\$ 2,450
Decreased by:	
Cash Disbursements	<u>2,450</u>
Balance, December 31, 2009	<u>\$ -</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, 2008	\$ 85,263	\$ -
Increased by Receipts:		
Membership Fees	165,040	
Miscellaneous Revenue	<u>20,087</u>	<u>-</u>
	<u>185,127</u>	<u>-</u>
	270,390	-
Decreased by Disbursements:		
Appropriations	188,572	
Appropriation Reserves	202	
Encumbrances Payable	2,900	
Payments Made for Swim Pool Utility		
Capital Fund	<u>22,500</u>	<u>-</u>
	<u>214,174</u>	<u>-</u>
Balance, December 31, 2009	<u>\$ 56,216</u>	<u>\$ -</u>

EXHIBIT G-6

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

	Balance, December 31, <u>2009</u>
Fund Balance	\$ 50
Capital Improvement Fund	31,000
Due to Swim Pool Utility Operating Fund	23,010
Due from General Capital Fund	(80,000)
Grants Receivable	(42,252)
Improvement Authorizations <u>Ord. No.</u>	
92 Improvement to Swim Pool	(500)
06-10 Pool Rehabilitation	(53,560)
08-15 Handicap Bathroom	<u>122,252</u>
	<u>\$ -</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF GRANT RECEIVABLE
SWIM POOL UTILITY CAPITAL FUND**

Ord. No.	<u>Grantor</u>	Balance December 31, <u>2008</u>	Balance December 31, <u>2009</u>
08-15	Community Development Block Grant	\$ 42,252	\$ 42,252

EXHIBIT G-8

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

Balance, December 31, 2008	\$ 12,510
Increased by:	
Payments Made for Swim Pool Capital Operating Fund	<u>22,500</u>
	35,010
Decreased by:	
2009 Budget Appropriation - Cost of Improvements - Ord. 6-10	<u>12,000</u>
Balance, December 31, 2009	<u>\$ 23,010</u>

EXHIBIT G-9

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

Increased by:	
BAN Proceeds Deposited in General Capital Fund	<u>\$ 80,000</u>
Balance, December 31, 2009	<u>\$ 80,000</u>

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

	Added in 2009	Balance, December 31, 2009
Operating Deficit	\$ 8,588	\$ 8,588

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

	Balance, December 31, 2008	Transferred From Fixed Capital Authorized and Uncompleted	Balance, December 31, 2009
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	744,813	\$ 96,060	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>\$ 884,188</u>	<u>\$ 96,060</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>Date</u>	<u>Ordinance</u> Amount	Balance, December 31, 2008	Transferred to Fixed Capital	Balance, December 31, 2009
92	Improvement to Swim Pool	11/01/92	\$ 332,500	\$ 500	\$ 500	
06-10	Pool Rehabilitation	09/05/06	120,000	120,000	95,560	\$ 24,440
08-15	Handicap Bathroom	11/25/08	125,000	125,000	-	125,000
				<u>\$ 245,500</u>	<u>\$ 96,060</u>	<u>\$ 149,440</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF 2008 APPROPRIATION RESERVES
SWIM POOL UTILITY OPERATING FUND**

	Balance, December 31, <u>2008</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING				
Salaries and Wages	\$ 4	\$ 4		\$ 4
Other Expenses	<u>5,603</u>	<u>5,603</u>	\$ 202	<u>5,401</u>
Total Operating	<u>5,607</u>	<u>5,607</u>	<u>202</u>	<u>5,405</u>
CAPITAL IMPROVEMENTS				
Capital Outlay	<u>2,876</u>	<u>2,876</u>	-	<u>2,876</u>
Total Capital Improvements	<u>2,876</u>	<u>2,876</u>	-	<u>2,876</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES				
Statutory Expenditures				
Contribution to Social Security System (O.A.S.I.)	<u>4</u>	<u>4</u>	-	<u>4</u>
Total Deferred Charges and Statutory Expenditures	<u>4</u>	<u>4</u>	-	<u>4</u>
	<u>\$ 8,487</u>	<u>\$ 8,487</u>	<u>\$ 202</u>	<u>\$ 8,285</u>

EXHIBIT G-14

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

Balance, December 31, 2008	\$ 2,900
Increased by:	
Charges to 2009 Budget Appropriations	<u>4,305</u>
	7,205
Decreased by:	
Cash Disbursements	<u>2,900</u>
Balance, December 31, 2009	<u>\$ 4,305</u>

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

Ord. No.	Improvement Description	Date	Ordinance Amount	Balance, December 31, 2008		Paid or Charged	Balance, December 31, 2009	
				Funded	Unfunded		Funded	Unfunded
06-10	Pool Rehabilitation	9/5/2006	\$ 120,000	\$ 46,940	\$ 22,500	\$ 24,440		
08-15	Handicap Bathroom	11/25/2008	125,000	82,748	-	82,748		
				<u>\$ 42,252</u>	<u>\$ 129,688</u>	<u>\$ 22,500</u>	<u>\$ 42,252</u>	<u>\$ 107,188</u>

Payments made by Swim Pool
Utility Operating Fund \$ 22,500

**BOROUGH OF PARK RIDGE
STATEMENT OF BOND ANTICIPATION NOTES PAYABLE
SWIM POOL UTILITY CAPITAL FUND**

Ord. No.	Improvement Description	Date of Issue of Original Note	Date of Maturity	Interest Rate	Balance, December 31, 2008	Increased	Decreased	Balance, December 31, 2009
08-15	Handicap Bathroom	2/6/09	2/5/10	2.25 %	\$ -	\$ 80,000	\$ -	\$ 80,000
					\$ -	\$ 80,000	\$ -	\$ 80,000
					Due from General Capital Fund \$ 80,000			

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

Balance, December 31, 2008	\$ <u>31,000</u>
Balance, December 31, 2009	\$ <u>31,000</u>

EXHIBIT G-18

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

Balance, December 31, 2008	\$ 884,188
Increased by:	
Transfer from Deferred Reserve for Amortization	<u>42,000</u>
Balance, December 31, 2009	\$ <u>926,188</u>

EXHIBIT G-19

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

Ord. No.	<u>Improvement Description</u>	Balance December 31, 2008	<u>Increases</u>	Transfer to Reserve For <u>Amortization</u>	Balance, December 31, 2009
06-10	Pool Rehabilitation	\$ 30,000	\$ 12,000	\$ 42,000	
08-15	Handicapped Bathroom	<u>-</u>	<u>42,252</u>	<u>-</u>	<u>\$ 42,252</u>
		<u>\$ 30,000</u>	<u>\$ 54,252</u>	<u>\$ 42,000</u>	<u>\$ 42,252</u>

2009 Budget Appropriation -

Due from Swim Pool Operating Fund	\$ 12,000
Transfer from Reserve for Grant Receivable	<u>42,252</u>
	<u>\$ 54,252</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF RESERVE FOR GRANT RECEIVABLE
SWIM POOL UTILITY CAPITAL FUND**

Balance, December 31, 2008	\$ 42,252
Decreased by:	
Transfer to Deferred Reserve for Amortization	<u>\$ 42,252</u>

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

<u>Ord. No.</u>	<u>Purpose</u>	<u>Balance, December 31, 2008</u>	<u>Decrease</u>	<u>Balance, December 31, 2009</u>
92	Improvement to Swim Pool	\$ 500		\$ 500
06-10	Pool Rehabilitation	90,000	\$ 12,000	78,000
08-15	Handicap Bathroom	<u>82,748</u>	<u>80,000</u>	<u>2,748</u>
		<u>\$ 173,248</u>	<u>\$ 92,000</u>	<u>\$ 81,248</u>
	2009 Budget Appropriation		\$ 12,000	
	Bond Anticipation Note Issued		<u>80,000</u>	
			<u>\$ 92,000</u>	

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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, 2008	\$ 8,548	\$ 1,902	\$ 6,646
Increased by:			
State Aid	20,190		20,190
State Aid - Due from State	<u>1,510</u>	<u>-</u>	<u>1,510</u>
	<u>21,700</u>	<u>-</u>	<u>21,700</u>
	30,248	1,902	28,346
Decreased by:			
Public Assistance Expenditures Eligible for State Aid	<u>18,821</u>	<u>-</u>	<u>18,821</u>
Balance, December 31, 2009	<u>\$ 11,427</u>	<u>\$ 1,902</u>	<u>\$ 9,525</u>

EXHIBIT H-2

**STATEMENT OF DUE FROM STATE
PUBLIC ASSISTANCE FUND**

Balance, December 31, 2008	\$ 1,510
Decreased by:	
Cash Receipts	<u>\$ 1,510</u>

EXHIBIT H-3

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

Balance, December 31, 2008	\$ <u>2,000</u>
Balance, December 31, 2009	<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, 2008	\$ 8,058	\$ 1,902	\$ 6,156
Increased by:			
Revenues	<u>20,190</u>	<u>-</u>	<u>20,190</u>
	28,248	1,902	26,346
Decreased by:			
Expenditures	<u>18,821</u>	<u>-</u>	<u>18,821</u>
Balance, December 31, 2009	<u>\$ 9,427</u>	<u>\$ 1,902</u>	<u>\$ 7,525</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF PUBLIC ASSISTANCE REVENUES**

	<u>Total</u>	<u>Account #1</u>	<u>Account #2</u>
State Aid Payments	<u>\$ 20,190</u>	<u>-</u>	<u>\$ 20,190</u>
Total Revenues/Receipts	<u>\$ 20,190</u>	<u>\$ -</u>	<u>\$ 20,190</u>

STATEMENT OF PUBLIC ASSISTANCE EXPENDITURES

	<u>Total</u>	<u>Account #1</u>	<u>Account #2</u>
Current Year Assistance (State Matching)			
Maintenance	\$ 3,823	-	\$ 3,823
Temporary Rental Assistance	<u>14,998</u>	<u>-</u>	<u>14,998</u>
Total Expenditures/Disbursements	<u>\$ 18,821</u>	<u>\$ -</u>	<u>\$ 18,821</u>

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

PART II

GOVERNMENT AUDITING STANDARDS

YEAR ENDED DECEMBER 31, 2009

LERCH, VINCI & HIGGINS, LLP

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JULIUS B. CONSONI, CPA, 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, 2009, and have issued our report thereon dated September 9, 2010 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 sentences, 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 2009-2, 2009-3, 2009-8, 2009-9 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 2009-1, 2009-4, 2009-7 and 2009-10 to be significant deficiencies.

Compliance and Other Matters

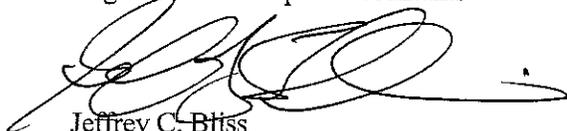
As part of obtaining reasonable assurance about whether the Borough of Park Ridge's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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 2009-1 through 2009-9.

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, 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

**BOROUGH OF PARK RIDGE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2009**

State Grant Program	Account Number	Grant Year	Grant Award	2009 Grant Receipts	Balance, January 1, 2009	Revenue Realized	Expended	Refunds	Balance, December 31, 2009	Cumulative Expended
Drug and Alcohol Municipal Alliance	N/A	2008	\$ 23,500	\$ 10,800	\$ 7,298				\$ 7,298	\$ 16,202
Clean Communities Grant Program	4900-765-178900	2009 2008	14,113 17,531	14,113	9,786	\$ 663	\$ 663		9,786	7,745
Drunk Driving Enforcement Fund	1110-448-031020-22	2008 Prior	2,893 6,125		2,893 5,127		196 5,127		2,697	196 6,125
Alcohol Education and Rehabilitation	760-046-4240-001	2008 Prior	1,189 170		1,189 170		130 170		1,059	130 170
Department of Community Affairs Domestic Violence Grant	N/A	Prior	2,178		2,178				2,178	-
Department of Transportation Discretionary Aid Program Train Station Pedestrian Improvements (Ord. 09-11)	09-480-078-6320-AKC-6010	2009 2009	79,000	79,000		79,000			79,000	-
Body Armour Replacement Fund	N/A	2008 2007 Prior	1,755 1,914 2,859		- 1,914 1,970	1,755	601		1,154 1,914 1,970	601 889
Recycling Tonnage Grant	4830-752-050550-50	2009 2008	10,913 17,330	\$ 10,913	10,712		10,245		467	16,863
NJEDA Hazardous - Discharge Site		Prior	2,406		2,406				2,406	-
Department of Environmental Protection Stormwater Grant	WQ05-475	2008	2,117		2,117				2,117	-
Department of Human Services General Assistance	7500-150-158010-60	2009	20,190	21,700	6,156	20,190	18,821		7,525	18,821
					\$ 53,916	\$ 101,608	\$ 35,953		\$ 119,571	

**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, 2009**

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		\$ 2,418	\$ 2,418
General Capital Fund		79,000	79,000
Public Assistance Fund	-	20,190	20,190
	<u>\$ -</u>	<u>\$ 101,608</u>	<u>\$ 101,608</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, 2009**

NOTE 5 STATE LOANS OUTSTANDING

The Borough's state loan outstanding at December 31, 2009, which is not required to be reported on the schedules of expenditures of federal awards and state financial assistance, is 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>\$487,998</u>

**BOROUGH OF PARK RIDGE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2009**

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

**BOROUGH OF PARK RIDGE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2009**

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 2009-1 – Our audit of the Swim Pool Utility Fund and Trust Funds revealed that a general ledger accounting system has not been implemented and maintained for each of the respective funds.

Criteria – N.J.A.C. 5:30-5-7.

Condition – 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.

Cause – The financial activity of certain funds was not recorded and maintained in a self-balancing double entry accounting system.

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

Recommendation – The Borough implement and maintain a general ledger accounting system for the Swim Pool Utility Funds and each of the Trust Funds.

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

**BOROUGH OF PARK RIDGE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2009**

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 2009-2 – Our audit of the bank reconciliations of the various funds revealed the existence of numerous reconciling items on the monthly bank account reconciliations.

Criteria – Internal controls over bank accounts.

Condition – 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.

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 in a timely manner.

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, 2009**

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 2009-3 – 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, 2009**

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 2009-4 -- 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 \$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.

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, 2009**

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 2009-5 – Our audit of the Water and Electric Utility Funds revealed that budget transfers and the cancellation of budget line item account balances were not approved by the Mayor and Council.

Criteria – Local Budget Law – 40A:4-58, 40A:4-59 and 40A:-60.

Condition – 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.

Cause – Existing internal control procedures of the Borough did not require budget transfers or cancelled appropriations in the Water and Electric Utility Funds to be formally approved by the Mayor and Council.

Effect – The Borough is not in compliance with the Local Budget Law.

Recommendation – Budget transfers and the cancellation of budget line item account balances in the Water and Electric Utility Funds be approved by resolution of the Mayor and Council in accordance with NJSA 40A:4-58 through 40A:4-60.

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, 2009**

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 2009-6 – Several improvement authorizations over five years old have deficit cash balances at year end.

Criteria – Requirements of audit, issued by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Condition – 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.

Cause – Several improvement authorizations adopted prior to 2005 were in a deficit cash position at December 31, 2009 because they have not been funded by the issuance of debt or budget appropriations.

Effect – Borough is not in compliance with accounting practices prescribed by the Division of Local Government Services.

Recommendation – Funds be provided either by debt financing or budget appropriation for improvement authorizations with deficit cash balances that are over five years old.

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, 2009**

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 2009-7 – Our audit revealed that the payment of bills approved in the official minutes of the Borough did not contain payments made from all funds.

Criteria – Local Fiscal Affairs Law – 40A:5-17

Condition – 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.

Cause – Existing internal control procedures of the Borough did not require Water and Electric Utility claims to be approved by the Mayor and Council and included in the official minutes of the Borough. In addition certain Trust Fund payments were not presented to the Mayor and Council for their approval.

Effect – The Borough is not in compliance with the Local Fiscal Affairs Law.

Recommendation – Claims paid from the Water and Electric Utility Funds, as well as, all Trust Funds be approved by the Mayor and Council and be included in the official minutes of the Borough in accordance with NJSA 40A:5-17.

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, 2009**

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 2009-8 – Our audit revealed in certain instances, goods and/or services were ordered 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 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.

Cause – Approved purchase orders are not issued prior to the ordering 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 of goods or services and commitment of Borough funds.

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

**BOROUGH OF PARK RIDGE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2009**

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 2009-9 – Our audit revealed that Federal and State payroll tax withholdings 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.

Cause – Internal control procedures are not in place to ensure payroll taxes 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 are remitted to the respective agencies in a timely manner.

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, 2009**

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 2009-10 – Our audit of the payroll deposits revealed that the amounts transferred to the payroll bank accounts were not in agreement with the respective payroll reports.

Criteria – Internal controls related to the processing of payroll.

Condition – 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.

Cause – Amounts transferred were not in exact amounts as reported on the bi-weekly (26) and supplemental (approximately 25) payroll reports.

Effect – A deficit balance in the net payroll account exists at December 31, 2009.

Recommendation – Internal control procedures be enhanced to ensure the Borough transfers the exact amounts as reported on the respective payroll reports to the Net Payroll and Payroll Agency accounts on a timely basis.

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

**BOROUGH OF PARK RIDGE
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2009**

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

There were none.

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

PART III

SUPPLEMENTARY DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2009

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	<u>Year 2009</u>		<u>Year 2008</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 1,125,000	3.05 %	\$ 1,284,000	3.53 %
Miscellaneous - From Other Than Local				
Property Tax Levies	2,740,457	7.43	2,765,435	7.60
Collection of Delinquent Taxes and Tax Title Liens	240,062	0.65	232,117	0.64
Collection of Current Tax Levy	32,679,631	88.60	31,860,870	87.55
Other Credits to Income	100,604	0.27	248,806	0.68
	<u>36,885,754</u>	<u>100.00</u> %	<u>36,391,228</u>	<u>100.00</u> %
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	11,206,698	30.68 %	10,881,743	30.75 %
County Taxes	3,826,654	10.48	3,753,066	10.60
Local District School Tax	21,478,872	58.81	20,583,527	58.16
Municipal Open Space Tax			173,375	0.49
Other Expenditures	13,000	0.04	396	0.00
	<u>36,525,224</u>	<u>100.00</u> %	<u>35,392,107</u>	<u>100.00</u> %
Excess in Revenue	360,530		999,121	
Adjustments to Income before Fund Balance:				
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year	90,000		-	
Regulatory Excess to Fund Balance	450,530		999,121	
Fund Balance, January 1	<u>1,498,005</u>		<u>1,782,884</u>	
	1,948,535		2,782,005	
Less Utilization as Anticipated Revenue	<u>1,125,000</u>		<u>1,284,000</u>	
Fund Balance, December 31	<u>\$ 823,535</u>		<u>\$ 1,498,005</u>	

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	<u>Year 2009</u>		<u>Year 2008</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 870,882	23.61 %	\$ 658,633	18.49 %
Water Rents	2,233,754	60.55	2,553,306	71.66
Miscellaneous Fees	322,647	8.75	321,813	9.03
Other Credits to Income	<u>261,617</u>	<u>7.09</u>	<u>29,121</u>	<u>0.82</u>
Total Income	<u>3,688,900</u>	<u>100.00 %</u>	<u>3,562,873</u>	<u>100.00 %</u>
EXPENDITURES				
Operating	2,932,500	83.76 %	2,859,065	84.37 %
Capital Improvements	410,700	11.73	403,700	11.91
Deferred Charges and Statutory Expenditures	<u>157,682</u>	<u>4.50</u>	<u>125,868</u>	<u>3.71</u>
Total Expenditures	<u>3,500,882</u>	<u>100.00 %</u>	<u>3,388,633</u>	<u>100.00 %</u>
Excess in Revenue	188,018		174,240	
Fund Balance, January 1	<u>1,642,428</u>		<u>2,126,821</u>	
	1,830,446		2,301,061	
Less Utilization as Anticipated Revenue	<u>870,882</u>		<u>658,633</u>	
Fund Balance, December 31	<u>\$ 959,564</u>		<u>\$ 1,642,428</u>	

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	<u>Year 2009</u>		<u>Year 2008</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 760,143	6.84 %	\$ 662,067	5.85 %
Electric Fees	9,917,957	89.29	10,452,713	92.32
Miscellaneous Fees	59,571	0.54	105,823	0.93
Other Credits to Income	<u>370,426</u>	<u>3.33</u>	<u>101,536</u>	<u>0.90</u>
 Total Income	 <u>11,108,097</u>	 <u>100.00 %</u>	 <u>11,322,139</u>	 <u>100.00 %</u>
EXPENDITURES				
Operating	9,882,000	94.25 %	10,282,757	95.17 %
Capital Improvements	273,000	2.60	211,000	1.95
Debt Service	160,922	1.53	178,339	1.65
Deferred Charges and Statutory Expenditures	<u>169,221</u>	<u>1.61</u>	<u>131,971</u>	<u>1.22</u>
 Total Expenditures	 <u>10,485,143</u>	 <u>100.00 %</u>	 <u>10,804,067</u>	 <u>100.00 %</u>
Excess in Revenue	622,954		518,072	
Fund Balance, January 1	<u>989,466</u>		<u>1,133,461</u>	
	1,612,420		1,651,533	
Less Utilization as Anticipated Revenue	<u>760,143</u>		<u>662,067</u>	
Fund Balance, December 31	<u>\$ 852,277</u>		<u>\$ 989,466</u>	

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	<u>Year 2009</u>		<u>Year 2008</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 60,286	23.76 %	\$ 57,465	22.76 %
Membership Fees	165,040	65.05	159,960	63.36
Miscellaneous Fees	20,087	7.92	23,286	9.22
Other Credits to Income	<u>8,285</u>	<u>3.27</u>	<u>11,764</u>	<u>4.66</u>
Total Income	<u>253,698</u>	<u>100.00 %</u>	<u>252,475</u>	<u>100.00 %</u>
EXPENDITURES				
Operating	241,200	91.96 %	202,240	87.00 %
Capital Improvements	1,000	0.38	11,000	4.73
Deferred Charges and Statutory Expenditures	<u>20,086</u>	<u>7.66</u>	<u>19,225</u>	<u>8.27</u>
Total Expenditures	<u>262,286</u>	<u>100.00 %</u>	<u>232,465</u>	<u>100.00 %</u>
Excess (Deficit) in Revenue	<u>(8,588)</u>		<u>20,010</u>	
Operating Deficit to be Raised in Budget of Succeeding Year	<u>\$ (8,588)</u>			
Statutory Excess to Fund Balance			20,010	
Fund Balance, January 1	<u>86,386</u>		<u>123,841</u>	
	86,386		143,851	
Less Utilization as Anticipated Revenue	<u>60,286</u>		<u>57,465</u>	
Fund Balance, December 31	<u>\$ 26,100</u>		<u>\$ 86,386</u>	

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Tax Rate</u>	<u>\$1.901</u>	<u>\$1.857</u>	<u>\$1.80</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.439	.439	.439
Municipal – Open Space		.010	.010
County	.210	.205	.201
County – Open Space	.012	.012	.010
Local District School	1.240	1.191	1.140

Assessed Valuation

2009	<u>\$1,732,015,306</u>	
2008		<u>\$1,727,777,833</u>
2007		<u>\$1,719,004,988</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>
2009	\$ 32,964,084	\$ 32,679,631	99.13%
2008	32,195,470	31,860,870	98.96%
2007	31,040,846	30,794,332	99.21%

**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>
2009	\$ 4,247	\$ 263,589	\$ 267,836	0.81%
2008	3,796	250,892	254,688	0.79%
2007	3,356	232,867	236,223	0.76%

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>
2009	\$100,650
2008	104,800
2007	104,800

Comparison of Water Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(*)</u>	<u>Percentage of Collection</u>
2009	\$2,226,486	\$2,233,754	100.33%
2008	2,538,883	2,553,306	100.56%
2007	2,780,788	2,739,519	98.52%

Comparison of Electric Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(*)</u>	<u>Percentage of Collection</u>
2009	\$9,913,045	\$9,917,957	100.05%
2008	10,447,375	10,452,713	100.05%
2007	6,831,040	6,617,788	96.88%

*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	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
	2005	1,707,545	800,000
Water Utility Fund	2009	959,564	830,721
	2008	1,642,428	870,882
	2007	2,126,821	658,633
	2006	1,563,767	393,881
	2005	1,250,684	358,120
Electric Utility Operating Fund	2009	852,277	694,491
	2008	989,466	760,143
	2007	1,133,461	662,067
	2006	1,103,167	354,141
	2005	1,148,536	375,540
Swim Pool Utility Operating Fund	2009	26,100	10,288
	2008	86,386	60,286
	2007	123,841	57,465
	2006	119,129	44,465
	2005	108,748	27,650

**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		
Joeen Cianniella	Councilwoman		
Jon Kane	Councilman		
Tamara Levinson	Councilwoman		
Gerry Maughan	Councilman		
Mike Viola	Councilman		
Peter Wells	Councilman		
Helene V. Fall	Borough Administrator		
Colleen Ennis	Chief Financial Officer, Tax Collector – Treasurer	\$1,000,000	MELJIF
Robert J. Mancinelli, Esq.	Borough Attorney		
Azzolina & Feury	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)	
Jessica Mazzarella	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)	
Louis Turli	Superintendent of DPW	(a)	
Chris Botta	Borough Prosecutor	(a)	
Scott Mooney	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 \$50,000 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 police outside employment services in the Other Trust Fund revealed that the fees for outside contractors were not collected prior to the services rendered for police outside employment services.

Recommendation – Each outside contractor requesting police outside employment services be billed in advance an estimated fee to be collected prior to the date in which the outside employment services are rendered in accordance with State guidelines.

- **Finding** – Our audit of the Borough’s Affordable Housing Trust Fund revealed that the 2009 annual financial report was not filed with State Council on Affordable Housing.

Recommendation – The Borough complete and file the annual financial report for Affordable Housing Development fees with the State Council on Affordable Housing in a timely manner.

- **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 wire transfers revealed that formal authorization or approval forms were not utilized.

Recommendation – A formal wire transfer authorization form be implemented to properly document wire transfers completed by Borough personnel.

Purchasing and Accounts Payable

- **Finding** – Our audit revealed in certain instances, executed purchase orders did not contain each of the authorized approval signatures required by Borough policy.

Recommendation – Prior to the payment for goods or services, purchase orders contain each of the required authorized approval signatures in accordance with Borough policy.

- **Finding** – Our audit revealed certain contract awards and purchases which exceeded fifteen percent (15%) of the bid threshold were not accompanied by quotes.

Recommendation – Contract awards and purchases which exceed fifteen percent (15%) of the bid threshold be accompanied by at least two (2) competitive quotations.

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

GENERAL COMMENTS (Continued)

Payroll

- **Finding** – Our audit of the Net Payroll bank reconciliation revealed a deficit balance of approximately \$23,000 at December 31, 2009. We noted this deficit occurred due to a timing difference with the direct deposit pay withdrawals for the January 1, 2010 payroll, therefore no recommendation is deemed warranted.

- **Finding** – Supporting documentation was not included with the bi-weekly payroll records for services rendered related to police outside duty services.

Recommendation – Documentation be included with the bi-weekly payroll records to support time accrued for services rendered related to police outside duty services.

- **Finding** – Our audit revealed approximately twenty-five (25) supplemental payrolls were generated during the calendar year ending December 31, 2009.

Recommendation – Internal control procedures over payroll processing be implemented to reduce the number of supplemental payrolls generated.

- **Finding** – Our audit of employees' salaries indicated that six (6) employees were not paid in accordance with approved employee salary contracts or approved salary resolutions. We noted that it appears two (2) of the individuals were subsequently corrected through the retro pay calculation.

Recommendation – Employees' salaries be calculated and paid in accordance with approved employee salary contracts or salary resolutions.

Swim Pool Utility

- **Finding** – Our audit of the Swim Pool revenue collection accounting and reporting procedures revealed the following:

- A) A detailed cash receipts ledger was not maintained to support amounts collected at the swim pool.
- B) Amounts collected and turned over to the Treasurer were not supported by pre-numbered receipts or payment stubs for each fee collected.
- C) Differences were noted between the Treasurer's records and Swim Pool records for amounts collected.
- D) Membership data base was not updated for 2009.

Recommendation – Revenue collection accounting and reporting procedures in the Swim Pool be reviewed and revised to provide greater internal controls over amounts collected.

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

GENERAL COMMENTS (Continued)

Swim Pool Utility (Continued)

- **Finding** – Our audit of membership fees revealed certain membership fees were waived or discounted for the 2009 season. We noted there was no approved policy or guidelines regulating the waiving or discounting of swim pool membership fees.

Recommendation – A formal policy or guidelines be approved regulating the waiving or discounting of membership fees.

Public Assistance

- **Finding** – Our audit revealed four (4) voided checks that were not removed from the monthly GA-6 and GA-6A reports submitted to the State.

Recommendation – All public assistance checks which are voided be properly removed from the monthly GA-6 and GA-6A reports.

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.

Recommendation – Checks issued from the Municipal Court regular and bail accounts be required to contain two authorized check signatures.

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 and Recreation Departments.
 - B) Monthly financial reports were not prepared by the Borough Clerk, DPW, Planning/Zoning Boards, Board of Health, Fire Prevention 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.

Recommendation – A formalized accounting and reporting system be implemented for amounts collected by the various municipal departments to ensure that cash receipt journals are maintained to account for all funds received, financial reports are prepared monthly and reconciled with the Treasurer and each amount collected is supported by a pre-numbered receipt.

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

GENERAL COMMENTS (Continued)

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

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

The 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. For 2009, the bid threshold was \$29,000 for the first half of the year under the former Qualified Purchasing Agent and \$21,000 for the second half of the year.

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

Water Distribution Services	Pedestrian Impvts. To Train Station
Tree Trimming	Improvements to Veterans Park
Handicapped Ramps	2009 Road Improvement Program
Mill Pond Dam Rehabilitation	Borough Hall Roof Repair
Renovations to Colony Field	Acquisition of Vehicles
Maintenance of Water System Facilities	Electric Substation Maintenance

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 March 10, 2009 adopted the following resolution authorizing interest to be charged on delinquent taxes and water accounts:

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

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

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

GENERAL COMMENTS (Continued)

Collection of Interest of Delinquent Taxes (Continued)

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 9, 2009.

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>
2009	1
2008	1
2007	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.
- Borough attorney review the power adjustment clause in the Borough's Code to determine proper procedures to be followed by both the Board of Public Works and the Mayor and Council.
- Borough review each employee to ensure all eligible employees are enrolled in the appropriate pension system.

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 Borough implement and maintain a general ledger accounting system for the Swim Pool Utility Funds and each of the Trust Funds.
2. Reconciling items on the Borough's bank reconciliations be reviewed and cleared of record 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. Budget transfers and the cancellation of budget line item account balances in the Water and Electric Utility Funds be approved by resolution of the Mayor and Council in accordance with NJSA 40A:4-58 through 40A:4-60.
6. Funds be provided either by debt financing or budget appropriation for improvement authorizations with deficit cash balances that are over five years old.
7. The Borough adopt and implement a formal written policy regarding purchases reimbursed through the Borough's petty cash fund.
8. Each outside contractor requesting police outside employment services be billed in advance an estimated fee to be collected prior to the date in which the outside employment services are rendered in accordance with State guidelines.
9. The Borough Affordable Housing complete and file the annual financial report for Affordable Housing Development fees with the State Council on Affordable Housing in a timely manner.
10. 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.
11. A formal wire transfer authorization form be implemented to properly document wire transfers completed by Borough personnel.

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

RECOMMENDATIONS (Continued)

Purchasing and Accounts Payable

It is recommended that:

1. Claims paid from the Water and Electric Utility Funds, as well as, all Trust Funds, be approved by the Mayor and Council and included in the official minutes of the Borough in accordance with NJSA 40A:5-17.
2. Internal controls be reviewed and revised to ensure approved purchase orders are dated and issued prior to the ordering of goods or services and commitment of Borough funds.
3. Prior to the payment for goods or services, purchase orders contain each of the required authorized approval signatures in accordance with Borough policy.
4. Contract awards and purchases which exceed fifteen percent (15%) of the bid threshold be accompanied by at least two (2) competitive quotations.

Payroll

It is recommended that:

- * 1. Internal control procedures be reviewed and enhanced to ensure Federal and State payroll tax withholdings are remitted to the respective agencies in a timely manner.
2. Internal control procedures be enhanced to ensure the Borough transfers the exact amounts as reported on the respective payroll reports to the Net Payroll and Payroll Agency accounts in a timely manner.
3. Documentation be included with the bi-weekly payroll records to support time accrued for services rendered related to police outside duty services.
4. Internal control procedures over payroll processing be implemented to reduce the number of supplemental payrolls generated.
5. Employees' salaries be calculated and paid in accordance with approved employee salary contracts or salary resolutions.

Swim Pool Utility

It is recommended that:

1. Revenue collection, accounting and reporting procedures in the Swim Pool be reviewed and revised to provide greater internal controls over amounts collected.
2. A formal policy or guidelines be approved regulating the waiving or discounting of membership fees.

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

RECOMMENDATIONS (Continued)

Public Assistance

It is recommended that all public assistance checks which are voided be properly removed from the monthly GA-6 and GA-6A reports.

Departments

Municipal Court

It is recommended that checks issued from the Municipal Court regular and bail accounts be required to contain two authorized check signatures.

Other Departments

It is recommended that a formalized accounting and reporting system be implemented for amounts collected by the various municipal departments to ensure that cash receipt journals are maintained to account for all funds received, financial reports are prepared monthly and reconciled with the Treasurer and each amount collected is supported by a pre-numbered receipt.

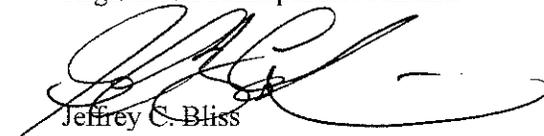
A review was performed on all prior year recommendations and corrective action was taken on all, except the recommendation denoted with an asterisk (*).

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

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

LERCH, VINCI & HIGGINS, LLP

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


Jeffrey C. Bliss
Certified Public Accountant
RMA Number CR00429