

BOROUGH OF PARK RIDGE
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2017

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

PART I

**REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2017**



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITOR’S REPORT

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

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Park Ridge, as of December 31, 2017 and 2016, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2017, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor’s Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Park Ridge as of December 31, 2017 and 2016, or changes in financial position, or, where applicable, cash flows for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 17 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the years ended December 31, 2017 and 2016. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 43.1 percent and 37.2 percent of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2017 and 2016.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the possible effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph above, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough of Park Ridge as of December 31, 2017 and 2016, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the respective revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2017 in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Park Ridge as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards, schedule of expenditures of state financial assistance and the supplementary data and letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Park Ridge.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated May 29, 2018 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 effectiveness of the Borough of Park Ridge's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Park Ridge's internal control over financial reporting and compliance.

Lerch, Vinci & Higgins, LLP

LERCH, VINCI & HIGGINS, LLP

Certified Public Accountants

Registered Municipal Accountants



Jeffrey C. Bliss

Registered Municipal Accountant

RMA Number CR00429

Fair Lawn, New Jersey
May 29, 2018

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2017 AND 2016

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
ASSETS			
Cash	A-4	\$ 7,181,070	\$ 3,676,456
Cash - Change Funds	A-5	450	375
Cash - Petty Cash Fund	A-6	2,000	1,325
Due to State of New Jersey - Senior Citizens' and Veterans' Deductions	A-7	1,555	
Grant Receivables	A-8	<u>192,141</u>	<u>37,904</u>
		<u>7,377,216</u>	<u>3,716,060</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-9	277,681	277,093
Property Acquired for Taxes - Assessed Valuation	A-10	100,650	100,650
Revenue Accounts Receivable	A-11	22,908	38,301
Due from Animal Control Fund	B-5	10,417	7,926
Due from Other Trust Fund	B-14	576,498	335,951
Due from Water Utility Operating Fund	D-15		1,002
Due from Swim Pool Utility Operating Fund	G-11		576
Due from Swim Pool Utility Capital Fund	G-19	-	25,689
Due from Public Assistance Fund	H-2	<u>5,010</u>	<u>-</u>
		<u>993,164</u>	<u>787,188</u>
Deferred Charges			
Emergency Authorizations	A-12	320,000	
Special Emergency Authorizations	A-13	24,960	37,440
Overexpenditure of Budget Appropriations	A-12		304,757
Overexpenditure of Appropriation Reserves	A-12	<u>33,330</u>	<u>-</u>
		<u>378,290</u>	<u>342,197</u>
Total Assets		<u>\$ 8,748,670</u>	<u>\$ 4,845,445</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2017 AND 2016

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3,A-15	\$ 716,931	\$ 547,348
Encumbrances Payable	A-16	127,681	135,001
Accounts Payable	A-17	41,175	41,422
Tax Overpayments	A-18	30,320	
Prepaid Taxes	A-19	3,832,224	295,082
County Taxes Payable	A-20	9,282	16,201
Fees Payable	A-24	7,005	7,705
Due to Municipal Library	A-14	3,752	
Due to Outside Lienholder	A-23	13,435	
Due to State of New Jersey - Senior Citizens' and Veterans' Deductions	A-7		521
Due to Affordable Housing Trust Fund	B-7	34,450	29,722
Due to Municipal Open Space Preservation Trust Fund	A-22	111,620	
Due to General Capital Fund	C-6	285,004	519,739
Due to Water Utility Operating Fund	D-15	64,652	
Due to Water Utility Capital Fund	D-11		4,723
Due to Electric Utility Operating Fund	E-13	28,644	111,199
Due to Electric Utility Capital Fund	E-30		1,919
Due to Utility Trust Fund	F-5		550
Due to Swim Pool Utility Operating Fund	G-11	547	
Due to Public Assistance Fund	H-2		3,487
Reserve for:			
Tax Appeals	A-25	408,081	358,081
Miscellaneous Reserves	A-26	6,250	6,250
Appropriated Grant Reserves	A-27	67,572	44,065
Unappropriated Grant Reserves	A-28	<u>54,767</u>	<u>47,171</u>
		5,843,392	2,170,186
Reserve for Receivables and Other Assets	A	993,164	787,188
Fund Balance	A-1	<u>1,912,114</u>	<u>1,888,071</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 8,748,670</u>	<u>\$ 4,845,445</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 800,000	\$ 750,700
Miscellaneous Revenue Anticipated	A-2	3,391,695	3,135,471
Receipts from Delinquent Taxes	A-2	277,093	307,772
Receipts from Current Taxes	A-2	42,725,796	40,962,736
Non-Budget Revenue	A-2	323,123	123,466
Other Credits to Income			
Unexpended Balances of Appropriation Reserves	A-15	170,830	203,148
Accounts Payable Cancelled	A-17	323	47,667
Statutory Excess from Animal Control Trust Fund	B-5	10,276	
Interfunds and Other Receivables Liquidated	A-1	-	18,154
		<u>47,699,136</u>	<u>45,549,114</u>
Total Revenue			
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries & Wages	A-3	4,624,160	4,391,884
Other Expenses	A-3	6,145,023	5,683,361
Capital Improvements	A-3	225,000	25,275
Debt Service	A-3	1,626,616	1,631,950
Deferred Charges and Statutory Expenditures	A-3	1,202,797	1,189,737
County Taxes	A-20	4,668,150	4,555,804
Local District School Tax	A-21	28,370,946	27,600,648
Municipal Open Space Tax	A-22	111,620	
Overexpenditures of Appropriation Reserves	A-15	33,330	
Refund of Prior Years Revenue	A-1		7,699
Interfunds and Other Receivables Created	A	220,781	-
		<u>47,228,423</u>	<u>45,086,358</u>
Total Expenditures			
Excess in Revenue		470,713	462,756
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-12	353,330	304,757
Statutory Excess to Fund Balance		824,043	767,513
FUND BALANCE, JANUARY 1	A	<u>1,888,071</u>	<u>1,871,258</u>
		2,712,114	2,638,771
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	<u>800,000</u>	<u>750,700</u>
FUND BALANCE, DECEMBER 31	A	<u>\$ 1,912,114</u>	<u>\$ 1,888,071</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Reference</u>	<u>Budget</u>	<u>Added By: 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
FUND BALANCE ANTICIPATED	A-1	\$ 800,000	-	\$ 800,000	-
MISCELLANEOUS REVENUES					
Licenses					
Alcoholic Beverages	A-11	15,000		19,315	\$ 4,315
Fees and Permits					
Fire Code Department	A-11	40,000		45,420	5,420
Board of Health/Registrar	A-11	17,000		23,000	6,000
Fines and Costs - Municipal Court	A-11	125,000		130,910	5,910
Interest and Costs on Taxes	A-11	74,000		67,220	(6,780)
Joint Insurance Fund Dividend	A-11	12,000		12,000	-
Hotel Tax	A-11	250,000		246,248	(3,752)
Recycling Program	A-11	15,000		28,358	13,358
Cable Television Franchise Fee	A-11	143,553		143,553	-
Water Utility Rental Fees	A-11	105,000		105,000	-
Electric Utility Rental Fees	A-11	30,000		30,000	-
Pistol Range Fee	A-11	10,000		20,500	10,500
Tri-Boro Safety Corps.	A-11	50,000		55,062	5,062
Consolidated Municipal Property Tax Relief Aid	A-11	16,161		16,161	-
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	A-11	366,438		366,438	-
Watershed Moratorium Offset Aid	A-11	1,598		1,598	-
Uniform Construction Code Fees	A-11	250,000		331,100	81,100
Clean Communities Program	A-28	21,590		21,590	-
Recycling Tonnage Program	A-28	6,075		6,075	-
Drive Sober Get Pulled Over	A-28	3,077		3,077	-
Occupant Safety Protection	A-28	4,402		4,402	-
Sustainable New Jersey	A-28	5,000		5,000	-
Mun. Alliance on Alc. and Drug Abuse	A-28	6,727		6,727	-
Body Armor Grant	A-8		\$ 2,027	2,027	-
Drive Sober Get Pulled Over	A-8		5,500	5,500	-
Distracted Driver Grant	A-8		5,500	5,500	-
NJ DOT - Mill Road Phase II	A-8		150,000	150,000	-
Donation - Fireworks	A-8		1,000	1,000	-
Water Utility - Payments in Lieu of Taxes	A-11	100,000		100,000	-
Electric Utility - Payments in Lieu of Taxes	A-11	155,000		155,000	-
Electric Utility Payment in Lieu of Franchise and Gross Receipts Taxes	A-11	500,000		500,000	-
Life Hazard Use Fees	A-11	12,000		11,568	(432)
Library Reimbursements	A-11	61,000		61,000	-
Excess Sewer User Fees	A-11	100,000		131,926	31,926
Sprint Cell Tower Rent	A-11	90,500		93,420	2,920
General Capital Fund Balance (Surplus)	C-6	36,000		36,000	-
Cancellation of 2016 Appropriation Reserves	A-15	250,000		250,000	-
BMED Dividend	A-11	200,000	-	200,000	-
Total Miscellaneous Revenues	A-1	<u>3,072,121</u>	<u>164,027</u>	<u>3,391,695</u>	<u>155,547</u>
RECEIPTS FROM DELINQUENT TAXES	A-1,A-9	<u>242,000</u>	-	<u>277,093</u>	<u>35,093</u>
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET					
Local Tax For Municipal Purposes		9,244,066		9,593,414	349,348
Minimum Library Tax		614,266	-	614,266	-
Total Amount to be Raised by Taxes	A-2	<u>9,858,332</u>	-	<u>10,207,680</u>	<u>349,348</u>
	A-3	\$ <u>13,972,453</u>	\$ <u>164,027</u>	14,676,468	\$ <u>539,988</u>
Non-Budget Revenue	A-1,A-2			<u>323,123</u>	
				<u>\$ 14,999,591</u>	

**BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Reference</u>	<u>Realized</u>
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenue from Collections	A-9	\$ 42,775,796
Less: Transferred to Reserve for Tax Appeals	A-25	<u>50,000</u>
Revenue Realized	A-1	42,725,796
Less Allocated to School, County and Municipal Open Space Taxes	A-20,A-21,A-22	<u>33,150,716</u>
		9,575,080
Add Appropriation Reserve for Uncollected Taxes	A-3	<u>632,600</u>
Amount for Support of Municipal Budget Appropriation	A-2	<u>\$ 10,207,680</u>
Analysis of Non-Budget Revenue		
Parking Permits		\$ 21,425
Police Fees		2,143
Zoning/Planning Board Fees		3,080
Smoke Detector Fees		6,250
Bid Specs		3,150
Fire Prevention		1,470
Senior Citizen and Veterans Administration Fees		1,498
Housing Registration		10,900
Auction Fees		21,661
Parking Meters Broadway/RR		6,236
Resale C/O		3,750
Payment in Lieu of Taxes		19,605
FEMA Reimbursements-Winter Storms		50,720
CDBG Reimbursement - Sandy		16,700
Voided Checks		14,900
Snow Removal		10,080
Interest on Deposits		31,547
Insurance Dividend		72,255
Miscellaneous		<u>25,753</u>
	A-2	<u>\$ 323,123</u>
Cash Receipts	A-4	\$ 313,460
Due from Animal Control Fund	B-5	141
Due from Other Trust Fund	B-14	1,979
Due from General Capital Fund	C-6	4,790
Due from Electric Utility Operating Fund	E-13	2,742
Due from Public Assistance Fund	H-2	<u>11</u>
		<u>\$ 323,123</u>

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
General Administration					
Salaries and Wages	\$ 105,980	\$ 97,630	\$ 95,349	\$ 2,281	
Other Expenses	31,900	26,000	25,679	321	
Mayor and Council					
Salaries and Wages	43,200	43,200	42,950	250	
Other Expenses	10,000	12,050	9,397	2,653	
Municipal Clerk					
Salaries and Wages	155,880	143,030	138,610	4,420	
Other Expenses	47,575	49,675	49,675	-	
Other Expenses - Grant Professional	30,000	30,000	30,000		
Financial Administration					
Salaries and Wages	139,500	121,500	117,627	3,873	
Other Expenses	41,075	53,575	42,069	11,506	
Audit Services					
Other Expenses	35,000	35,000	4,441	30,559	
Revenue Administration					
Salaries and Wages	89,000	92,400	91,174	1,226	
Other Expenses	10,940	10,340	5,404	4,936	
Tax Assessment Administration					
Salaries and Wages	15,200	15,200	15,000	200	
Other Expenses	4,125	4,125	2,086	2,039	
Other Expenses - Property Appraisals	10,000	10,000		10,000	
Legal Services and Costs					
Other Expenses	77,500	397,500	359,896	37,604	
Engineering Services and Costs					
Other Expenses	50,000	50,000	45,607	4,393	
LAND USE ADMINISTRATION					
Planning Board					
Salaries and Wages	57,000	56,900	52,110	4,790	
Other Expenses	31,605	27,605	24,788	2,817	
Zoning Board of Adjustment					
Salaries and Wages	32,750	32,850	32,559	291	
Other Expenses	13,540	13,540	10,605	2,935	
Zoning Officer					
Salaries and Wages	14,750	14,750	14,000	750	
Other Expenses	3,670	3,670	2,668	1,002	
Housing Task Force					
Salaries and Wages	12,394	12,194	11,500	694	
Other Expenses	650	650		650	
INSURANCE					
General Liability	223,000	223,000	216,098	6,902	
Employee Group Health	1,459,750	1,404,386	1,342,676	61,710	
Employee Group Health Waiver	25,000	32,500	31,768	732	
Tri-Boro Ambulance	8,000	8,000	8,000	-	

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<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" (Continued)					
PUBLIC SAFETY FUNCTIONS					
Police					
Salaries and Wages	\$ 2,548,668	\$ 2,623,382	\$ 2,623,247	\$	135
Other Expenses	152,900	153,500	152,601		899
Pistol Range					
Other Expenses	20,240	23,040	22,360		680
Police Reserves/EMC					
Salaries and Wages	17,340	17,340	13,340		4,000
Other Expenses	25,900	25,900	17,787		8,113
Tri-Borough Safety Corps					
Other Expenses	280,500	280,500	274,760		5,740
Emergency Management Services					
Salaries and Wages	3,213	3,213	3,150		63
Other Expenses	6,110	6,110	709		5,401
First Aid Organization					
Other Expenses - Contribution	20,000	20,000	20,000		
Fire Department					
Salaries and Wages	50,000	50,000	49,495		505
Other Expenses	88,752	88,752	83,599		5,153
Fire Hydrant Services	15,500	15,500	15,487		13
Fire Prevention					
Salaries and Wages	42,950	42,975	42,950		25
Other Expenses	8,725	8,725	6,854		1,871
PUBLIC WORKS FUNCTION					
Streets and Road Maintenance					
Salaries and Wages	757,153	757,153	749,660		7,493
Other Expenses	178,700	179,000	165,089		13,911
Sewer System					
Salaries and Wages	52,000	52,750	50,576		2,174
Other Expenses	12,400	12,400	5,000		7,400
Shade Tree					
Other Expenses	15,680	15,680	7,693		7,987
Solid Waste Collection					
Other Expenses - Sanitation	508,789	508,789	508,789		-
Other Expenses - Recycling	142,250	142,250	120,531		21,719
Building and Grounds					
Salaries and Wages	96,472	100,472	98,130		2,342
Other Expenses	92,950	92,950	90,752		2,198
Vehicle Maintenance					
Salaries and Wages	99,632	98,882	94,960		3,922
Other Expenses	69,900	74,300	73,660		640

**BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Appropriated</u>		<u>Expended</u>		Unexpended
	<u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	<u>Reserved</u>	Balance <u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Cont'd)					
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries and Wages	\$ 16,000	\$ 13,000	\$ 11,171	\$ 1,829	
Other Expenses	55,604	55,604	49,773	5,831	
Administration of Public Assistance					
Salaries and Wages	10,050	10,125	10,101	24	
Other Expenses	1,300	1,300	305	995	
Aid to Mental Health					
Other Expenses	9,000	9,000	9,000		
PARKS AND RECREATION FUNCTIONS					
Recreation Services and Programs					
Salaries and Wages	32,900	26,900	22,853	4,047	
Other Expenses	25,150	25,150	15,507	9,643	
Senior Citizens					
Salaries and Wages	18,000	18,000	16,405	1,595	
Other Expenses	7,500	8,700	8,379	321	
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events	2,000	2,000	2,000		
Park Ridge Television					
Salaries and Wages	12,250	12,250	12,240	10	
Other Expenses	3,850	3,850	2,284	1,566	
Municipal Services Act					
Other Expenses	20,000	20,000		20,000	
UNIFORM CONSTRUCTION CODE					
APPROPRIATIONS OFFSET BY DEDICATED					
REVENUES (N.J.A.C. 5:23-4-17)					
Construction Code Official					
Salaries and Wages	161,137	161,337	160,844	493	
Other Expenses	12,475	12,475	6,300	6,175	
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	90,000	90,000	83,682	6,318	
Telephone	30,000	30,000	29,621	379	
Water	12,000	12,000	10,427	1,573	
Gas and Oil	19,000	19,000	17,298	1,702	
Gasoline	60,000	60,000	60,000	-	

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Cont'd)					
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Dumping Fees	\$ 75,000	\$ 75,000	\$ 46,351	\$ 28,649	
UNCLASSIFIED:					
Reserve for Terminal Leave	<u>34,700</u>	<u>34,700</u>	<u>34,691</u>	<u>9</u>	<u>-</u>
Total Operations Within "CAPS"	8,793,624	9,115,224	8,722,147	393,077	-
Contingent	<u>5,000</u>	<u>3,300</u>	<u>880</u>	<u>2,420</u>	<u>-</u>
Total Operations Including Contingent Within "CAPS"	<u>8,798,624</u>	<u>9,118,524</u>	<u>8,723,027</u>	<u>395,497</u>	<u>-</u>
Detail:					
Salaries and Wages	4,583,419	4,617,433	4,570,001	47,432	-
Other Expenses	<u>4,215,205</u>	<u>4,501,091</u>	<u>4,153,026</u>	<u>348,065</u>	<u>-</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Deferred Charges					
Overexpenditure of Budget Appropriations	304,757	304,757	304,757		
Statutory Expenditures					
Contribution to					
Social Security System	215,000	215,000	201,913	13,087	
Defined Contribution Retirement Plan	25,000	25,000	-	25,000	
Police & Firemen Retirement System	476,160	476,160	476,159	1	
Public Employees Retirement System	<u>169,400</u>	<u>169,400</u>	<u>169,325</u>	<u>75</u>	<u>-</u>
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>1,190,317</u>	<u>1,190,317</u>	<u>1,152,154</u>	<u>38,163</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>9,988,941</u>	<u>10,308,841</u>	<u>9,875,181</u>	<u>433,660</u>	<u>-</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Recycling Tax	11,000	11,000		11,000	
SEWERAGE PROCESSING AND DISPOSAL					
Bergen County Utilities Authority-Sewer Fees	767,000	767,000	765,869	1,131	
EDUCATION FUNCTIONS					
Maintenance of Free Public Library	614,266	614,266	613,362	904	

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - EXCLUDED FROM "CAPS" (Cont'd)					
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS					
Municipal Court					
Other Expenses - Contractual	\$ 127,495	\$ 127,495	\$ 121,226	\$ 6,269	
PUBLIC SAFETY FUNCTION					
LOSAP					
Fire Department	50,000	50,000		50,000	
Tri-Borough Ambulance	20,000	20,000	-	20,000	-
Total Other Operations Excluded from "CAPS"	<u>1,589,761</u>	<u>1,589,761</u>	<u>1,500,457</u>	<u>89,304</u>	<u>-</u>
PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES					
Municipal Drug Alliance Program - Reserve					
Salaries & Wages	6,727	6,727	4,199	2,528	
Clean Communities Program - Reserve	21,590	21,590	10,852	10,738	
Sustainable New Jersey - Reserve	5,000	5,000		5,000	
Body Armor Grant		2,027	880	1,147	
Donation - Fireworks		1,000	1,000		
Drive Sober Get Pulled Over - Reserve	3,077	8,577		8,577	
Occupant Safety Protection - Reserve	4,402	4,402		4,402	
Distracted Driver Grant		5,500		5,500	
Recycling Tonnage Grant - Reserve	6,075	6,075	-	6,075	-
Total Public and Private Programs Offset by Revenues	<u>46,871</u>	<u>60,898</u>	<u>16,931</u>	<u>43,967</u>	<u>-</u>
Total Operations Excluded from "CAPS"	<u>1,636,632</u>	<u>1,650,659</u>	<u>1,517,388</u>	<u>133,271</u>	<u>-</u>
Detail:					
Salaries and Wages	6,727	6,727	4,199	2,528	-
Other Expenses	<u>1,629,905</u>	<u>1,643,932</u>	<u>1,513,189</u>	<u>130,743</u>	<u>-</u>
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	75,000	75,000	75,000		
NJ DOT - Mill Road Phase II	-	150,000	-	150,000	-
Total Capital Improvements Excluded from "CAPS"	<u>75,000</u>	<u>225,000</u>	<u>75,000</u>	<u>150,000</u>	<u>-</u>

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Appropriated</u>		<u>Expended</u>		Unexpended
	<u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	<u>Reserved</u>	Balance <u>Cancelled</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	\$ 1,080,000	\$ 1,080,000	\$ 1,080,000		
Payment of Bond Anticipation Notes and Capital Notes	102,600	102,600	102,600		
Interest on Bonds	254,500	254,600	254,596		\$ 4
Interest on Notes	76,700	76,700	76,478		222
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	<u>113,000</u>	<u>113,000</u>	<u>112,942</u>	<u>-</u>	<u>58</u>
Total Municipal Debt Service Excluded from "CAPS"	<u>1,626,800</u>	<u>1,626,900</u>	<u>1,626,616</u>	<u>-</u>	<u>284</u>
DEFERRED CHARGES MUNICIPAL- EXCLUDED FROM "CAPS"					
DEFERRED CHARGES					
Special Emergency Authorization - 5 Years	<u>12,480</u>	<u>12,480</u>	<u>12,480</u>	<u>-</u>	<u>-</u>
Total Deferred Charges Municipal Excluded from "CAPS"	<u>12,480</u>	<u>12,480</u>	<u>12,480</u>	<u>-</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>3,350,912</u>	<u>3,515,039</u>	<u>3,231,484</u>	<u>\$ 283,271</u>	<u>284</u>
Subtotal General Appropriations	13,339,853	13,823,880	13,106,665	716,931	284
Reserve for Uncollected Taxes	<u>632,600</u>	<u>632,600</u>	<u>632,600</u>	<u>-</u>	<u>-</u>
Total General Appropriations	<u>\$ 13,972,453</u>	<u>\$ 14,456,480</u>	<u>\$ 13,739,265</u>	<u>\$ 716,931</u>	<u>\$ 284</u>
	<u>Reference</u>	A-2	A-1	A, A-1	
Budget	A-3	\$ 13,972,453			
Added by 40A:4-87 Emergency Authorization	A-2 A-12	164,027 <u>320,000</u>			
		<u>\$ 14,456,480</u>			
Cash Disbursed	A-4		\$ 12,387,370		
Encumbrances Payable	A-16		127,681		
Due to Other Trust Fund	B-14		29,528		
Due to General Capital Fund	C-6		234,723		
Due to Water Utility Operating Fund	D-15		6,040		
Due to Electric Utility Operating Fund	E-13		3,539		
Due to Swim Pool Utility Operating Fund	G-11		547		
Deferred Charges					
Overexpenditure of Budget Appropriations	A-12		304,757		
Special Emergency Authorization	A-13		12,480		
Reserve for Uncollected Taxes	A-2		<u>632,600</u>		
			<u>\$ 13,739,265</u>		

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2017 AND 2016

ASSETS	<u>Reference</u>	<u>2017</u>	<u>2016</u>
ANIMAL CONTROL TRUST FUND			
Cash	B-3	\$ 22,184	\$ 25,352
OTHER TRUST FUND			
Cash	B-3	1,540,989	1,866,275
Police Outside Duty Receivable	B-16	197,177	
Due from Water Utility Operating Fund	D-18	71,397	47,502
Due from Electric Utility Operating Fund	E-15	29,940	24,011
		<u>1,839,503</u>	<u>1,937,788</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Cash	B-3	69,721	85,231
Due from Other Trust Fund	B-15	30,533	21,525
		<u>100,254</u>	<u>106,756</u>
OPEN SPACE PRESERVATION TRUST FUND			
Cash	B-3	63,059	311,440
Due from Current Fund	A-22	111,620	-
		<u>174,679</u>	<u>311,440</u>
AFFORDABLE HOUSING TRUST FUND			
Cash	B-3	322,192	295,216
Due from Current Fund	B-7	34,450	29,722
		<u>356,642</u>	<u>324,938</u>
LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)			
Investments	B	1,811,246	1,533,189
Contributions Receivable	B	74,179	69,234
		<u>1,885,425</u>	<u>1,602,423</u>
Total Assets		<u>\$ 4,378,687</u>	<u>\$ 4,308,697</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2017 AND 2016

LIABILITIES AND RESERVES	<u>Reference</u>	<u>2017</u>	<u>2016</u>
ANIMAL CONTROL TRUST FUND			
Due to State of New Jersey	B-4	\$	217
Due to Current Fund	B-5	\$ 10,417	7,926
Reserve for Animal Control Expenditures	B-6	<u>11,767</u>	<u>17,209</u>
		<u>22,184</u>	<u>25,352</u>
OTHER TRUST FUND			
Due to Current Fund	B-14	576,498	335,951
Due to Unemployment Insurance Trust Fund	B-15	30,533	21,525
Due to General Capital Fund	C-7		80,583
Developers Escrow Deposits	B-12	474,310	837,760
Payroll Deductions Payable	B-13	95,275	152,944
Miscellaneous Reserves & Deposits	B-17	465,710	509,025
Reserve for Police Outside Duty Receivable	B-16	<u>197,177</u>	<u>-</u>
		<u>1,839,503</u>	<u>1,937,788</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Due to State of New Jersey	B-8	172	3,170
Reserve for Unemployment Insurance Benefits	B-9	<u>100,082</u>	<u>103,586</u>
		<u>100,254</u>	<u>106,756</u>
OPEN SPACE PRESERVATION TRUST FUND			
Due to General Capital Fund	C-8		249,929
Reserve for Open Space Expenditures	B-10	<u>174,679</u>	<u>61,511</u>
		<u>174,679</u>	<u>311,440</u>
AFFORDABLE HOUSING TRUST FUND			
Reserve for Affordable Housing	B-11	<u>356,642</u>	<u>324,938</u>
LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)			
Reserve for LOSAP Benefits	B	<u>1,885,425</u>	<u>1,602,423</u>
Total Liabilities and Reserves		<u>\$ 4,378,687</u>	<u>\$ 4,308,697</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES-REGULATORY BASIS
OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Reference</u>	<u>Budget</u>	<u>Anticipated (Memo) Budget After Modification</u>	<u>Realized</u>	<u>Excess or Deficit</u>
Amount to be Raised by Taxation	B-10	\$ 111,412	\$ 111,412	\$ 111,620	\$ 208
	B-2	\$ 111,412	\$ 111,412	111,620	\$ 208
Non-Budget Revenue	B-10			1,548	
				<u>\$ 113,168</u>	
Analysis of Non-Budget Revenue					
Interest on Deposits				<u>\$ 1,548</u>	

**STATEMENT OF APPROPRIATIONS-REGULATORY BASIS
OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budget</u>	<u>Appropriated (Memo) Budget After Modification</u>	<u>Expended Paid or Charged</u>	<u>Reserved</u>
Reserve for Future Use	\$ 111,412	\$ 111,412	\$ -	\$ 111,412
	<u>\$ 111,412</u>	<u>\$ 111,412</u>	<u>\$ -</u>	<u>\$ 111,412</u>
Reference	B-1	B-1	B-10	

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2017 AND 2016

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
ASSETS			
Cash	C-2,C-3	\$ 1,631,244	\$ 1,006,610
Grants Receivable	C-4	467,377	568,256
Other Accounts Receivable	C-5	17,377	17,377
Due from Current Fund	C-6	285,004	519,739
Due from Other Trust Fund	C-7		80,583
Due from Open Space Preservation Trust Fund	C-8		249,929
Deferred Charges to Future Taxation			
Funded	C-9	8,872,135	10,038,419
Unfunded	C-10	5,112,741	3,954,041
 Total Assets		 <u>\$ 16,385,878</u>	 <u>\$ 16,434,954</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Serial Bonds	C-15	\$ 7,604,000	\$ 8,684,000
Green Trust Loan	C-16	1,268,135	1,354,419
Bond Anticipation Notes	C-14	4,834,672	3,833,660
Contracts Payable	C-11	26,636	115,186
Improvement Authorizations			
Funded	C-13	514,859	888,116
Unfunded	C-13	857,014	494,872
Due to Water Utility Capital Fund	D-19	696,725	591,840
Due to Electric Utility Capital Fund	E-16	340,263	240,500
Due to Swim Pool Utility Capital Fund	G-9	40,978	57,063
Capital Improvement Fund	C-12	8,584	37,684
Reserve for Grants Receivable	C-4	24,000	24,000
Reserve for Park Avenue Bridge Improvements	C-17	167,297	74,797
Reserve for Municipal Building Improvements	C-18	2,252	2,252
Fund Balance	C-1	463	36,565
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 16,385,878</u>	 <u>\$ 16,434,954</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2017 and 2016 of \$278,169 and \$130,289, respectively. (See Exhibit C-19)

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
Balance, January 1	C	\$ 36,565	\$ 166,247
Increased by:			
Premium on Sale of Notes	C-1		30,593
Funded Improvement Authorizations Cancelled	C-13	<u>41,779</u>	<u>-</u>
		78,344	196,840
Decreased by:			
Appropriation to Finance Improvement Authorizations	C-13	41,881	47,275
Anticipated as Current Fund Revenue	C-6	<u>36,000</u>	<u>113,000</u>
Balance, December 31	C	<u>\$ 463</u>	<u>\$ 36,565</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2017 AND 2016**

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
ASSETS			
OPERATING FUND			
Cash	D-5	\$ 2,031,583	\$ 3,256,448
Cash - Change Fund	D-7	25	25
Due from Current Fund	D-15	64,652	
Due from Water Utility Capital Fund	D-17	757,444	
Due from Electric Utility Operating Fund	D-16	8,893	81,378
Due from Utility Trust Fund	F-3	20,104	77,599
		<u>2,882,701</u>	<u>3,415,450</u>
Receivables With Full Reserves			
Water Usage Charges Receivable	D-8	291,980	201,781
Other Charges Receivable	D-9	66,388	44,426
Woodcliff Lake Surcharge Receivable	D-10	43,682	33,430
		<u>402,050</u>	<u>279,637</u>
Deferred Charges			
Emergency Authorization	D-12	-	100,000
		<u>3,284,751</u>	<u>3,795,087</u>
CAPITAL FUND			
Cash	D-5, D-6	960,303	
Due from Current Fund	D-11		4,723
Due from General Capital Fund	D-19	696,725	591,840
Due from Water Utility Operating Fund	D-17		360,009
Fixed Capital	D-13	13,582,335	13,365,755
Fixed Capital Authorized and Uncompleted	D-14	3,717,123	2,667,123
		<u>18,956,486</u>	<u>16,989,450</u>
		<u>\$ 22,241,237</u>	<u>\$ 20,784,537</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2017 AND 2016
(Continued)

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	D-4,D-20	\$ 112,103	\$ 156,170
Encumbrances Payable	D-21	134,058	200,533
Overpayments	D-23	23,022	46,882
Accrued Interest on Bonds and Notes	D-24	17,905	15,560
Due to Current Fund	D-15		1,002
Due to Other Trust Fund	D-18	71,397	47,502
Due to Water Utility Capital Fund	D-17		360,009
Miscellaneous Reserves	D-31	<u>1,848,107</u>	<u>1,819,502</u>
		2,206,592	2,647,160
Reserve for Receivables	D	402,050	279,637
Fund Balance	D-1	<u>676,109</u>	<u>868,290</u>
 Total Operating Fund		 <u>3,284,751</u>	 <u>3,795,087</u>
CAPITAL FUND			
Serial Bonds Payable	D-26	1,307,000	1,427,000
Bond Anticipation Notes	D-27	1,298,565	591,840
Contracts Payable	D-22	234,153	198,019
Improvement Authorization			
Funded	D-25	365,382	421,170
Unfunded	D-25	2,129,092	1,849,651
Due to Water Utility Operating Fund	D-17	757,444	
Capital Improvement Fund	D-28	276,669	271,669
Reserve for Amortization	D-29	12,433,458	12,075,378
Deferred Reserve for Amortization	D-30	150,000	150,000
Fund Balance	D-2	<u>4,723</u>	<u>4,723</u>
 Total Capital Fund		 <u>18,956,486</u>	 <u>16,989,450</u>
		<u>\$ 22,241,237</u>	<u>\$ 20,784,537</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2017 and 2016 of \$2,110,435 and \$1,788,660, respectively. (See Exhibit D-32)

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, 2017 AND 2016

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	D-3	\$ 604,542	\$ 407,266
Water Usage Charges	D-3	2,848,255	3,282,640
Miscellaneous Charges and Fees	D-3	246,694	284,111
Reserve for Woodcliff Lake Improvements - Reimbursements			
Holly Court Water Tank - Debt Service	D-3	64,208	62,418
Non-Budget Revenue	D-3	118,100	57,286
Other Credits			
Appropriation Reserves Lapsed	D-20	163,265	167,814
Accounts Payable Cancelled	D-1	-	320
		<u>4,045,064</u>	<u>4,261,855</u>
Total Income			
EXPENDITURES			
Operating	D-4	2,975,500	3,149,800
Capital Improvements	D-4	155,000	143,000
Debt Service	D-4	167,703	161,853
Deferred Charges and Statutory Expenditures	D-4	334,500	250,100
		<u>3,632,703</u>	<u>3,704,753</u>
Total Expenditures			
Excess in Revenue		412,361	557,102
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	D-12	-	100,000
		<u>412,361</u>	<u>657,102</u>
Statutory Excess to Fund Balance			
Fund Balance, January 1,	D	868,290	618,454
		1,280,651	1,275,556
Decreased by:			
Utilized as Anticipated Revenue	D-1,D-3	604,542	407,266
Balance, December 31,	D	<u>\$ 676,109</u>	<u>\$ 868,290</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE- REGULATORY BASIS
WATER UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
Balance, January 1	D	\$ 4,723	
Increased by:			
Premium on Sale of Notes	D-2	<u> -</u>	<u>\$ 4,723</u>
Balance, December 31,	D	<u>\$ 4,723</u>	<u>\$ 4,723</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	D-1	\$ 604,542	\$ 604,542	
Water Usage Charges	D-1,D-8	2,950,000	2,848,255	\$ (101,745)
Miscellaneous Charges and Fees	D-1,D-3	280,000	246,694	(33,306)
Reserve for Woodcliff Lake Improvements - Reimbursements				
Holly Court Water Tank - Debt Service	D-1, D-31	<u>64,208</u>	<u>64,208</u>	<u>-</u>
	D-4	<u>\$ 3,898,750</u>	3,763,699	<u>\$ (135,051)</u>
Non-Budget Revenue	D-1, D-3		<u>118,100</u>	
			<u>\$ 3,881,799</u>	
 <u>Analysis of Realized Revenue</u>				
Miscellaneous Charges and Fees:				
Fire Sprinklers	D-9		\$ 53,215	
Hydrants	D-9		36,032	
Mobile Antenna Rents	D-5		<u>157,447</u>	
	D-3		<u>\$ 246,694</u>	
Non-Budget Revenue:				
Interest on Delinquent Accounts			\$ 7,920	
Interest on Investments			17,097	
JIF Dividend			49,691	
Miscellaneous			<u>43,392</u>	
	D-3		<u>\$ 118,100</u>	
Cash Receipts	D-5		\$ 51,862	
Due from Current Fund	D-15		49,691	
Due from Water Utility Capital Fund	D-17		196	
Due from Utility Trust Fund	F-3		<u>16,351</u>	
			<u>\$ 118,100</u>	

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<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	\$ 1,194,500	\$ 1,194,500	\$ 1,163,534	\$ 10,966	\$ 20,000
Other Expenses	1,671,500	1,671,500	1,458,723	37,777	175,000
Group Health Insurance	354,500	354,500	285,839	18,661	50,000
Total Operating	<u>3,220,500</u>	<u>3,220,500</u>	<u>2,908,096</u>	<u>67,404</u>	<u>245,000</u>
CAPITAL IMPROVEMENTS					
Capital Improvement Fund	5,000	5,000	5,000		
Capital Outlay	150,000	150,000	116,580	33,420	-
Total Capital Improvements	<u>155,000</u>	<u>155,000</u>	<u>121,580</u>	<u>33,420</u>	<u>-</u>
DEBT SERVICE					
Payment of Bond Principal	120,000	120,000	120,000		
Interest on Bonds	33,750	33,750	32,703	-	1,047
Interest on Notes	15,000	15,000	15,000	-	-
Total Debt Service	<u>168,750</u>	<u>168,750</u>	<u>167,703</u>	<u>-</u>	<u>1,047</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Deferred Charges					
Emergency Authorization	100,000	100,000	100,000	-	
Cost of Improvements -					
Ordinance No. 2004-07	21,500	21,500	21,500	-	
Statutory Expenditures					
Contribution to					
Public Employees Retirement System	140,000	140,000	116,571	3,429	20,000
Social Security System (O.A.S.L.)	93,000	93,000	85,150	7,850	-
Total Deferred Charges and Statutory Expenditures	<u>354,500</u>	<u>354,500</u>	<u>323,221</u>	<u>11,279</u>	<u>20,000</u>
	<u>\$ 3,898,750</u>	<u>\$ 3,898,750</u>	<u>\$ 3,520,600</u>	<u>\$ 112,103</u>	<u>\$ 266,047</u>

	<u>Reference</u>	D-3	D-1	D, D-1
Cash Disbursed	D-5		\$ 3,193,455	
Encumbrances Payable	D-21		134,058	
Due to Current Fund	D-15		1,777	
Due to Other Trust Fund	D-18		17,107	
Due to Water Utility Capital Fund	D-17		26,500	
Deferred Charge - Emergency Authorization	D-12		100,000	
Accrued Interest on Bonds and Notes	D-24		47,703	
			<u>\$ 3,520,600</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, 2017 AND 2016

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
ASSETS			
OPERATING FUND			
Cash	F-5	\$ 1,171,114	\$ 1,397,550
Cash - Change Fund	E-7	325	325
Cash - Petty Cash	E-8	1,150	850
Due from Current Fund	E-13	28,644	111,199
Due from Electric Utility Capital Fund	E-14	219,876	88,307
Due from Utility Trust Fund	F-4	<u>23,447</u>	<u>112,679</u>
		<u>1,444,556</u>	<u>1,710,910</u>
Receivables With Full Reserves			
Light and Power Charges Receivable	F-9	415,890	392,703
Other Charges Receivable	E-10	<u>18,755</u>	<u>18,636</u>
		<u>434,645</u>	<u>411,339</u>
Total Operating Fund		<u>1,879,201</u>	<u>2,122,249</u>
CAPITAL FUND			
Cash	E-5, E-6	786,693	
Due from Current Fund	E-30		1,919
Due from General Capital Fund	E-16	340,263	240,500
Fixed Capital	E-11	12,342,713	12,282,115
Fixed Capital Authorized and Uncompleted	E-12	<u>858,151</u>	<u>658,151</u>
Total Capital Fund		<u>14,327,820</u>	<u>13,182,685</u>
		<u>\$ 16,207,021</u>	<u>\$ 15,304,934</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, 2017 AND 2016
(Continued)

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	E-4,E-17	\$ 164,522	\$ 264,947
Encumbrances Payable	E-18	514,074	453,673
Accrued Interest on Bonds and Notes	E-20	7,330	9,093
Prepaid Charges	E-28	24,756	2,803
Overpayments	E-29	15,266	14,888
Due to Other Trust Fund	E-15	29,940	24,011
Due to Water Utility Operating Fund	D-16	<u>8,893</u>	<u>81,378</u>
		764,781	850,793
Reserve for Receivables	E	434,645	411,339
Fund Balance	E-1	<u>679,775</u>	<u>860,117</u>
Total Operating Fund		<u>1,879,201</u>	<u>2,122,249</u>
CAPITAL FUND			
Serial Bonds	E-23	738,000	1,003,000
Bond Anticipation Notes	E-24	580,763	240,500
Contracts Payable	E-19	28,512	225,000
Improvement Authorizations			
Funded	E-22	183,844	23,151
Unfunded	E-22	52,649	66,649
Due to Electric Utility Operating Fund	E-14	219,876	88,307
Capital Improvement Fund	E-25	281,500	281,500
Reserve for Capital Improvements	E-21	437,000	
Reserve for Amortization	E-26	11,602,694	11,251,596
Deferred Reserve for Amortization	E-27	201,063	1,063
Fund Balance	E-2	<u>1,919</u>	<u>1,919</u>
Total Capital Fund		<u>14,327,820</u>	<u>13,182,685</u>
		<u>\$ 16,207,021</u>	<u>\$ 15,304,934</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2017 and 2016 of \$78,344 and \$444,107 respectively. (See Exhibit E-31)

The Accompanying Notes are an Integral Part of these Financial Statements

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, 2017 AND 2016

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	E-3	\$ 528,350	\$ 575,870
Light and Power Charges	E-3	9,239,750	9,869,966
Miscellaneous Charges and Fees	E-3	40,863	39,903
Non-Budget Revenue	E-3	89,442	46,842
Other Credits to Income			
Accounts Payable Cancelled	E-1		3,317
Appropriation Reserves Lapsed	E-17	<u>277,761</u>	<u>162,298</u>
 Total Income		 <u>10,176,166</u>	 <u>10,698,196</u>
 EXPENDITURES			
Operating	E-4	9,224,600	9,263,900
Capital Improvements	E-4	75,500	290,000
Debt Service	E-4	299,558	282,188
Deferred Charges and Statutory Expenditures	E-4	<u>228,500</u>	<u>242,000</u>
 Total Expenditures		 <u>9,828,158</u>	 <u>10,078,088</u>
 Excess in Revenue		 348,008	 620,108
 Fund Balance, January 1,	 E	 <u>860,117</u>	 <u>815,879</u>
		1,208,125	1,435,987
 Decreased by:			
Utilized as Anticipated Revenue	E-1, E-3	<u>528,350</u>	<u>575,870</u>
 Balance, December 31,	 E	 <u>\$ 679,775</u>	 <u>\$ 860,117</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 CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
Balance, January 1	E	\$ 1,919	
Increased by:			
Premium on Sale of Notes	E-2	_____ -	\$ 1,919
Balance, December 31,	E	<u>\$ 1,919</u>	<u>\$ 1,919</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
ELECTRIC UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	E-1	\$ 528,350	\$ 528,350	
Light and Power Charges	E-1,E-9	9,835,000	9,239,750	\$ (595,250)
Miscellaneous Charges and Fees	E-1,E-3	<u>30,000</u>	<u>40,863</u>	<u>10,863</u>
	E-4	<u>\$ 10,393,350</u>	9,808,963	<u>\$ (584,387)</u>
Non-Budget Revenue	E-1, E-3		<u>89,442</u>	
			<u>\$ 9,898,405</u>	
 <u>Analysis of Realized Revenue</u>				
Miscellaneous: Charges and Fees				
Dusk to Dawn Charges	E-10		\$ 22,348	
Interest on Delinquent Accounts	E-5		<u>18,515</u>	
	E-3		<u>\$ 40,863</u>	
 Non-Budget Revenue:				
Interest on Investments			\$ 9,983	
JIF Dividend			42,158	
Miscellaneous			<u>37,301</u>	
	E-3		<u>\$ 89,442</u>	
 Cash Receipts				
Due from Current Fund	E-5		\$ 21,245	
Due from Electric Utility Capital Fund	E-13		45,446	
Due from Utility Trust Fund	E-14		915	
	F-4		<u>21,836</u>	
			<u>\$ 89,442</u>	

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
ELECTRIC UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<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	\$ 1,156,100	\$ 1,156,100	\$ 1,078,330	\$ 27,770	\$ 50,000
Other Expenses	653,500	653,500	475,570	42,930	135,000
Group Health Insurance	259,000	259,000	223,889	35,111	
Purchase of Electric Current	6,867,000	6,867,000	6,651,427	34,573	181,000
Franchise & Gross Receipts Taxes-Current Fund	500,000	500,000	500,000		
Payment in Lieu of Taxes - Current Fund	155,000	155,000	155,000	-	-
Total Operating	9,590,600	9,590,600	9,084,216	140,384	366,000
CAPITAL IMPROVEMENTS					
Capital Improvement Fund	50,000	50,000			50,000
Capital Outlay	200,500	200,500	60,598	14,902	125,000
Total Capital Improvements	250,500	250,500	60,598	14,902	175,000
MUNICIPAL DEBT SERVICE -					
Payment of Bond Principal	265,000	265,000	265,000		
Interest on Bonds	32,250	32,250	29,493	-	2,757
Interest on Notes	7,500	7,500	5,065	-	2,435
Total Municipal Debt Service	304,750	304,750	299,558	-	5,192
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Deferred Charges					
Special Emergency Authorizations					
Cost of Improvements					
Ordinance No. 1996-05	25,500	25,500	25,500	-	
Statutory Expenditures					
Contribution to					
Public Employees Retirement System	135,000	135,000	115,673	327	19,000
Social Security System (O.A.S.I.)	87,000	87,000	78,091	8,909	-
Total Deferred Charges and Statutory Expenditures	247,500	247,500	219,264	9,236	19,000
	\$ 10,393,350	\$ 10,393,350	\$ 9,663,636	\$ 164,522	\$ 565,192

	<u>Reference</u>	<u>E-3</u>	<u>E-4</u>	<u>E-1</u>	<u>E, E-1</u>
Cash Disbursed	E-5			\$ 9,062,476	
Encumbrances Payable	E-18			514,074	
Due to Current Fund	E-13			21,099	
Due to Other Trust Fund	E-15			5,929	
Due to Electric Utility Capital Fund	E-14			25,500	
Accrued Interest on Bonds and Notes	E-20			34,558	
				<u>\$ 9,663,636</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, 2017 AND 2016

ASSETS	<u>Reference</u>	<u>2017</u>	2016
Cash	F-1	\$ 980,502	\$ 1,117,113
Due from Current Fund	F-5	-	550
		<u>\$ 980,502</u>	<u>\$ 1,117,663</u>
LIABILITIES AND RESERVES			
Deposits Payable			
Water Customers	F-2	\$ 543,440	\$ 527,670
Electric Customers	F-2	393,511	399,715
Due to Water Utility Operating Fund	F-3	20,104	77,599
Due to Electric Utility Operating Fund	F-4	<u>23,447</u>	<u>112,679</u>
Total Liabilities and Reserves		<u>\$ 980,502</u>	<u>\$ 1,117,663</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SWIM POOL UTILITY FUND
AS OF DECEMBER 31, 2017 AND 2016**

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
ASSETS			
OPERATING FUND			
Cash	G-5	\$ 353,701	\$ 312,817
Petty Cash	G-7		250
Due from Current Fund	G-11	<u>547</u>	<u>-</u>
Total Operating Fund		<u>354,248</u>	<u>313,067</u>
CAPITAL FUND			
Grants Receivable	G-8	23,801	23,801
Due from General Capital Fund	G-9	40,978	57,063
Due from Swimming Pool Utility Operating Fund	G-10		9,604
Fixed Capital	G-12	1,120,498	1,120,498
Fixed Capital Authorized and Uncompleted	G-13	<u>48,418</u>	<u>48,418</u>
Total Capital Fund		<u>1,233,695</u>	<u>1,259,384</u>
		<u>\$ 1,587,943</u>	<u>\$ 1,572,451</u>

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SWIM POOL UTILITY FUND
AS OF DECEMBER 31, 2017 AND 2016
(Continued)

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	G-4,G-14	\$ 88,763	\$ 40,355
Encumbrances Payable	G-15	82	183
Accounts Payable	G-16	300	300
Accrued Interest on Notes	G-18	68	195
Due to Current Fund	G-11		576
Due to Swim Pool Utility Capital Fund	G-10	-	9,604
		89,213	51,213
Fund Balance	G-1	265,035	261,854
Total Operating Fund		<u>354,248</u>	<u>313,067</u>
CAPITAL FUND			
Bond Anticipation Notes	G-23	26,000	39,000
Improvement Authorizations			
Funded	G-17	43,055	43,055
Unfunded	G-17	5,363	5,363
Due to Current Fund	G-19		25,689
Capital Improvement Fund	G-20	16,000	16,000
Reserve for Amortization	G-21	1,099,861	1,086,861
Deferred Reserve for Amortization	G-22	43,055	43,055
Fund Balance	G-2	361	361
Total Capital Fund		<u>1,233,695</u>	<u>1,259,384</u>
		<u>\$ 1,587,943</u>	<u>\$ 1,572,451</u>

There were no Bonds and Notes Authorized But Not Issued on December 31, 2017 and 2016.

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, 2017 AND 2016

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	G-3	\$ 39,000	\$ 39,000
Membership Fees	G-3	233,835	226,500
Miscellaneous Fees	G-3	47,610	69,669
Other Credits			
Appropriation Reserves Lapsed	G-14	<u>40,389</u>	<u>26,696</u>
 Total Income		 <u>360,834</u>	 <u>361,865</u>
 EXPENDITURES			
Operating	G-4	296,050	249,300
Debt Service	G-4	13,653	1,167
Deferred Charges and Statutory Expenditures	G-4	<u>8,950</u>	<u>22,900</u>
 Total Expenditures		 <u>318,653</u>	 <u>273,367</u>
 Excess in Revenue		 42,181	 88,498
 Fund Balance, January 1,	 G	 <u>261,854</u>	 <u>212,356</u>
		304,035	300,854
 Decreased by:			
Utilized as Anticipated Revenue	G-1, G-3	<u>39,000</u>	<u>39,000</u>
 Balance, December 31,	 G	 <u>\$ 265,035</u>	 <u>\$ 261,854</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, 2017 AND 2016

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
Balance, January 1	G	\$ 361	\$ 50
Increased by:			
Premium on Sale of Notes	G-2	<u> -</u>	<u> 311</u>
Balance, December 31,	G	<u>\$ 361</u>	<u>\$ 361</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
SWIM POOL UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Utilized	G-1	\$ 39,000	\$ 39,000	
Membership Fees	G-1,G-5	220,000	233,835	\$ 13,835
Miscellaneous	G-1,G-3	<u>60,000</u>	<u>47,610</u>	<u>(12,390)</u>
	G-4	<u>\$ 319,000</u>	<u>\$ 320,445</u>	<u>\$ 1,445</u>

Analysis of Realized Revenue

Miscellaneous		
Guest Fees		\$ 19,632
Swim Lessons		6,765
Fines		3,080
Snack Bar Concession Fee		2,000
Pictures		10
Other Receipts and Fees		<u>16,123</u>
	G-3,G-5	<u>\$ 47,610</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SWIM POOL UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<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	\$ 117,000	\$ 117,000	\$ 107,270	\$ 9,730	
Other Expenses	<u>179,050</u>	<u>179,050</u>	<u>100,223</u>	<u>78,827</u>	-
Total Operating	<u>296,050</u>	<u>296,050</u>	<u>207,493</u>	<u>88,557</u>	-
DEBT SERVICE					
Payment of Bond Anticipation Note	13,000	13,000	13,000		
Interest on Notes	<u>1,000</u>	<u>1,000</u>	<u>653</u>	-	\$ 347
Total Debt Service	<u>14,000</u>	<u>14,000</u>	<u>13,653</u>	-	<u>347</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures					
Contribution to Social Security System (O.A.S.I.)	<u>8,950</u>	<u>8,950</u>	<u>8,744</u>	<u>206</u>	-
Total Deferred Charges and Statutory Expenditures	<u>8,950</u>	<u>8,950</u>	<u>8,744</u>	<u>206</u>	-
	<u>\$ 319,000</u>	<u>\$ 319,000</u>	<u>\$ 229,890</u>	<u>\$ 88,763</u>	<u>\$ 347</u>
<u>Reference</u>	G-3	G-4	G-1	G,G-1	
	<u>Reference</u>				
Cash Disbursed	G-5		\$ 216,155		
Encumbrances Payable	G-15		82		
Accrued Interest on Notes	G-18		653		
Due to Current Fund	G-11		<u>13,000</u>		
			<u>\$ 229,890</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, 2017 AND 2016**

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
ASSETS			
Cash	H-1	\$ 13,423	\$ 3,847
Due from Current Fund	H-2	<u>-</u>	<u>3,487</u>
		<u>\$ 13,423</u>	<u>\$ 7,334</u>
LIABILITIES AND RESERVES			
Due to Current Fund	H-2	\$ 5,010	
Reserve for Public Assistance	H-3	<u>8,413</u>	<u>\$ 7,334</u>
		<u>\$ 13,423</u>	<u>\$ 7,334</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Land	\$ 14,623,192	\$ 14,623,192
Buildings and Building Improvements	5,593,227	5,585,000
Machinery and Equipment	<u>6,663,345</u>	<u>6,277,969</u>
	<u>\$ 26,879,764</u>	<u>\$ 26,486,161</u>
 Investment in Fixed Assets	 <u>\$ 26,879,764</u>	 <u>\$ 26,486,161</u>

NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Park Ridge (the "Borough") was incorporated in 1894 and operates under an elected Mayor and Council form of government. The Mayor is elected to a four-year term and the six council members are elected at-large to serve staggered three-year terms. The Mayor is the Chief Executive Officer of the Borough and as such presides over all public meetings, provides leadership in the development of community project, and makes appointments to various boards. The Borough Council exercises all legislative powers including final adoption of the municipal budget and bond ordinances and confirmation of the Mayor's appointments, and all executive authority which is not specifically provided to the Mayor, by state law. A Borough Administrator is appointed by the Borough Council and is responsible for the implementation of the policies of the Mayor and Council, for the administration of all Borough affairs and for the day to day operations of the Borough. The Borough Administrator is the Chief Administrative Officer for the Borough. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, water and electric supply services and general administrative services.

GASB requires the financial reporting entity to include both the primary government and component units. Component units are legally separate organizations for which the Borough is financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organization; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Borough is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Borough in that the Borough approves the budget, the issuance of debt or the levying of taxes. The Borough is not includable in any other reporting entity as a component unit.

The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the municipal library or volunteer fire department, which are considered component units under GAAP. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

B. Description of Regulatory Basis of Accounting

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

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation -- Financial Statements

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

The Borough has the following funds and account group:

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

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

Animal Control Fund - This fund is used to account for fees collected from dog 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 Trust Fund - This fund is used to account for employee and employer contributions for the purpose of providing unemployment benefits to former eligible employees.

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

Affordable Housing Trust Fund - This fund is used to account for receipts and disbursements relating to redevelopment fees and expenditures which are regulated by NJAC 5.97-8.

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

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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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 sewer utility is accounted for in the capital section of the fund.

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

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

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

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

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

Financial Statements – Regulatory Basis

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

D. Measurement Focus and Basis of Accounting

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

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

Property Tax Revenues/Receivables - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of December 31, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Borough also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11th day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

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

Utility Revenues/Receivables - Water utility charges are levied both bi-monthly and quarterly based upon a flat service charge and a consumption or usage charge. Electric utility charges are levied both monthly and bi-monthly based upon a flat service charge and a consumption or usage charge. Swim pool utility charges are based on a flat fee by membership or service type (i.e., family, single, guest, etc.). Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balances 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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

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

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

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

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

**BOROUGH OF PARK RIDGE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

General Fixed Assets purchased after December 31, 2008 are stated at cost. Donated fixed assets are recorded at acquisition value at the date of donation.

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

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

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

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

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

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

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

**BOROUGH OF PARK RIDGE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

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

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2017 and 2016 the Borough Council increased the original Current Fund budget by \$484,027 and \$23,521, respectively. The 2017 increase was attributable to an emergency appropriation of \$320,000 for legal services and costs and \$164,027 of additional aid allotted to the Borough. The 2016 increase was funded by additional aid allotted to the Borough. During 2016, the Borough Council also increased the Water Utility operating budget by \$100,000. The increase was attributable to an emergency appropriation for the replacement of water resin at Well No. 10. In addition, the governing body approved several budget transfers during 2017 and 2016.

B. Excess Expenditures Over Appropriations

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

<u>2017</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Current Fund			
Overexpenditure of Appropriation Reserves			
Legal Services & Costs			
Other Expenses	\$ 22,215	\$ 55,545	\$ 33,330

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Excess Expenditures Over Appropriations (Continued)

<u>2016</u>	Modified Budget	<u>Actual</u>	Unfavorable <u>Variance</u>
Current Fund			
Overexpenditure of Budget Appropriations			
General Administration			
Other Expenses	\$ 16,500	\$ 21,149	\$ 4,649
Municipal Clerk			
Other Expenses-Grant Professional	25,000	30,000	5,000
Tax Assessment Administration			
Other Expenses - Property Appraisals	10,000	18,000	8,000
Planning Board			
Salaries and Wages	49,750	49,799	49
Zoning Board of Adjustment			
Salaries and Wages	32,050	33,098	1,048
Zoning Officer			
Salaries and Wages	13,950	15,108	1,158
Insurance			
Employee Group Health	1,242,315	1,366,387	124,072
Employee Group Health Waiver	15,000	22,197	7,197
Fire Department			
Salaries and Wages	50,000	50,515	515
Fire Hydrant Services	15,000	15,357	357
Fire Prevention			
Salaries and Wages	35,750	35,760	10
Streets and Road Maintenance			
Salaries and Wages	720,925	750,739	29,814
Solid Waste Collection			
Other Expenses - Sanitation	307,293	342,977	35,684
Buildings and Grounds			
Salaries and Wages	61,800	97,431	35,631
Other Expenses	81,450	88,073	6,623
Vehicle Maintenance			
Salaries and Wages	92,775	96,301	3,526
Administration of Public Assistance			
Salaries and Wages	9,650	9,853	203
Construction Code Official			
Salaries and Wages	151,550	157,491	5,941
Utility Expenses and Bulk Purchases			
Water	10,000	11,501	1,501
Statutory Expenditures			
Social Security System	190,000	207,819	17,819
Public Employees Retirement System	159,520	175,480	15,960

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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 3 CASH DEPOSITS AND INVESTMENTS

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

A. Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2017 and 2016, the book value of the Borough's deposits were \$17,131,728 and \$13,357,505 and bank and brokerage firm balances of the Borough's deposits amounted to \$17,583,133 and \$13,938,195, 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>2017</u>	<u>2016</u>
Insured	<u>\$ 17,583,133</u>	<u>\$ 13,938,195</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, 2017 and 2016, none of the Borough's bank balances were exposed to custodial credit risk.

B. Investments

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

As of December 31, 2017 and 2016, the Borough had the following investments:

	<u>2017</u>	<u>2016</u>
	Fair Value	Fair Value
	(LOSAP Only)	(LOSAP Only)
Investment:		
Lincoln Financial Group		
LOSAP Investment Plans (Unaudited)	\$ <u>1,811,246</u>	\$ <u>1,533,189</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, 2017 and 2016, \$1,811,246 and \$1,533,189 of the Borough’s investments was exposed to custodial credit risk as follows:

	<u>2017</u>	<u>2016</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)	\$ <u>1,811,246</u>	\$ <u>1,533,189</u>

Interest Rate Risk – The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments as noted above (N.J.S.A. 40A:5-15.1). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2017 and 2016, the Borough’s investment in Lincoln Financial Group, a subsidiary of Lincoln National Corporation, was rated Baa1 and A- by Moody’s and Standard & Poor’s, respectively.

Concentration of Credit Risk – The Borough places no limit in the amount the Borough may invest in any one issuer. More than five (5) percent of the Borough’s investments are in Lincoln Financial Group. These investments are 100% of the Borough’s total investments.

The fair value of the above-listed investment was based on quoted market prices provided by Lincoln Financial Group.

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 and Trust Funds are assigned to the Utility Operating Funds in accordance with the regulatory basis of accounting.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE

Receivables at December 31, 2017 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Electric Utility</u>	<u>Total</u>
<u>2017</u>				
Property Taxes	\$ 277,681			\$ 277,681
Utility Charges and Fees	-	\$ 402,050	\$ 434,645	836,695
	<u>\$ 277,681</u>	<u>\$ 402,050</u>	<u>\$ 434,645</u>	<u>\$ 1,114,376</u>

In 2017, the Borough collected \$277,093, \$279,637 and \$414,339 from delinquent taxes, water utility rents and electric utility charges, respectively which represented 100%, 100% and 100% of the delinquent tax, water and electric charges receivable at December 31, 2016.

Receivables at December 31, 2016 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Electric Utility</u>	<u>Total</u>
<u>2016</u>				
Property Taxes	\$ 277,093			\$ 277,093
Utility Charges and Fees	-	\$ 279,637	\$ 411,339	690,976
	<u>\$ 277,093</u>	<u>\$ 279,637</u>	<u>\$ 411,339</u>	<u>\$ 968,069</u>

In 2016, the Borough collected \$307,772, \$274,029 and \$409,321 from delinquent taxes, water utility rents and electric utility charges, respectively which represented 94%, 100% and 100% of the delinquent tax, water and electric charges receivable at December 31, 2015.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 5 DUE TO/FROM OTHER FUNDS

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

	<u>2017</u>		<u>2016</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	\$ 591,925	\$ 524,917	\$ 371,144	\$ 671,339
Trust Fund:				
Animal Control		10,417		7,926
Other Trust	101,337	607,031	71,513	438,059
Unemployment Insurance	30,533		21,525	
Open Space Preservation	111,620			249,929
Affordable Housing	34,450		29,722	
General Capital Fund	285,004	1,077,966	850,251	889,403
Water Utility:				
Operating	851,093	71,397	158,977	408,513
Capital	696,725	757,444	956,572	
Electric Utility:				
Operating	271,967	38,833	312,185	105,389
Capital	340,263	219,876	242,419	88,307
Utility Trust Fund		43,551	550	190,278
Swim Pool Utility:				
Operating	547			10,180
Capital	40,978		66,667	25,689
Public Assistance Fund	-	5,010	3,487	-
 Total	 <u>\$ 3,356,442</u>	 <u>\$ 3,356,442</u>	 <u>\$ 3,085,012</u>	 <u>\$ 3,085,012</u>

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

The Borough expects all interfund balances to be liquidated within one year.

**BOROUGH OF PARK RIDGE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

	<u>Balance</u> <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>2017</u>			
Current Fund			
Emergency Authorization	\$ 320,000	\$ 320,000	
Special Emergency Authorizations (40A:4-55)	24,960	12,480	\$ 12,480
Overexpenditure of 2016 Appropriation Reserves	33,330	33,330	
<u>2016</u>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	\$ 37,440	\$ 12,480	\$ 24,960
Overexpenditure of Budget Appropriations	304,757	304,757	
Water Utility Fund			
Operating Fund			
Emergency Authorization	100,000	100,000	-

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

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:

	2017		2016	
	Fund Balance <u>December 31,</u>	Utilized in Subsequent Year's Budget	Fund Balance <u>December 31,</u>	Utilized in Subsequent Year's Budget
Current Fund				
Cash Surplus	\$ 1,340,128	\$ 900,000	\$ 1,507,970	\$ 800,000
Non-Cash Surplus	571,986	-	380,101	-
	<u>\$ 1,912,114</u>	<u>\$ 900,000</u>	<u>\$ 1,888,071</u>	<u>\$ 800,000</u>
Water Utility Operating Fund				
Cash Surplus	\$ 676,109	\$ 528,355	\$ 768,290	\$ 604,542
Non-Cash Surplus	-	-	100,000	-
	<u>\$ 676,109</u>	<u>\$ 528,355</u>	<u>\$ 868,290</u>	<u>\$ 604,542</u>
Electric Utility Operating Fund				
Cash Surplus	\$ 679,775	\$ 436,296	\$ 860,117	\$ 528,350
Non-Cash Surplus	-	-	-	-
	<u>\$ 679,775</u>	<u>\$ 436,296</u>	<u>\$ 860,117</u>	<u>\$ 528,350</u>
Swim Pool Utility Operating Fund				
Cash Surplus	\$ 265,035	\$ 78,660	\$ 261,854	\$ 39,000
Non-Cash Surplus	-	-	-	-
	<u>\$ 265,035</u>	<u>\$ 78,660</u>	<u>\$ 261,854</u>	<u>\$ 39,000</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 8 FIXED ASSETS

A. General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2017 and 2016.

	Balance, December 31, <u>2016</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2017</u>
<u>2017</u>				
Land	\$ 14,623,192			\$ 14,623,192
Buildings and Building Improvements	5,585,000	\$ 8,227		5,593,227
Machinery and Equipment	<u>6,277,969</u>	<u>385,376</u>	\$ -	<u>6,663,345</u>
	<u>\$ 26,486,161</u>	<u>\$ 393,603</u>	<u>\$ -</u>	<u>\$ 26,879,764</u>
	Balance, December 31, <u>2015</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2016</u>
<u>2016</u>				
Land	\$ 14,623,192			\$ 14,623,192
Buildings and Building Improvements	5,584,560	\$ 440		5,585,000
Machinery and Equipment	<u>6,067,703</u>	<u>331,760</u>	\$ 121,494	<u>6,277,969</u>
	<u>\$ 26,275,455</u>	<u>\$ 332,200</u>	<u>\$ 121,494</u>	<u>\$ 26,486,161</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 8 FIXED ASSETS (Continued)

B. Utility Funds Fixed Assets

The following is a summary of changes in the utility funds fixed assets for the years ended December 31, 2017 and 2016.

<u>Water Utility Fund</u>	Balance December 31, <u>2016</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2017</u>
<u>2017</u>				
Fixed Capital				
Land and Land Rights	\$ 12,887			\$ 12,887
Structures and System Improvements	9,816,732	\$ 78,260		9,894,992
Vehicles and Equipment	<u>3,536,136</u>	<u>138,320</u>	<u>-</u>	<u>3,674,456</u>
	<u>\$ 13,365,755</u>	<u>\$ 216,580</u>	<u>\$ -</u>	<u>\$ 13,582,335</u>
	Balance December 31, <u>2015</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2016</u>
<u>2016</u>				
Fixed Capital				
Land and Land Rights	\$ 12,887			\$ 12,887
Structures and System Improvements	9,805,717	\$ 11,015		9,816,732
Vehicles and Equipment	<u>3,369,941</u>	<u>166,195</u>	<u>-</u>	<u>3,536,136</u>
	<u>\$ 13,188,545</u>	<u>\$ 177,210</u>	<u>\$ -</u>	<u>\$ 13,365,755</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 8 FIXED ASSETS (Continued)

B. Utility Funds Fixed Assets (Continued)

<u>Electric Utility Fund</u>	Balance December 31, <u>2016</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2017</u>
<u>2017</u>				
Fixed Capital				
Structures and System Improvements	\$ 9,649,390	\$ 49,433		\$ 9,698,823
Vehicles and Equipment	<u>2,632,725</u>	<u>11,165</u>	<u>-</u>	<u>2,643,890</u>
	<u>\$ 12,282,115</u>	<u>\$ 60,598</u>	<u>\$ -</u>	<u>\$ 12,342,713</u>
	Balance December 31, <u>2015</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2016</u>
<u>2016</u>				
Fixed Capital				
Structures and System Improvements	\$ 9,565,545	\$ 83,845		\$ 9,649,390
Vehicles and Equipment	<u>2,610,176</u>	<u>22,549</u>	<u>-</u>	<u>2,632,725</u>
	<u>\$ 12,175,721</u>	<u>\$ 106,394</u>	<u>\$ -</u>	<u>\$ 12,282,115</u>
<u>Swim Pool Utility Fund</u>	Balance December 31, <u>2016</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2017</u>
<u>2017</u>				
Fixed Capital				
Land and Land Improvements	\$ 54,113			\$ 54,113
Pool Facilities and Improvements	1,005,989			1,005,989
Furniture & Equipment	<u>60,396</u>	<u>-</u>	<u>-</u>	<u>60,396</u>
	<u>\$ 1,120,498</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,120,498</u>
	Balance December 31, <u>2015</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2016</u>
<u>2016</u>				
Fixed Capital				
Land and Land Improvements	\$ 54,113			\$ 54,113
Pool Facilities and Improvements	1,005,989			1,005,989
Furniture & Equipment	<u>60,396</u>	<u>-</u>	<u>-</u>	<u>60,396</u>
	<u>\$ 1,120,498</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,120,498</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 9 MUNICIPAL DEBT

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

The Borough's debt is summarized as follows:

	<u>2017</u>	<u>2016</u>
Issued		
General		
Bonds, Notes and Loans	\$ 13,706,807	\$ 13,872,079
Water Utility		
Bonds and Notes	2,605,565	2,018,840
Electric Utility		
Bonds and Notes	1,318,763	1,243,500
Swim Pool Utility		
Notes	<u>26,000</u>	<u>39,000</u>
	17,657,135	17,173,419
Less Funds Temporarily Held to Pay Bonds, Notes and Loans	<u>100</u>	<u>9,908</u>
Net Debt Issued	17,657,035	17,163,511
Authorized But Not Issued		
General		
Bonds and Notes	278,169	130,289
Water Utility		
Bonds and Notes	2,110,435	1,788,660
Electric Utility		
Bonds and Notes	<u>78,344</u>	<u>444,107</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 20,123,983</u>	<u>\$ 19,526,567</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 9 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of .762% and .767% at December 31, 2017 and 2016, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2017</u>			
General Debt	\$ 13,984,976	\$ 100	\$ 13,984,876
School Debt	8,891,713	8,891,713	-
Utility Debt	<u>6,139,107</u>	<u>6,139,107</u>	<u>-</u>
Total	<u>\$ 29,015,796</u>	<u>\$ 15,030,920</u>	<u>\$ 13,984,876</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2016</u>			
General Debt	\$ 14,002,368	\$ 9,908	\$ 13,992,460
School Debt	9,275,713	9,275,713	-
Utility Debt	<u>5,534,107</u>	<u>5,534,107</u>	<u>-</u>
Total	<u>\$ 28,812,188</u>	<u>\$ 14,819,728</u>	<u>\$ 13,992,460</u>

Statutory Borrowing Power

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

	<u>2017</u>	<u>2016</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 64,260,704	\$ 63,838,906
Less: Net Debt	<u>13,984,876</u>	<u>13,992,460</u>
Remaining Borrowing Power	<u>\$ 50,275,828</u>	<u>\$ 49,846,446</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt

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

General Obligation Bonds

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

	<u>2017</u>	<u>2016</u>
\$4,827,000, 2007 Bonds, due in annual installments of \$325,000 to \$350,000 through October, 2023, interest at 3.875 to 4.00%	\$ 1,977,000	\$ 2,302,000
\$3,215,000, 2012 Bonds, due in annual installments of \$210,000 to \$300,000 through August 2026, interest at 2.00%	2,345,000	2,555,000
\$3,035,000, 2013 Refunding Bonds, due in annual installments of \$325,000 to \$350,000 through February 2022, interest at 3.00% to 4.00%	1,715,000	2,040,000
\$2,207,000, 2013 Bonds, due in annual installments of \$220,000 to \$280,000 through August 2023, interest at 2.00% to 3.00%	1,567,000	1,787,000
	<u>\$ 7,604,000</u>	<u>\$ 8,684,000</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 and the Mill Pond Dam restoration. The Borough levies ad valorem taxes to pay debt service on general intergovernmental loans issued. General intergovernmental loans outstanding at December 31 are as follows:

	<u>2017</u>	<u>2016</u>
\$500,000, 2008 Loan, due in semi - annual installments of \$13,934 to \$16,833 through July, 2026, interest at 2.00%	\$ 278,801	\$ 306,808
\$1,156,000, 2012 Loan, due in semi - annual installments of \$28,993 to \$39,079 through April, 2032, interest at 2.00%	989,334	1,047,611
	<u>\$ 1,268,135</u>	<u>\$ 1,354,419</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

General Intergovernmental Loans Payable (Continued)

Utility Bonds

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

Water Utility

	<u>2017</u>	<u>2016</u>
\$1,250,000, 2012 Bonds, due in annual installments of \$80,000 to \$95,000 through August, 2027, interest at 2.00% to 2.20%	\$ 875,000	\$ 955,000
\$582,000, 2013 Bonds, due in annual installments of \$40,000 to \$47,000 through August, 2027, interest at 2.00% to 4.00%	432,000	472,000
	<u>\$ 1,307,000</u>	<u>\$ 1,427,000</u>

Electric Utility

\$1,693,000, 2007 Bonds, due in annual installments of \$150,000 to \$175,000 through October, 2020, interest at 3.875 to 4.00%	\$ 493,000	\$ 643,000
\$695,000, 2012 Bonds, due in annual installments of \$100,000 to \$105,000 through August, 2019, interest at 2.00%	205,000	305,000
\$100,000, 2013 Bonds, due in annual installments of \$15,000 to \$20,000 through August, 2019, interest at 2.00%	40,000	55,000
	<u>\$ 738,000</u>	<u>\$ 1,003,000</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2017 is as follows:

Calendar Year	General		Water Utility		Electric Utility		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2018	\$ 1,188,018	\$ 248,328	\$ 120,000	\$ 31,203	\$ 270,000	\$ 24,004	\$ 1,881,552
2019	1,214,788	214,840	120,000	28,803	300,000	15,791	1,894,222
2020	1,251,592	179,191	125,000	26,403	168,000	6,510	1,756,696
2021	1,288,433	138,457	125,000	23,503			1,575,393
2022	1,315,311	97,084	130,000	20,603			1,562,998
2023-2027	2,275,897	141,401	687,000	54,830			3,159,128
2028-2032	338,096	17,129	-	-	-	-	355,225
	<u>\$ 8,872,135</u>	<u>\$ 1,036,430</u>	<u>\$ 1,307,000</u>	<u>\$ 185,345</u>	<u>\$ 738,000</u>	<u>\$ 46,305</u>	<u>\$ 12,185,214</u>

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years ended December 31, 2017 and 2016 were as follows:

	Balance, December 31, 2016	Additions	Reductions	Balance, December 31, 2017	Due Within One Year
<u>2017</u>					
<u>General Capital Fund</u>					
Bonds Payable	\$ 8,684,000		\$ 1,080,000	\$ 7,604,000	\$ 1,100,000
Intergovernmental Loans Payable	1,354,419	-	86,284	1,268,135	88,018
General Capital Fund Long-Term Liabilities	<u>\$ 10,038,419</u>	<u>\$ -</u>	<u>\$ 1,166,284</u>	<u>\$ 8,872,135</u>	<u>\$ 1,188,018</u>
<u>Water Capital Fund</u>					
Bonds Payable	\$ 1,427,000	\$ -	\$ 120,000	\$ 1,307,000	\$ 120,000
Water Capital Fund Long-Term Liabilities	<u>\$ 1,427,000</u>	<u>\$ -</u>	<u>\$ 120,000</u>	<u>\$ 1,307,000</u>	<u>\$ 120,000</u>
<u>Electric Capital Fund</u>					
Bonds Payable	\$ 1,003,000	\$ -	\$ 265,000	\$ 738,000	\$ 270,000
Electric Capital Fund Long-Term Liabilities	<u>\$ 1,003,000</u>	<u>\$ -</u>	<u>\$ 265,000</u>	<u>\$ 738,000</u>	<u>\$ 270,000</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt (Continued)

	Balance, December 31, <u>2015</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2016</u>	Due Within <u>One Year</u>
<u>2016</u>					
<u>General Capital Fund</u>					
Bonds Payable	\$ 9,689,000	\$ -	\$ 1,005,000	\$ 8,684,000	\$ 1,080,000
Intergovernmental Loans Payable	<u>1,439,002</u>	<u>-</u>	<u>84,583</u>	<u>1,354,419</u>	<u>86,284</u>
General Capital Fund Long-Term Liabilities	<u>\$ 11,128,002</u>	<u>\$ -</u>	<u>\$ 1,089,583</u>	<u>\$ 10,038,419</u>	<u>\$ 1,166,284</u>
<u>Water Capital Fund</u>					
Bonds Payable	\$ 1,542,000	\$ -	\$ 115,000	\$ 1,427,000	\$ 120,000
Water Capital Fund Long-Term Liabilities	<u>\$ 1,542,000</u>	<u>\$ -</u>	<u>\$ 115,000</u>	<u>\$ 1,427,000</u>	<u>\$ 120,000</u>
<u>Electric Capital Fund</u>					
Bonds Payable	\$ 1,243,000	\$ -	\$ 240,000	\$ 1,003,000	\$ 265,000
Electric Capital Fund Long-Term Liabilities	<u>\$ 1,243,000</u>	<u>\$ -</u>	<u>\$ 240,000</u>	<u>\$ 1,003,000</u>	<u>\$ 265,000</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2017 and 2016 was as follows:

Bond Anticipation Notes

Bond Anticipation Notes

Purpose	Rate (%)	Maturity Date	Balance January 1, 2017	Renewed/ Issued	Retired/ Redeemed	Balance, December 31, 2017
<u>2017</u>						
<u>General Capital Fund</u>						
Impvts. to Roads, Curbs and Sidewalks	1.09%	5/18/2018	\$ 694,421	\$ 655,776	\$ 694,421	\$ 655,776
Various Impvts. & Acq. of Equip.	1.09%	5/18/2018	2,561,739	3,601,396	2,561,739	3,601,396
Improvements to Borough Hall	1.09%	5/18/2018	380,500	380,500	380,500	380,500
Acquisition of a Garbage Truck	1.09%	5/18/2018	197,000	197,000	197,000	197,000
Total General Capital Fund			<u>\$ 3,833,660</u>	<u>\$ 4,834,672</u>	<u>\$ 3,833,660</u>	<u>\$ 4,834,672</u>
<u>Water Utility Capital Fund</u>						
Various Impvts. & Acq. of Equip.	1.09%	5/18/2018	\$ 491,840	\$ 491,840	\$ 491,840	\$ 491,840
Installation of New Well and Pumping Station	1.09%	5/18/2018	100,000	100,000	100,000	100,000
Acquisition of a Dump Truck	1.09%	5/18/2018		170,332		170,332
Impvts to Well #7 and #17 Treatment Fac	1.09%	5/18/2018	-	536,393	-	536,393
Total Water Utility Capital Fund			<u>\$ 591,840</u>	<u>\$ 1,298,565</u>	<u>\$ 591,840</u>	<u>\$ 1,298,565</u>
<u>Electric Utility Capital Fund</u>						
Acquisition of Mini-Excavator and Installation of Circuit Breakers at Mill Road Substation	1.09%	5/18/2018	\$ 240,500	\$ 355,330	\$ 240,500	\$ 355,330
Acquisition of Aerial Bucket Truck	1.09%	5/18/2018	-	225,433	-	225,433
Total Electric Utility Capital Fund			<u>\$ 240,500</u>	<u>\$ 580,763</u>	<u>\$ 240,500</u>	<u>\$ 580,763</u>
<u>Swim Pool Utility Capital Fund</u>						
Installation of Slide and Volleyball Court at Municipal Pool	1.09%	5/18/2018	\$ 39,000	\$ 26,000	\$ 39,000	\$ 26,000
Total Swim Pool Utility Capital Fund			<u>\$ 39,000</u>	<u>\$ 26,000</u>	<u>\$ 39,000</u>	<u>\$ 26,000</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

Bond Anticipation Notes

Purpose	Rate (%)	Maturity Date	Balance January 1, 2016	Renewed/ Issued	Retired/ Redeemed	Balance, December 31, 2016
2016						
<u>General Capital Fund</u>						
Impvts. to Roads, Curbs and Sidewalks	2.00%	10/6/2017	\$ 733,000	\$ 694,421	\$ 733,000	\$ 694,421
Various Impvts. & Acq. of Equip.	2.00%	10/6/2017	2,389,160	2,561,739	2,389,160	2,561,739
Improvements to Borough Hall	2.00%	10/6/2017	380,500	380,500	380,500	380,500
Acquisition of a Garbage Truck	2.00%	10/6/2017		197,000		197,000
Payments of Amounts Owing to Others for Taxes Levied			75,000	-	75,000	-
Total General Capital Fund			<u>\$ 3,577,660</u>	<u>\$ 3,833,660</u>	<u>\$ 3,577,660</u>	<u>\$ 3,833,660</u>
<u>Water Utility Capital Fund</u>						
Various Impvts. & Acq. of Equip.	2.00%	10/6/2017	\$ 491,840	\$ 491,840	\$ 491,840	\$ 491,840
Installation of New Well and Pumping Station	2.00%	10/6/2017	100,000	100,000	100,000	100,000
Total Water Utility Capital Fund			<u>\$ 591,840</u>	<u>\$ 591,840</u>	<u>\$ 591,840</u>	<u>\$ 591,840</u>
<u>Electric Utility Capital Fund</u>						
Acquisition of Mini-Excavator and Installation of Circuit Breakers at Mill Road Substation	2.00%	10/6/2017	\$ 240,500	\$ 240,500	\$ 240,500	\$ 240,500
Total Electric Utility Capital Fund			<u>\$ 240,500</u>	<u>\$ 240,500</u>	<u>\$ 240,500</u>	<u>\$ 240,500</u>
<u>Swim Pool Utility Capital Fund</u>						
Installation of Slide and Volleyball Court at Municipal Pool	2.00%	10/6/2017	\$ 65,000	\$ 39,000	\$ 65,000	\$ 39,000
Total Swim Pool Utility Capital Fund			<u>\$ 65,000</u>	<u>\$ 39,000</u>	<u>\$ 65,000</u>	<u>\$ 39,000</u>

The purpose of these short-term borrowings was to provide resources for capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq. The amounts issued for governmental activities are accounted for in the General Capital Fund. The amounts issued for the water, electric and swim pool utility activities are accounted for in the Water, Electric and Swim Pool Utility Capital Fund.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

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

NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

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

<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
<u>2017</u>		
Rehabilitation of Well #7	\$84,600	2018
Photocatalytic Oxidation Treatment for Well #17	97,171	2018
Rehabilitation of Well #10	51,215	2018
<u>2016</u>		
Replacement of Water Resin at Well #10	\$87,828	2017

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

<u>Purpose</u>	<u>Remaining Commitment</u>
<u>2017</u>	
None	
<u>2016</u>	
Ford F-350 Truck	\$37,893
Aerial Bucket Truck	225,000
Dump Truck with Snow Plow	169,899

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 11 OTHER LONG-TERM LIABILITIES

A. Compensated Absences

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

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$778,741 and \$763,442 at December 31, 2017 and 2016, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2017 and 2016, the Borough has reserved in the Other Trust Fund \$50,048 to fund compensated absences in accordance with NISA 40A:4-39.

Changes in Other Long-Term Liabilities

Under the regulatory basis of accounting, certain other long-term liabilities which may be considered material to the financial statements are not reported either as an expenditure or a liability. However, under the regulatory basis of accounting, these other long-term liabilities and related information are required to be disclosed in the notes to the financial statements in conformity with the disclosure requirements of the Governmental Accounting Standards Board.

The Borough's changes in other long-term liabilities for the years ended December 31, 2017 and 2016 were as follows:

	Balance, December 31, <u>2016</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2017</u>	Due Within <u>One Year</u>
<u>2017</u>					
Compensated Absences	\$ 763,442	\$ 37,345	\$ 22,046	\$ 778,741	\$ 50,000
Net Pension Liability - PERS	14,401,245		2,070,135	12,331,110	
Net Pension Liability - PFRS	11,155,696		1,089,484	10,066,212	
Net OPEB Obligation	-	1,049,802	490,630	559,172	-
Total	<u>\$ 26,320,383</u>	<u>\$ 1,087,147</u>	<u>\$ 3,672,295</u>	<u>\$ 23,735,235</u>	<u>\$ 50,000</u>
	Balance, December 31, <u>2015</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2016</u>	Due Within <u>One Year</u>
<u>2016</u>					
Compensated Absences	\$ 674,455	\$ 209,468	\$ 120,481	\$ 763,442	\$ 50,000
Net Pension Liability - PERS	11,534,976	3,298,244	431,975	14,401,245	
Net Pension Liability - PFRS	10,931,588	700,267	476,159	11,155,696	-
Total	<u>\$ 23,141,019</u>	<u>\$ 4,207,979</u>	<u>\$ 1,028,615</u>	<u>\$ 26,320,383</u>	<u>\$ 50,000</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS

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

Police and Firemen's Retirement System (PFRS) - established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after December 31, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership. PFRS is a cost-sharing multi-employer defined benefit pension plan.

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

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

Defined Contribution Retirement Program (DCRP) - established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PERS and new employees who would otherwise be eligible to participate in PERS and do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. DCRP is a defined contribution pension plan.

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 State also administers the Pensions Adjustment Fund (PAF). Prior to the adoption of pension reform legislation, P.J. 2011, C.78, it provided cost of living increases equal to 60 percent of the change in the average consumer price index, to eligible retirees in some State-sponsored pension systems which includes the CPI/PF. Cost-of-living increases provided under the State's pension adjustment program are currently suspended as a result of the reform legislation. This benefit is funded by the State as benefit allowances become payable.

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

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

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Basis of Accounting

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

Investment Valuation

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

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

Funded Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, which was rolled forward to June 30, 2017, the aggregate funded ratio for all the State administered retirement systems, including local PERS and local PFRS is 35.79 percent with an unfunded actuarial accrued liability of \$142.3 billion. The aggregate funded ratio and unfunded accrued liability for the local PERS system is 48.10 percent and \$23.3 billion, respectively and the aggregate funded ratio and unfunded accrued liability for local PFRS is 58.60 percent and \$17.2 billion, respectively.

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

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

Actuarial Methods and Assumptions

In the July 1, 2016 actuarial valuations, the date of the most recent actuarial valuations, the projected unit credit was used as actuarial cost method, and the five year average of market value was used as asset valuation method for pension trust funds. The actuarial assumptions included (a) 7.00% for investment rate of return for all the retirement systems except CPFPP (1.00%) and (b) changes to projected salary increases applied through the year 2026 of 1.65-5.15 percent based on age for PERS and 2.10-9.98 percent based on age for PFRS.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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 10.0% for PFRS, 7.20% for PERS and 5.50% for DCRP of employee’s annual compensation for 2017.

Annual Pension Cost (APC)

Per the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employees*, for the years ended December 31, 2017 and 2016 for CPFPF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, annual pension cost equals contributions made. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the years ended December 31, 2017, 2016 and 2015, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

Year Ended December 31	<u>PFRS</u>	<u>PERS (1)</u>	<u>DCRP</u>
2017	\$ 476,159	\$ 433,893	None
2016	533,470	441,776	None
2015	470,161	379,984	None

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees Retirement System (PERS)

At December 31, 2017 and 2016, the Borough reported a liability of \$12,331,110 and \$14,401,245, respectively, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017 and 2016, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 and 2015, respectively. The Borough’s proportionate share of the net pension liability was based on a projection of the Borough’s long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. As of the measurement date of June 30, 2017, the Borough’s proportionate share was .05297 percent, which was an increase of .00435 percent from its proportionate share measured as of June 30, 2016 of .04862 percent.

**BOROUGH OF PARK RIDGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

For the year ended December 31, 2017 and 2016, the pension system has determined the Borough's pension expense to be \$1,235,374 and \$1,547,902, respectively, for PERS based on the actuarial valuation which is more than the actual contributions reported in the Borough's financial statements of \$433,893 and \$441,776, respectively. At December 31, 2017 and 2016, the Borough's deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Borough's financial statements are from the following sources:

	2017		2016	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 290,355		\$ 267,820	
Changes of Assumptions	2,484,294	\$ 2,475,186	2,983,169	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	83,967		549,133	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	1,487,054	351,443	983,587	\$ 449,887
Total	<u>\$ 4,345,670</u>	<u>\$ 2,826,629</u>	<u>\$ 4,783,709</u>	<u>\$ 449,887</u>

At December 31, 2017 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2018	\$ 662,842
2019	662,842
2020	544,941
2021	(200,263)
2022	<u>(151,321)</u>
	<u>\$ 1,519,041</u>

**BOROUGH OF PARK RIDGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The Borough's total pension liability reported for the year ended December 31, 2017 was based on the June 30, 2017 measurement date as determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The total pension liability reported for the year ended December 31, 2016 was based on the June 30, 2016 measurement date as determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<u>PERS</u>	<u>2017</u>	<u>2016</u>
Inflation Rate	2.25%	3.08%
Salary Increases:		
Through 2026	1.65-4.15% Based on Age	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age	2.65-5.15% Based on Age
Investment Rate of Return	7.00%	7.65%
Mortality Rate Table	RP-2000	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

The actuarial assumptions used in the July 1, 2016 and 2015 valuations were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014, respectively.

**BOROUGH OF PARK RIDGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2017 and 2016, as reported for the years ended December 31, 2017 and 2016, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>2017</u>		<u>2016</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%		
Cash Equivalents	5.50%	1.00%	5.00%	0.87%
U.S. Treasuries	3.00%	1.87%	1.50%	1.74%
Investment Grade Credit	10.00%	3.78%	8.00%	1.79%
Mortgages			2.00%	1.67%
High Yield Bonds			2.00%	4.56%
Inflation-Indexed Bonds			1.50%	3.44%
US Equity	30.00%	8.19%	26.00%	8.53%
Non-US Developed Markets Equity	11.50%	9.00%	13.25%	6.83%
Emerging Markets Equity	6.50%	11.64%	6.50%	9.95%
Private Equity			9.00%	12.40%
Hedge Funds/Absolute Return			12.50%	4.68%
Real Estate (Property)			2.00%	6.91%
Commodities			0.50%	5.45%
Global Debt ex US			5.00%	-0.25%
REIT			5.25%	5.63%
Public High Yield	2.50%	6.82%		
Global Diversified Credit	5.00%	7.10%		
Credit Oriented Hedge Funds	1.00%	6.60%		
Debt Related Private Equity	2.00%	10.63%		
Debt Related Real Estate	1.00%	6.61%		
Private Real Asset	2.50%	11.83%		
Equity Related Real Estate	6.25%	9.23%		
Buyouts/Venture Capital	8.25%	13.08%		

Discount Rate

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2017	5.00%
2016	June 30, 2016	3.98%

**BOROUGH OF PARK RIDGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2040
Municipal Bond Rate *	From July 1, 2040 and Thereafter

* The municipal bond return rate used is 3.58% and 2.85% as of the measurement dates of June 30, 2017 and 2016, respectively. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the Borough's proportionate share of the PERS net pension liability as of December 31, 2017 and 2016 calculated using the discount rate of 5.00% and 3.98%, respectively, as well as what the Borough's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00% and 2.98%, respectively) or 1-percentage-point higher (6.00% and 4.98%, respectively) than the current rate:

	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
2017			
Borough's Proportionate Share of the PERS Net Pension Liability	<u>\$ 15,297,579</u>	<u>\$ 12,331,110</u>	<u>\$ 9,859,674</u>
	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
2016			
Borough's Proportionate Share of the PERS Net Pension Liability	<u>\$ 17,647,045</u>	<u>\$ 14,401,245</u>	<u>\$ 11,721,556</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2017 and 2016. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

**BOROUGH OF PARK RIDGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees Retirement System (PERS) (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Police and Firemen's Retirement System (PFRS)

At December 31, 2017 and 2016, the Borough reported a liability of \$10,066,212 and \$11,155,696, respectively, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2017 and 2016, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 and 2015, respectively. The Borough's proportionate share of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. As of the measurement date of June 30, 2017, the Borough's proportionate share was .06520 percent, which was an increase of .0068 percent from its proportionate share measured as of June 30, 2016 of .05840 percent.

For the years ended December 31, 2017 and 2016, the pension system has determined the Borough pension expense to be \$1,067,346 and \$1,162,520, respectively, for PFRS based on the actuarial valuation which is more than the actual contributions reported in the Borough's financial statements of \$476,159 and \$533,470, respectively. At December 31, 2017 and 2016, the Borough's deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Borough's financial statements are from the following sources:

	2017		2016	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 65,304	\$ 59,080		\$ 73,129
Changes of Assumptions	1,241,276	1,648,551	\$ 1,545,183	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	192,087		781,671	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	1,216,582	650,048	515,432	831,626
Total	\$ 2,715,249	\$ 2,357,679	\$ 2,842,286	\$ 904,755

**BOROUGH OF PARK RIDGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Police and Firemen’s Retirement System (PFRS) (Continued)

At December 31, 2017 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense as follows:

Year Ending December 31,	Total
2018	\$ 333,225
2019	333,222
2020	112,081
2021	(342,938)
2022	<u>(78,020)</u>
	<u>\$ 357,570</u>

Actuarial Assumptions

The Borough’s total pension liability reported for the year ended December 31, 2017 was based on the June 30, 2017 measurement date as determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The total pension liability reported for the year ended December 31, 2016 was based on the June 30, 2016 measurement date as determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

PFRS

	<u>2017</u>	<u>2016</u>
Inflation Rate	2.25%	3.08%
Salary Increases:		
Through 2026	2.10-8.98% Based on Age	2.10-8.98% Based on Age
Thereafter	3.10-9.98% Based on Age	3.10-9.98% Based on Age
Investment Rate of Return	7.00%	7.65%
Mortality Rate Table	RP-2000	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale AA and one year using Scale BB.

The actuarial assumptions used in the July 1, 2016 and July 1, 2015 valuations were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

**BOROUGH OF PARK RIDGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2017 and 2016, as reported for the years ended December 31, 2017 and 2016, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>2017</u>		<u>2016</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%		
Cash	5.50%	1.00%	5.00%	0.87%
U.S. Treasuries	3.00%	1.87%	1.50%	1.74%
Investment Grade Credit	10.00%	3.78%	8.00%	1.79%
Mortgages			2.00%	1.67%
High Yield Bonds			2.00%	4.56%
Inflation-Indexed Bonds			1.50%	3.44%
US Equity	30.00%	8.19%	26.00%	8.53%
Non-US Developed Markets Equity	11.50%	9.00%	13.25%	6.83%
Emerging Markets Equity	6.50%	11.64%	6.50%	9.95%
Private Equity			9.00%	12.40%
Hedge Funds/Absolute Return			12.50%	4.68%
Real Estate (Property)			2.00%	6.91%
Commodities			0.50%	5.45%
Global Debt ex US			5.00%	-0.25%
REIT			5.25%	5.63%
Public High Yield	2.50%	6.82%		
Global Diversified Credit	5.00%	7.10%		
Credit Oriented Hedge Funds	1.00%	6.60%		
Debt Related Private Equity	2.00%	10.63%		
Debt Related Real Estate	1.00%	6.61%		
Private Real Asset	2.50%	11.83%		
Equity Related Real Estate	6.25%	9.23%		
Buyouts/Venture Capital	8.25%	13.08%		

Discount Rate

The discount rate used to measure the total pension liabilities of the PFRS plan was as follows:

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2017	6.14%
2016	June 30, 2016	5.55%

**BOROUGH OF PARK RIDGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Police and Firemen’s Retirement System (PFRS) (Continued)

Discount Rate (Continued)

The following table represents the crossover period, if applicable, for the PFRS defined benefit plan:

Period of Projected Benefit

Payments for which the Following
Rates were Applied:

Long-Term Expected Rate of Return Through June 30, 2057

Municipal Bond Rate * From July 1, 2057
and Thereafter

* The municipal bond return rate used is 3.58% and 2.85% as of the measurement dates of June 30, 2017 and 2016, respectively. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the Borough’s proportionate share of the PFRS net pension liability as of December 31, 2017 and 2016 calculated using the discount rate of 6.14% and 5.55%, respectively, as well as what the Borough’s proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.14% and 4.55 %, respectively) or 1-percentage-point higher (7.14% and 6.55%, respectively) than the current rate:

	1% Decrease (5.14%)	Current Discount Rate (6.14%)	1% Increase (7.14%)
2017			
Borough's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 13,263,063</u>	<u>\$ 10,066,212</u>	<u>\$ 7,439,635</u>
	1% Decrease (4.55%)	Current Discount Rate (5.55%)	1% Increase (6.55%)
2016			
Borough's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 14,384,452</u>	<u>\$ 11,155,696</u>	<u>\$ 8,522,840</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2017 and 2016. A sensitivity analysis specific to the Borough’s net pension liability was not provided by the pension system.

**BOROUGH OF PARK RIDGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Special Funding Situation – PFRS

Under N.J.S.A. 43:16A-15, the Borough is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the Borough by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Accordingly, the Borough's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

At December 31, 2017 and 2016, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,127,501 and \$936,819, respectively. For the years ended December 31, 2017 and 2016, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$137,919 and \$119,654, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$56,380 and \$35,896, respectively. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

Pension Plan Fiduciary Net Position

Detailed information about the PFRS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS

Private Plan

Plan Description

The Borough provides a post employment healthcare plan for its eligible retirees and their dependents. Effective June 1, 2017 the Borough changed from the State Health Benefit Program to a private plan. The plan is a single-employer defined benefit healthcare plan administered by the Bergen Municipal Employees Benefit Fund (BMED) for 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, 2017 AND 2016**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Funding Policy

The required contribution is funded on a pay-as-you-go basis. For the year 2017, the Borough contributed \$490,630 to the plan 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 ended December 31, 2017, the amount actually contributed to the plan, and changes in the Borough's net OPEB obligation to the plan.

	<u>2017</u>
Annual Required Contribution	\$ 1,049,802 (1)
Interest on Net OPEB Obligation	
Adjustment to Annual Required Contribution	-
Total (Annual OPEB Cost (Expense))	<u>1,049,802</u>
Contributions Made	<u>(490,630)</u>
Increase in Net OPEB Obligation	559,172
Net OPEB Obligation - Beginning of Year	-
Net OPEB Obligation - End of Year	<u>\$ 559,172</u>

(1) The Annual Required Contribution for 2017 was prorated for seven (7) months reflecting the date the Borough changed from the State Health Benefit Program to the Bergen County Municipal Benefits Fund (BMFD) effective June 1, 2017.

The Borough's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year 2017 was 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>
2017	\$ 1,049,802	46.7%	\$ 23,333,726

Funded Status and Funding Progress

As of December 31, 2017, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$23,333,726 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$23,333,726.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Funded Status and Funding Progress (Continued)

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

Actuarial Methods and Assumptions

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

In the December 31, 2017, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 6.0 percent initially, reduced by decrements to an ultimate rate of 5.0 percent in 2026. Both rates included a 4.5 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2017 was 29 years and 5 months.

State Health Benefit Program

Prior to June 1, 2017 the Borough was a member of the State Health Benefits Program.

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for participating municipalities including the Borough. The plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and the Teacher's Pension and Annuity (TPAF) are combined and reported as Pension and Other Employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund – Local Government classified as a cost sharing multiple-employer plan. The post-retirement benefit programs had a total of 580 state and local participating employers and contributing entities for Fiscal Year 2017.

The State of New Jersey sponsors and administers the following health benefit program covering substantially all local government employees from local participating employers.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

State Health Benefits Program Funds (HBPF) – Local Government (including Prescription Drug Program Fund) – Certain local employers who participate in the State Health Benefits Program provide health insurance coverage to their employees at retirement. Under provisions of P.L. 1997, c.330, the State of New Jersey provides partially funded benefits to local police officers and firefighters who retire with 25 years of service (or on disability) from an employer who does not provide coverage. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents. Also, local employees are eligible for the PDP coverage after 60 days of employment.

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 the above Fund. The financial reports may be assessed via, the New Jersey, Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

Basis of Accounting

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

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

Funded Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the State had a \$85.4 billion unfunded actuarial liability for other postemployment benefits (OPEB) which is made up of \$25.5 billion for state active and retired members, \$16.1 billion for local active and retired members and \$43.8 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

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

Actuarial Methods and Assumptions

In the July 1, 2016 OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Post-Retirement Medical Benefits Contribution

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Public Employees' Retirement System to fund post-retirement medical benefits for those State and participating local government employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2017, there were 112,966 retirees receiving post-retirement medical benefits, and the State contributed \$1.39 billion on their behalf. The cost of these benefits is funded through contributions by the State and participating local governments in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

P.L. 1977, c. 136 provides for the State and participating local governments to pay health benefits on a pay-as-you-go basis for all enrolled retired employees, regardless of retirement date, under two provisions. The first is for employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is for retired employees who are eligible for a disability retirement regardless of years of service. The State and participating local governments contributed \$184.6 million for 10,994 eligible retired members for Fiscal Year 2017. This benefit covers the Police and Firemen's Retirement System.

P.L. 1997, c. 330 provides paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and the Consolidated Police and Firemen's Pension Fund and to dependents of qualified retirees. The State and participating local governments are responsible for 80 percent of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization participating in the program, whichever provides the lower charge. The State and participating local governments contributed \$52.1 million in Fiscal Year 2017 to provide benefits under Chapter 330 to qualified retirees.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the *annual required contribution of the employers (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) of the plan over a period not to exceed thirty years. The Borough's contributions to the State Health Benefits Program Fund-Local Government for post-retirement benefits for the years ended December 31, 2017, 2016 and 2015 were \$337,402, \$746,240, and \$701,785, respectively, which equaled the required contributions for each year. The Borough withdrew from the State Health Benefits Plan effective June 1, 2017.

NOTE 14 RISK MANAGEMENT

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

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

**BOROUGH OF PARK RIDGE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 14 RISK MANAGEMENT (Continued)

Effective June 1, 2017 the Borough became a member of the Bergen County Municipal Benefits Fund (BMED). This fund is an insured and self-administered group established for the sole purpose of providing medical insurance coverage to the employees of member municipalities. The BMED is a risk-sharing public entity pool. The BMED coverage amounts are on file with the Borough.

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

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

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

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

<u>Year Ended</u> December 31	<u>Borough</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2017	NONE	\$ 9,008	\$ 12,905	\$ 100,082
2016	NONE	8,737	12,005	103,586
2015	NONE	6,494	6,673	106,395

NOTE 15 CONTINGENT LIABILITIES

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

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2017 and 2016. 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, 2017 and 2016, the Borough reserved \$408,081 and \$358,081, 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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 15 CONTINGENT LIABILITIES (Continued)

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, 2017 and 2016, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

NOTE 16 FEDERAL ARBITRAGE REGULATIONS

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2017 and 2016, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

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

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

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

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 \$1,551 and \$1,539 for 2017 and 2016, respectively, for each eligible volunteer fire department member into the Plan. The Borough also contributed a one-third (1/3) share of \$1,551 and \$1,539 for 2017 and 2016, for each eligible volunteer Tri-Boro Ambulance Corp member into the Plan. In addition, the Boroughs of Montvale and Woodcliff Lake also contributed one-third (1/3) share each of \$1,551 and \$1,539 for 2017 and 2016, respectively, for each Tri-Boro Ambulance Corp. member into the plan. The total Borough contributions were \$47,042 and \$46,669 for 2017 and 2016, respectively. The total contributions from the Boroughs of Montvale and Woodcliff Lake were \$25,848 and \$22,565 for 2017 and 2016, respectively.

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

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

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

Vesting and Benefits

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

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

Reporting Requirements

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

NOTE 18 TAX ABATEMENTS

For the years ended December 31, 2017 and 2016, the Borough provided property tax abatements through a certain program authorized under State statutes. This program was the New Jersey Housing and Mortgage Financing Act (NJHMFA).

The New Jersey Housing and Mortgage Financing Act (NJSA 55:14K et. seq.) allows for property tax abatements for residential rental housing projects financed by the New Jersey Housing and Mortgage Finance Agency. These property tax abatements last for the term of the original mortgage financing so long as the residential rental housing project remains subject to the NJHMFA Law and regulations. The process begins when the municipality passes by ordinance or resolution, as appropriate, that such residential rental housing project shall be exempt from property tax provided that an agreement is entered into with the housing sponsor for payments in lieu of taxes (PILOTs) to the municipality. The agreement can require the housing sponsor to a PILOT payment to the municipality in an amount up to 20% of the annual gross revenue from each housing project. For the years ended December 31, 2017 and 2016 the Borough abated property taxes totaling \$114,278 and \$110,303, respectively, under the NJHMFA program. The Borough received \$14,605 and \$11,790 in PILOT payments under this program for the years ended December 31, 2017 and 2016, respectively.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 19 SUBSEQUENT EVENTS

Emergency Notes

On February 27, 2018 the Borough authorized the Chief Financial Officer to issue \$320,000 of notes to temporarily finance the Borough's emergency appropriation for legal services and costs. The Borough has awarded the sale of said notes to the Passaic Valley Water Commission at an interest rate of 2.25%. The notes dated April 5, 2018 will mature on September 5, 2018.

Serial Bonds

On April 10, 2018 the Borough adopted a resolution for the issuance of \$6,270,000 Bonds consisting of \$4,880,000 General Improvement Bonds, \$790,000 Water Utility Bonds and \$600,000 Electric Utility Bonds for the purpose of funding various capital improvements of the Borough. On May 3, 2016 the Borough awarded the sale of said bonds to Roosevelt & Cross, Inc. & Associates at an interest rate of 2.00% to 3.00%. These bonds dated May 15, 2018 will mature over 13 years with the first maturity due May 15, 2019.

Bond Anticipation Notes

On May 1, 2018 the Borough issued bond anticipation notes in the amount of \$610,000 to temporarily finance expenditures related to various capital projects. The Borough awarded the sale of said notes to the Passaic Valley Water Commission at an interest rate of 2.25%. These notes dated May 1, 2018 will mature on May 1, 2019.

SUPPLEMENTARY SCHEDULES

CURRENT FUND

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

Balance, December 31, 2016		\$ 3,676,456
Increased by:		
Non-Budget Revenue	\$ 313,460	
Taxes Receivable	42,680,807	
Revenue Accounts Receivable	2,894,797	
NJ Senior Citizen and Veteran's Deductions	74,924	
Grants Receivable	9,790	
Due to Municipal Library	3,752	
Tax Overpayments	30,320	
Prepaid Taxes	3,832,224	
Fees Payable	17,167	
Reserve for Grants - Unappropriated	54,467	
Due to Outside Lienholder	73,050	
Receipts from Animal Control Trust Fund	7,926	
Receipts from General Capital Fund on Behalf of Swim Pool Utility Capital Fund	25,689	
Receipts from Water Utility Operating Fund	1,002	
Receipts from Swim Pool Utility Operating Fund	13,576	
Receipts for Other Trust Fund	4,630	
Receipts for Affordable Housing Trust Fund	34,450	
Receipts for General Capital Fund	100,879	
Receipts for Water Utility Operating Fund	60,389	
Receipts for Electric Utility Operating Fund	48,946	
Receipts for Public Assistance Fund	3,200	
	<u>50,285,445</u>	
		53,961,901
Decreased by Disbursements:		
2017 Budget Appropriations	12,387,370	
2016 Appropriation Reserves	160,715	
Change Fund	75	
Petty Cash	675	
Encumbrances Payable	110,551	
County Taxes Payable	4,675,069	
Local District School Tax Payable	28,370,946	
Fees Payable	17,867	
Due to Outside Lienholder	59,615	
Payments made for Other Trust Fund	272,726	
Payments to Affordable Housing Trust Fund	29,722	
Payments to General Capital Fund	519,739	
Payments to Water Utility Capital Fund	4,723	
Payments to Electric Utility Operating Fund	111,199	
Payments to Electric Utility Capital Fund	1,919	
Payments to Utility Trust Fund	550	
Payments to Public Assistance Fund	11,686	
Payments made for General Capital Fund	9,808	
Payments made for Water Utility Operating Fund	1,777	
Payments made for Electric Utility Operating Fund	21,099	
Payments made for Swim Pool Utility Operating Fund	13,000	
	<u>46,780,831</u>	
Balance, December 31, 2017		\$ 7,181,070

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

Balance, December 31, 2016	\$ 375
Increased by:	
Established by Treasurer's Disbursements	75
Balance, December 31, 2017	\$ 450

Analysis of Balance

Tax Office	\$ 450
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STATEMENT OF PETTY CASH FUNDS

Balance, December 31, 2016	\$ 1,325
Increased by:	
Established by Treasurer's Disbursements	675
Balance, December 31, 2017	\$ 2,000

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

Balance, December 31, 2016 (Due To)	\$ 521
Increased by:	
Receipts from State of New Jersey	74,924
	75,445
Decreased by:	
Senior Citizens' Deductions per Tax Duplicate 2017	\$ 7,750
Veterans' Deductions per Tax Duplicate 2017	69,000
Senior Citizens/Veterans Deductions Allowed By Tax Collector-2017	250
	77,000
Balance, December 31, 2017 (Due From)	\$ 1,555

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

	Balance, December 31, 2016	Accrued in 2017	<u>Received</u>	Balance, December 31, 2017
Hazard Mitigation Grant - Message Display Sign	\$ 14,396			\$ 14,396
BC Shared Services - Drainage Improvements	9,667			9,667
BC Forfeiture - Message Display Sign	5,000			5,000
BC Forfeiture - NJSACOP	8,841			8,841
Drive Sober Get Pulled Over		\$ 5,500	\$ 2,159	3,341
Distracted Driver Grant		5,500	4,604	896
NJ DOT - Mill Road Phase II		150,000		150,000
Donations - Fireworks		1,000	1,000	
Body Armor Replacement Fund	-	2,027	2,027	-
	<u>\$ 37,904</u>	<u>\$ 164,027</u>	<u>\$ 9,790</u>	<u>\$ 192,141</u>

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

<u>Year</u>	Balance,	<u>2017</u>	Senior	<u>Cash Collections</u>		Senior	Remitted,	Balance,
	December 31,		Deductions	Deductions	2016	2017		
	<u>2016</u>	<u>Levy</u>	<u>Disallowed</u>			<u>Allowed</u>	<u>Cancelled</u>	<u>2017</u>
2016	\$ 277,093				\$ 277,093			
2017	-	\$ 43,090,475	-	\$ 295,082	42,403,714	\$ 77,000	\$ 36,998	\$ 277,681
	<u>\$ 277,093</u>	<u>\$ 43,090,475</u>	<u>\$ -</u>	<u>\$ 295,082</u>	<u>\$ 42,680,807</u>	<u>\$ 77,000</u>	<u>\$ 36,998</u>	<u>\$ 277,681</u>

Analysis of 2017 Property Tax Levy

TAX YIELD

General Purpose Tax		\$ 43,004,958
Added and Omitted Taxes (54:4-63.10 et seq.)		<u>85,517</u>
		<u>\$ 43,090,475</u>

TAX LEVY

Local District School Taxes		\$ 28,370,946
County Taxes - General	\$ 4,473,595	
County Open Space Preservation Tax	185,273	
Due County for Added and Omitted Taxes (54:4-63.10 et seq.)	<u>9,282</u>	
		4,668,150
Municipal Open Space Tax	111,412	
Municipal Open Space Tax-Added Taxes	<u>208</u>	
		111,620
Local Tax for Municipal Purposes	9,244,066	
Minimum Library Tax	614,266	
Add Additional Tax Levied	<u>81,427</u>	
		<u>9,939,759</u>
		<u>\$ 43,090,475</u>

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

Balance, December 31, 2016	\$ <u>100,650</u>
Balance, December 31, 2017	\$ <u>100,650</u>

BOROUGH OF PARK RIDGE
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, December 31, <u>2016</u>	Accrued in <u>2017</u>	Collected in <u>2017</u>	Balance, December 31, <u>2017</u>
Borough Clerk				
Licenses				
Alcoholic Beverages		\$ 19,315	\$ 19,315	
Fire Code Department				
Fees and Permits		45,420	45,420	
Health Officer and Registrar				
Fees and Permits		23,000	23,000	
Municipal Court				
Fines and Costs	\$ 8,854	132,757	130,910	\$ 10,701
Interest and Cost on Taxes		67,220	67,220	
Joint Insurance Fund Dividend		12,000	12,000	
Hotel Tax		246,248	246,248	
Recycling Program		28,358	28,358	
Cable Television Franchise Fee		143,553	143,553	
Water Utility Rental Fees		105,000	105,000	
Electric Utility Rental Fees		30,000	30,000	
Pistol Range Fee	3,500	17,000	20,500	
Tri-Boro Safety Corps		55,062	55,062	
Consolidated Municipal Property Tax Relief Aid		16,161	16,161	
Energy Receipts Tax		366,438	366,438	
Watershed Moratorium Offset Aid		1,598	1,598	
Uniform Construction Code Fees		331,100	331,100	
Water Utility - Payments in Lieu of Taxes		100,000	100,000	
Electric Utility - Payments in Lieu of Taxes		155,000	155,000	
Electric Utility Payment in Lieu of Franchise & Gross Receipts Taxes		500,000	500,000	
Life Hazard Use Fees		11,568	11,568	
Library Reimbursements		61,000	61,000	
Excess Sewer User Fees	25,947	118,186	131,926	12,207
BMED Dividend		200,000	200,000	
Sprint Cell Tower Rent	-	93,420	93,420	-
	<u>\$ 38,301</u>	<u>\$ 2,879,404</u>	<u>\$ 2,894,797</u>	<u>\$ 22,908</u>

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

	Balance, December 31, <u>2016</u>	Amount Resulting from 2017	Raised in 2017	Balance, December 31, <u>2017</u>
Emergency Authorization		\$ 320,000		\$ 320,000
Overexpenditure of Budget Appropriations	\$ 304,757		\$ 304,757	
Overexpenditure of Appropriation Reserves	<u>-</u>	33,330	<u>-</u>	<u>33,330</u>
	<u>\$ 304,757</u>	<u>\$ 353,330</u>	<u>\$ 304,757</u>	<u>\$ 353,330</u>

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

<u>Date</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance, December 31, 2016</u>	<u>Raised in 2017 Budget</u>	<u>Balance, December 31, 2017</u>
2014	Preparation of an Approved Tax Map	\$ 62,400	\$ 12,480	<u>\$ 37,440</u>	<u>\$ 12,480</u>	<u>\$ 24,960</u>
				<u>\$ 37,440</u>	<u>\$ 12,480</u>	<u>\$ 24,960</u>

STATEMENT OF DUE TO MUNICIPAL LIBRARY

Increased by:	
Cash Receipts	<u>\$ 3,752</u>
Balance, December 31, 2017	<u>\$ 3,752</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF 2016 APPROPRIATION RESERVES**

	Balance, December 31, 2016	Transfers	Encumbrance Payable Cancelled	Balance After Modification	Cancelled	Expended	Balance Lapsed	Over- Expended
Salaries and Wages								
General Administration	\$ 430			\$ 430			\$ 430	
Mayor and Council	500			500			500	
Municipal Clerk	6,628			6,628	\$ 6,000		628	
Financial Administration	1,252			1,252			1,252	
Revenue Administration	353			353			353	
Tax Assessment Administration	200			200			200	
Planning Board		\$ 1,100		1,100			1,100	
Zoning Officer		1,175		1,175			1,175	
Housing Task Force	1,319			1,319			1,319	
Police	1,307			1,307			1,307	
Police Reserve	2,760	(2,750)		10			10	
Fire		525		525			525	
Fire Prevention/Uniform Fire Code		50		50			50	
Road Repairs and Maintenance		29,825		29,825	29,000		825	
Sewer System	5,363	(2,000)		3,363			3,363	
Public Buildings & Grounds		35,650		35,650	35,000		650	
Maintenance of Vehicles		3,550		3,550			3,550	
Board of Health	2,941			2,941			2,941	
Welfare/Administration of Public Service		225		225			225	
Recreation	12,250	(12,000)		250			250	
Senior Citizen		3,750		3,750			3,750	
Park Ridge Television	5,200	(4,000)		1,200			1,200	
Uniform Construction Code	-	1,241	-	1,241	-	-	1,241	-
Total Salaries & Wages	40,503	56,341	-	96,844	70,000	-	26,844	-
Other Expenses								
General Administration		4,650		4,650			4,650	
Municipal Clerk					2,000			
Other Expenses	4,448			4,448			2,448	
Mayor and Council	4,722	(550)		4,172		\$ 545	3,627	
Financial Administration	6,780	14,000		20,780		18,714	2,066	
Audit Services	5,605	300		5,905		820	5,085	
Revenue Administration	8,767	(7,750)		1,017			1,017	
Tax Assessment Administration								
Other Expenses	3,339	(3,300)	\$ 60	99			99	
Legal Services & Costs	22,215			22,215		55,545	-	\$ 33,330
Engineering Services & Costs	16,387			16,387		10,513	5,874	
Planning Board	13,981			13,981	13,000		166	815
Zoning Board of Adjustment	9,509	(8,225)		1,284		831	453	
Zoning Officer	348			348			348	
Housing Task Force	650			650			650	
Insurance								
General Liability	18,971	(16,900)		2,071		100	1,971	
Tri-Boro Ambulance	86			86			86	
Police	950		424	1,374			1,374	
Police Reserve	1,677			1,677		187	1,490	
Pistol Range	2,388		5,000	7,388			7,388	
Emergency Management Services	2,325		1,870	4,195			4,195	
TriBoro Safety Corps	6,624			6,624	\$ 6,000		624	
Fire Department	16,719	(3,025)	4,944	18,638		2,673	15,965	
Fire Prevention/Uniform Fire Codes	2,045	(50)		1,995			1,995	
Road Repairs and Maintenance	48,295	(29,825)	2,722	21,192	16,000	468	4,724	
Solid Waste Collection - Recycling			3,157	3,157			3,157	
Public Buildings & Grounds		6,650		6,650			6,650	
Maintenance of Vehicles	7,263	(7,000)		263			263	

**BOROUGH OF PARK RIDGE
STATEMENT OF 2016 APPROPRIATION RESERVES**

	Balance, December 31, 2016	Transfers	Incumbrance Payable Cancelled	Balance After Modification	Cancelled	Expended	Balance Lapsed	Over- Expended
Board of Health	\$ 6,499	\$ (3,575)	\$ 660	\$ 3,584			\$ 3,584	
Welfare/Administration of Public Service	1,300	(1,000)		300			300	
Municipal Services Act	20,000			20,000		\$ 8,300	11,700	
Park Ridge Television	1,753	(1,750)		3			3	
Recreation	21,184	(19,200)	100	2,084			2,084	
Uniform Construction Code	1,482		55	1,537			1,537	
Electric	4,767			4,767			4,767	
Telephone/Communication	1,892			1,892			1,892	
Gas and Oil	13,999			13,999	13,000		999	
Gasoline	20,414			20,414	20,000		414	
Sewer System								
Other Expenses	8,824			8,824		422	8,402	
Shade Tree	1,792			1,792		149	1,643	
Landfill Dumping Fees	98,996		5,382	104,378	90,000		14,378	
Recycling Tax	6,793			6,793			6,793	
Contingent	1,490			1,490		832	658	
Deferred Compensation Retirement Plan	4,000			4,000			4,000	
Police & Firemen Retirement System	20,000			20,000	20,000			
Bergen County Utilities Authority-Sewer Fees	2,279			2,279			2,279	
Fire Department LOSAP	18,165	17,282		35,387		33,848	1,539	
Tri-Borough Ambulance LOSAP	8,356	2,927		11,283		11,283		
Municipal Alliance	3,508			3,508		3,508		
State Forestry Grant	3,000			3,000		3,000		
Body Armor Fund Grant	264			264		264		
Drunk Driving Enforcement Fund	4,303			4,303		4,303		
Park Ridge Green Team	400			400		400		
Green Team Electric Lake and Pasack Brook	195			195		195		
CDBG - Senior Programs	3,711			3,711		3,711		
Alcohol Rehabilitation	2,076			2,076		2,076		
BC Historical Grant - Gingrich Trust Fund	1,050			1,050		1,050		
Sustainable New Jersey	5,000			5,000		5,000		
Firehouse Public Safety Foundation Grant	15,319			15,319		15,319		
Total Other Expenses	506,845	(56,341)	24,374	474,878	180,000	184,222	143,986	33,330
Total	\$ 547,348	\$ -	\$ 24,374	\$ 571,722	\$ 250,000	\$ 184,222	\$ 170,830	\$ 33,330

Realized as Anticipated Revenue in 2017 Budget

\$ 250,000

Cash Disbursements

\$ 160,715

Transferred to Appropriated Grant Reserves

23,507

\$ 250,000 \$ 184,222

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

Balance, December 31, 2016		\$	135,001
Increased by:			
Charges to 2017 Appropriations			127,681
			262,682
Decreased by:			
Payments	\$	110,551	
Cancellations Restored to Appropriation Reserves		24,374	
Transferred to Accounts Payable		76	
			135,001
Balance, December 31, 2017		\$	127,681

STATEMENT OF ACCOUNTS PAYABLE

Balance, December 31, 2016		\$	41,422
Increased by:			
Transferred from Encumbrances Payable			76
			41,498
Decreased by:			
Cancelled to Operations			323
Balance, December 31, 2017		\$	41,175

Analysis of Balance - December 31, 2017

Vendor Payables		\$	75
Due to Montvale Borough (LOSAP)			20,550
Due to Park Ridge Borough (LOSAP)			20,550
			\$ 41,175

STATEMENT OF TAX OVERPAYMENTS

Increased by:			
Overpayments Received		\$	30,320
Balance, December 31, 2017		\$	30,320

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

Balance, December 31, 2016	\$ 295,082
Increased by:	
Collection of 2018 Taxes	<u>3,832,224</u>
	4,127,306
Decreased by:	
Applied to 2017 Taxes Receivable	<u>295,082</u>
Balance, December 31, 2017	<u>\$ 3,832,224</u>

STATEMENT OF COUNTY TAXES PAYABLE

Balance, December 31, 2016	\$ 16,201
Increased by:	
2017 Levy	
General County	\$ 4,473,595
County Open Space Preservation	185,273
Added and Omitted Taxes (RS 54:4-63.1 et seq.)	<u>9,282</u>
	<u>4,668,150</u>
	4,684,351
Decreased by:	
Payments	<u>4,675,069</u>
Balance, December 31, 2017	<u>\$ 9,282</u>

STATEMENT OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Increased by:	
2017 Calendar Year Levy	\$ 28,370,946
Decreased by:	
Payments	<u>\$ 28,370,946</u>

STATEMENT OF DUE TO MUNICIPAL OPEN SPACE PRESERVATION TRUST FUND

Increased by:	
2017 Levy	\$ 111,412
Added and Omitted Taxes (RS 54:4-63.1 et seq.)	<u>208</u>
	<u>\$ 111,620</u>
Balance, December 31, 2017	<u>\$ 111,620</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF DUE TO OUTSIDE LIENHOLDER**

Increased by:		
Cash Receipts		\$ 73,050
Decreased by:		
Cash Disbursements		<u>59,615</u>
Balance, December 31, 2017		<u>\$ 13,435</u>

EXHIBIT A-24

STATEMENT OF FEES PAYABLE

	Balance, December 31, <u>2016</u>	Fees Collected	Payments	Balance, December 31, <u>2017</u>
Due State of New Jersey				
Marriage License Fees	\$ 2,375	\$ 1,081	\$ 700	\$ 2,756
State Construction Fees	<u>5,330</u>	<u>16,086</u>	<u>17,167</u>	<u>4,249</u>
	<u>\$ 7,705</u>	<u>\$ 17,167</u>	<u>\$ 17,867</u>	<u>\$ 7,005</u>

EXHIBIT A-25

STATEMENT OF RESERVE FOR TAX APPEALS

Balance, December 31, 2016	\$ 358,081
Increased by:	
Transferred from 2017 Tax Collections	<u>50,000</u>
	408,081
Decreased by:	
Tax Judgments Refunded	<u>0</u>
Balance, December 31, 2017	<u>\$ 408,081</u>

EXHIBIT A-26

STATEMENT OF MISCELLANEOUS RESERVES

	Balance, December 31, <u>2016</u>	Balance, December 31, <u>2017</u>
Planning Consultant	\$ 6,250	\$ 6,250
	<u>\$ 6,250</u>	<u>\$ 6,250</u>

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

	Balance, December 31, <u>2016</u>	Transferred from 2016 Appropriation <u>Reserves</u>	Balance, December 31, <u>2017</u>
Drunk Driving Enforcement Fund	\$ 9,043	\$ 4,303	\$ 13,346
Sustainable New Jersey	10,000	5,000	15,000
Alcohol Education and Rehab.-DWI Court	416	2,076	2,492
Domestic Violence Grant	2,178		2,178
Federal Forestry Grant		3,000	3,000
Body Armor Replacement Fund	5,188	264	5,452
Drive Sober or Get Pulled Over	490		490
NJEDA Hazardous Replacement Fund	2,406		2,406
Municipal Alliance on Alcoholism & Drug Abuse Over the Limit Under Arrest	7,048	3,508	10,556
	4,981		4,981
Bergen County Forfeiture - Message Board	146		146
Bergen County Green Team Grant	600	595	1,195
Bergen County - Historical Grant		1,050	1,050
CDBG - Senior Programs	1,569	3,711	5,280
	<u>\$ 44,065</u>	<u>\$ 23,507</u>	<u>\$ 67,572</u>

STATEMENT OF RESERVE FOR GRANTS - UNAPPROPRIATED

	Balance, December 31, <u>2016</u>	<u>Received</u>	Realized in 2017 <u>Budget</u>	Balance, December 31, <u>2017</u>
Clean Communities Program	\$ 21,590	\$ 18,342	\$ 21,590	\$ 18,342
Recycling Tonnage Grant	6,075	28,049	6,075	28,049
Municipal Alliance Program	6,727	2,511	6,727	2,511
Drive Sober or Get Pulled Over	3,077		3,077	
Occupant Protection Grant	4,402		4,402	
Sustainable New Jersey	5,000	5,000	5,000	5,000
Alcohol Rehabilitation		165		165
Green Team		400		400
Mini Grant - Bergen County	300	-	-	300
	<u>\$ 47,171</u>	<u>\$ 54,467</u>	<u>\$ 46,871</u>	<u>\$ 54,767</u>

TRUST FUNDS

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

	<u>Animal Control</u>	<u>Other Trust</u>	<u>Unemployment Insurance</u>	<u>Open Space</u>	<u>Affordable Housing</u>
Balance, December 31, 2016	\$ 25,352	\$ 1,866,275	\$ 85,231	\$ 311,440	\$ 295,216
Increased by Receipts:					
Developers Escrow		\$ 64,983			
Receipts from Current Fund					\$ 29,722
Receipts for Unemployment Insurance Trust Fund		9,008			
Payroll Deductions Payable		13,079,370			
Due to State of NJ - Registration Fees	\$ 656				
Dog License Fees	6,539				
Cat License Fees	606				
Police Outside Duty Receivable		221,007			
Miscellaneous Reserves and Deposits		389,840			
Interest on Deposits	141	1,979	\$ 393	\$ 1,548	1,472
Developers Fees	-	-	-	-	-
	<u>7,942</u>	<u>13,766,187</u>	<u>393</u>	<u>1,548</u>	<u>31,194</u>
	33,294	15,632,462	85,624	312,988	326,410
Decreased by Disbursements:					
Developers Escrow		411,570			
Payroll Deductions Payable		13,137,039			
Payments to Current Fund	7,926				
Payments for Current Fund		29,528			
Payments to General Capital Fund		80,583		249,929	
Payments to Water Utility Operating Fund		6,788			
Payments for Water Utility Operating Fund		17,107			
Payments for Electric Utility Operating Fund		5,929			
Dog License Fees Paid to State of NJ	873				
Reserve for Animal Control Expenditures	2,311				
Due to State - Unemployment Claims			15,903		
Miscellaneous Reserves and Deposits		402,929			
Reserve for Affordable Housing Expenditures	-	-	-	-	4,218
	<u>11,110</u>	<u>14,091,473</u>	<u>15,903</u>	<u>249,929</u>	<u>4,218</u>
Balance, December 31, 2017	<u>\$ 22,184</u>	<u>\$ 1,540,989</u>	<u>\$ 69,721</u>	<u>\$ 63,059</u>	<u>\$ 322,192</u>

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

Balance, December 31, 2016	\$	217
Increased by:		
State Fees Collected		<u>656</u>
		873
Decreased by:		
Payments to State		<u>873</u>

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

Balance, December 31, 2016	\$	7,926
Increased by:		
Interest on Deposits	\$	141
Statutory Excess in Reserve for Animal Control Fund		<u>10,276</u>
		<u>10,417</u>
		18,343
Decreased by:		
Cash Disbursements		<u>7,926</u>
Balance, December 31, 2017	\$	<u>10,417</u>

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

Balance, December 31, 2016	\$	17,209
Increased by:		
Dog License Fees	\$	6,539
Cat License Fees		<u>606</u>
		<u>7,145</u>
		24,354
Decreased by:		
Statutory Excess in Reserve for Animal Control Fund		10,276
Disbursements for Expenditures Under R.S. 4:19-15.11:		<u>2,311</u>
		<u>12,587</u>
Balance, December 31, 2017	\$	<u>11,767</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF DUE FROM CURRENT FUND
AFFORDABLE HOUSING TRUST FUND**

Balance, December 31, 2016	\$	29,722
Increased by:		
Developers Fees Received in Current Fund		34,450
		64,172
Decreased by:		
Receipts from Current Fund		29,722
Balance, December 31, 2017	\$	34,450

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

Balance, December 31, 2016	\$	3,170
Increased by:		
Unemployment Claims		12,905
		16,075
Decreased by:		
Payments to State		15,903
Balance, December 31, 2017	\$	172

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

Balance, December 31, 2016	\$	103,586
Increased by:		
Employee Contributions		
Due from Other Trust Fund	\$	9,008
Interest on Deposits		393
		9,401
		112,987
Decrease by:		
Unemployment Claims Due to State		12,905
Balance, December 31, 2017	\$	100,082

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

Balance, December 31, 2016		\$ 61,511
Increased by:		
Municipal Open Space Tax Levy - Due from Current Fund	\$ 111,412	
Municipal Open Space Added Taxes - Due from Current Fund	208	
Interest on Deposits	<u>1,548</u>	
		<u>113,168</u>
Balance, December 31, 2017		<u>\$ 174,679</u>

EXHIBIT B-11

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

Balance, December 31, 2016		\$ 324,938
Increased by:		
Developers Fees Received in Current Fund	\$ 34,450	
Interest on Deposits	<u>1,472</u>	
		<u>35,922</u>
		360,860
Decreased by:		
Disbursements for Affordable Housing Expenditures		<u>4,218</u>
Balance, December 31, 2017		<u>\$ 356,642</u>

EXHIBIT B-12

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

Balance, December 31, 2016		\$ 837,760
Increased by:		
Cash Receipts		<u>64,983</u>
		902,743
Decreased by:		
Cash Disbursements	\$ 411,570	
Payments made by Current Fund	<u>16,863</u>	
		<u>428,433</u>
Balance, December 31, 2017		<u>\$ 474,310</u>

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

Balance, December 31, 2016	\$ 152,944
Increased by:	
Payroll Deposits	13,079,370
	13,232,314
Decreased by:	
Payroll Disbursements	13,137,039
Balance, December 31, 2017	<u>\$ 95,275</u>

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

Balance, December 31, 2016	\$ 335,951
Increased by:	
Interest Earned	\$ 1,979
Payments Made by Current Fund - Developers Escrow Deposits	16,863
Payments Made by Current Fund - Miscellaneous Reserves and Deposits	255,863
	<u>274,705</u>
	610,656
Decreased by:	
Cash Received by Current Fund - Miscellaneous Reserves and Deposits	4,630
Payments Made for Current Fund	29,528
	<u>34,158</u>
Balance, December 31, 2017	<u>\$ 576,498</u>

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

Balance, December 31, 2016	\$ 21,525
Increased by:	
Employee Unemployment Contributions Deposited in Other Trust Fund	9,008
Balance, December 31, 2017	<u>\$ 30,533</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF POLICE OUTSIDE DUTY RECEIVABLE
OTHER TRUST FUND**

Increased by:	
Police Outside Duty Billings	\$ 418,184
Decreased by:	
Cash Receipts	<u>221,007</u>
Balance, December 31, 2017	<u>\$ 197,177</u>

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

	Balance, December 31, <u>2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2017</u>
Fire Prevention Penalty Fees	\$ 20,620	\$ 6,280	\$ 3,543	\$ 23,357
DARE Donations	36,877	28,107	18,899	46,085
Recreation Fees	58,458	103,588	100,686	61,360
Tax Sale Premiums	112,300	44,800	59,100	98,000
Legal Advertising Escrow Deposits	6,798	600	157	7,241
Fuel Depot Fees (Community Resale)	26,612	166,916	190,421	3,107
Open Bail Account	2,081	351		2,432
UCC Penalties	6,500			6,500
Outside Police Duty Fees	(47,864)	221,007	255,863	(82,720)
Snow Removal Costs	65,000			65,000
Accumulated Absences	50,048			50,048
Flexible Spending Deposits	2,800			2,800
Health Savings Account Deposits	5,468	13,500	13,857	5,111
Golden Age Club		20,008	5,430	14,578
Miscellaneous Fees and Deposits	<u>163,327</u>	<u>10,320</u>	<u>10,836</u>	<u>162,811</u>
	<u>\$ 509,025</u>	<u>\$ 615,477</u>	<u>\$ 658,792</u>	<u>\$ 465,710</u>
Cash Receipts		\$ 389,840		
Police Outside Duty Receivable-Collections		221,007		
Cash Disbursements			\$ 402,929	
Due from/to Current Fund		<u>4,630</u>	<u>255,863</u>	
		<u>\$ 615,477</u>	<u>\$ 658,792</u>	

Analysis of Miscellaneous Fees and Deposits - December 31, 2017

Recreation Fees - First Friends	\$ 13,843
Recreation Fees - Mayor's Golf Outing	18,244
Municipal Alliance - Teen Center Donations	3,503
Park Ridge TV Donations	110
Other Deposits	<u>127,111</u>
	<u>\$ 162,811</u>

GENERAL CAPITAL

BOROUGH OF PARK RIDGE
STATEMENT OF GENERAL CAPITAL CASH AND INVESTMENTS

Balance, December 31, 2016		\$ 1,006,610
Increased by Receipts:		
Interest on Deposits	\$ 4,790	
Bond Anticipation Note Proceeds	1,113,420	
Receipts for Water Utility Capital Fund	706,725	
Receipts for Electric Utility Capital Fund	340,263	
Receipts from Current Fund	519,739	
Receipts from Other Trust Fund	80,583	
Receipts from Open Space Preservation Trust Fund	249,929	
Receipts from Swim Pool Utility Operating Fund	9,604	
Reserve for Park Avenue Bridge Improvements	92,500	
		3,117,553
		4,124,163
Decreased by Disbursements:		
Improvement Authorizations	1,349,981	
Contracts Payable	115,186	
Payments Made for Current Fund	159,723	
Payments to Current Fund for Swim Pool Utility Capital Fund	25,689	
Payments to Water Utility Capital Fund	601,840	
Payments to Electric Utility Capital Fund	240,500	
		2,492,919
Balance, December 31, 2017		\$ 1,631,244

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

	Balance, December 31, <u>2017</u>
Fund Balance	\$ 463
Capital Improvement Fund	8,584
Reserve for Municipal Building Improvements	2,252
Reserve for Park Avenue Bridge Improvements	167,297
Contracts Payable	26,636
Grants Receivable	(443,377)
Other Accounts Receivable	(17,377)
Due from Current Fund	(285,004)
Due to Water Utility Capital Fund	696,725
Due to Electric Utility Capital Fund	340,263
Due to Swim Pool Utility Capital Fund	40,978
Excess Note Proceeds	100
Improvement Authorizations:	
<u>Ord. No.</u>	<u>Description</u>
06-7A	Rehabilitation of Tennis Courts
07-07A	Improvements to Mill Pond Dam & Engineering Dredging
07-7B	Engineering & Design for Dredging Mill Pond
09-11	Pedestrian Improvement to Train Station
12-07	Various Public Improvements and Acquisition of New or Replacement Equip.
12-08	Various Improvements & Acquisitions of Equipment
12-13/13-02/	
14-18/15-07	Improvements to Mill Pond Park and Davies Field
13-01	2014/2015 Roads, Curb, Drainage & Sidewalk Improvements
13-03	Various Improvements & Acquisitions of Equipment
13-07	Monitoring of Former Underground Storage Tank Location
14-19	Improvements to Sulak Recreation Facility
15-01	Various Improvements & Acquisitions of Equipment
15-03	Various Public Improvements
15-06	Construction of Curb Ramps Along Park Ave
15-10	Various Improvements & Acquisitions of Equipment
15-12	Various Public Improvements
16-10	Acquisition of a Garbage Truck
16-11	Various Improvements and Acq. Of Equipment
16-15	Various Improvements and Acq. Of Equipment
17-02	Various Improvements and Acquisition of Equipment
17-10	Various Capital Improvements and Acquisitions
	\$ 1,631,244

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

Ord. No.	Agency	Balance,	<u>Received</u>	Balance,	<u>Balance Pledged To:</u>	
		December 31, 2016		December 31, 2017	Improvement Authorization	Reserve
14-19	County of Bergen Open Space - Sulak Recreation Facility	\$ 833		\$ 833	\$ 833	
15-06	County of Bergen - ADA Cooperative Curb Ramp Construction	129,131		129,131	129,131	
16-11	DEP - Woodcliff Lake Reservoir Walkway	24,000		24,000		\$ 24,000
16-15	County of Bergen - Community Development - Senior Ctr Imprvts	44,292		44,292	44,292	
16-15	DOT - Mill Road Improvements	149,000	\$ 100,879	48,121	48,121	
16-15	DOT - Park Avenue Improvements	<u>221,000</u>	<u>-</u>	<u>221,000</u>	<u>221,000</u>	<u>-</u>
		<u>\$ 568,256</u>	<u>\$ 100,879</u>	<u>\$ 467,377</u>	<u>\$ 443,377</u>	<u>\$ 24,000</u>
	Due from Current Fund		<u>\$ 100,879</u>			

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

Balance, December 31, 2016	\$ <u>17,377</u>
Balance, December 31, 2017	\$ <u>17,377</u>

STATEMENT OF DUE FROM CURRENT FUND

Balance, December 31, 2016	\$ 519,739
Increased by:	
2017 Current Fund Budget Appropriation	
Capital Improvement Fund	\$ 75,000
Grant Receipts Deposited in Current Fund	100,879
Payments made for Current Fund	<u>159,723</u>
	<u>335,602</u>
	855,341
Decreased by:	
Interest on Deposits	4,790
Payments Made by Current Fund - Bond Anticipation Notes	9,808
Receipts from Current Fund	519,739
2017 Anticipated Current Fund Revenue - General Capital Fund Balance	<u>36,000</u>
	<u>570,337</u>
Balance, December 31, 2017	\$ <u>285,004</u>

EXHIBIT C-7

**BOROUGH OF PARK RIDGE
STATEMENT OF DUE FROM OTHER TRUST FUND**

Balance, December 31, 2016	\$	80,583
Decreased by:		
Cash Receipts		<u>80,583</u>

EXHIBIT C-8

STATEMENT OF DUE FROM OPEN SPACE PRESERVATION TRUST FUND

Balance, December 31, 2016	\$	249,929
Decreased by:		
Cash Receipts		<u>249,929</u>

EXHIBIT C-9

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2016	\$	10,038,419
Decreased by:		
2017 Budget Appropriations		
General Serial Bonds	\$	1,080,000
Green Trust Loan		<u>86,284</u>
		<u>1,166,284</u>
Balance, December 31, 2017	\$	<u>8,872,135</u>

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

Ord. No.	Improvement Description	Balance, December 31, 2016	2017 Authori- zations	Notes Paid by Budget <u>Appropriation</u>	Balance, December 31, 2017	Analysis of Balance December 31, 2017		Unexpended Improvement Authorizations
						Financed by Bond Anticipation Notes	Expenditures	
13-01	2014/2015 Road, Curb, Drainage and Sidewalk Improvement Program	\$ 694,421		\$ 38,645	\$ 655,776	\$ 655,776		
13-03	Various Public Improvements and Acquisition of New or Replacement Equipment and Machinery	1,118,320		63,955	1,054,365	1,054,365		
14-20/								
15-04	Improvements to Borough Hall	380,500			380,500	380,500		
15-01	Various Public Improvements and Acquisition of New or Replacement Equipment and Machinery	1,187,000			1,187,000	1,187,000		
15-12	Various Public Improvements	119,000			119,000	102,000		\$ 17,000
16-10	Acquisition of a Garbage Truck	213,750			213,750	197,000		16,750
16-11	Various Improvements and Acquisition of Equipment	241,050			241,050	144,511	\$ 6,543	89,996
17-02	Various Improvements and Acquisition of Equipment	-	\$ 1,261,300	-	1,261,300	1,113,420	-	147,880
		<u>\$ 3,954,041</u>	<u>\$ 1,261,300</u>	<u>\$ 102,600</u>	<u>\$ 5,112,741</u>	<u>\$ 4,834,572</u>	<u>\$ 6,543</u>	<u>\$ 271,626</u>
						Bond Anticipation Notes	\$ 4,834,672	
						Less: Excess Proceeds-Ord 13-03	100	
							<u>\$ 4,834,572</u>	
						Improvement Authorizations - Unfunded		\$ 857,014
						Less: Unexpended Proceeds of Bond Anticipation Notes:		
						Ord. 13-01	\$ 15,503	
						Ord. 13-03	180,888	
						Ord. 15-01	115,384	
						Ord. 15-12	34,804	
						Ord. 16-10	11,392	
						Ord. 17-02	227,417	
								585,388
								<u>\$ 271,626</u>

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

Balance, December 31, 2016	\$	115,186
Increased by:		
2017 Improvement Authorization Charges		26,636
		141,822
Decreased by:		
Cash Disbursements		115,186
Balance, December 31, 2017	\$	26,636

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2016	\$	37,684
Increased by:		
2017 Budget Appropriation - Due From Current Fund		75,000
		112,684
Decreased by:		
Appropriation to Finance Improvement Authorizations		104,100
Balance, December 31, 2017	\$	8,584

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

Ord. No.	Improvement Description	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance,			Balance, December 31, 2017
						December 31, 2016	Increased	Decreased	
13-01	2013/2014 Road, Curb, Drainage and Sidewalk Improvement Program	10/8/13	10/7/2016 10/6/2017	10/6/2017 5/18/2018	2.00 1.09	% \$ 694,421	\$ 655,776	\$ 694,421	\$ 655,776
13-03	Various Public Improvements & Acquisition of New or Replacement Equipment and Machinery	10/8/13	10/7/2016 10/6/2017	10/6/2017 5/18/2018	2.00 1.09	1,128,228	1,054,465	1,128,228	1,054,465
14-20	Improvements to Borough Hall	10/8/15	10/7/2016 10/6/2017	10/6/2017 5/18/2018	2.00 1.09	333,000	333,000	333,000	333,000
15-01	Various Public Improvements & Acquisition of New or Replacement Equipment and Machinery	10/8/15	10/7/2016 10/6/2017	10/6/2017 5/18/2018	2.00 1.09	1,187,000	1,187,000	1,187,000	1,187,000
15-04	Improvements to Borough Hall	10/8/15	10/7/2016 10/6/2017	10/6/2017 5/18/2018	2.00 1.09	47,500	47,500	47,500	47,500
15-12	Various Public Improvements	10/7/16	10/7/2016 10/6/2017	10/6/2017 5/18/2018	2.00 1.09	102,000	102,000	102,000	102,000
16-10	Acquisition of a Garbage Truck	10/7/16	10/7/2016 10/6/2017	10/6/2017 5/18/2018	2.00 1.09	197,000	197,000	197,000	197,000
16-11	Various Improvements and Acq. Of Equipment	10/7/16	10/7/2016 10/6/2017	10/6/2017 5/18/2018	2.00 1.09	144,511	144,511	144,511	144,511
17-02	Various Public Improvements & Acquisitions of New or Replacement Equipment and Machinery	10/6/2017	10/6/2017	5/18/2018	1.09	-	1,113,420	-	1,113,420
						<u>\$ 3,833,660</u>	<u>\$ 4,834,672</u>	<u>\$ 3,833,660</u>	<u>\$ 4,834,672</u>

New Issues Received in Cash	\$ 1,113,420	
Paid by Budget Appropriation		\$ 102,600
Paid by Current Fund -Excess Proceeds		9,808
Renewals	<u>3,721,252</u>	<u>3,721,252</u>
	<u>\$ 4,834,672</u>	<u>\$ 3,833,660</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, 2017		Interest Rate	Balance, December 31, 2016	Decreased	Balance, December 31, 2017
			Date	Amount				
General Improvements	10/15/2007	\$ 4,827,000	2018-2021	\$ 325,000	3.875 %	\$ 2,302,000	\$ 325,000	\$ 1,977,000
			2022	350,000	3.875			
			2023	327,000	4.000			
General Improvements	8/15/2012	3,215,000	2018-2019	210,000	2.000	2,555,000	210,000	2,345,000
			2020	225,000	2.000			
			2021-2022	250,000	2.000			
			2023-2026	300,000	2.000			
General Refunding	2/15/2013	3,035,000	2018	325,000	3.000	2,040,000	325,000	1,715,000
			2019	350,000	3.000			
			2020-21	350,000	4.000			
			2022	340,000	4.000			
General Improvements	8/15/2013	2,207,000	2018-19	240,000	2.000	1,787,000	220,000	1,567,000
			2020	260,000	3.000			
			2021	270,000	3.000			
			2022	280,000	3.000			
			2023	277,000	3.000			
						<u>\$ 8,684,000</u>	<u>\$ 1,080,000</u>	<u>\$ 7,604,000</u>
Paid by Budget Appropriation							<u>\$ 1,080,000</u>	

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

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Purpose	Date of Issue	Amount of Original Issue	Maturity of Loans Outstanding at		Interest Rate	Balance, December 31, 2016	Decreased	Balance, December 31, 2017
			Date	Amount				
Memorial Field Improvements	10/20/2008	\$ 500,000	2018	\$ 28,570	2.00 %	\$ 306,808	\$ 28,007	\$ 278,801
			2019	29,145	2.00			
			2020	29,730	2.00			
			2021	30,327	2.00			
			2022	30,937	2.00			
			2023	31,559	2.00			
			2024	32,193	2.00			
			2025	32,840	2.00			
			2026	33,500	2.00			
			Mill Pond Dam Improvements	7/9/2012	1,156,000			
2019	60,643	2.00						
2020	61,862	2.00						
2021	63,105	2.00						
2022	64,374	2.00						
2023	65,668	2.00						
2024	66,988	2.00						
2025	68,334	2.00						
2026	69,707	2.00						
2027	71,109	2.00						
2028	72,538	2.00						
2029	73,995	2.00						
2030	75,483	2.00						
2031	77,001	2.00						
2032	39,079	2.00						
						<u>1,047,611</u>	<u>58,277</u>	<u>989,334</u>
						<u>\$ 1,354,419</u>	<u>\$ 86,284</u>	<u>\$ 1,268,135</u>
Paid by Budget Appropriation							<u>\$ 86,284</u>	

**BOROUGH OF PARK RIDGE
STATEMENT OF RESERVE FOR PARK AVENUE BRIDGE IMPROVEMENTS**

Balance, December 31, 2016	\$ 74,797
Increased by:	
Cash Receipts - Insurance Proceeds	<u>92,500</u>
Balance, December 31, 2017	<u>\$ 167,297</u>

EXHIBIT C-18

STATEMENT OF RESERVE FOR MUNICIPAL BUILDING IMPROVEMENTS

Balance, December 31, 2016	<u>\$ 2,252</u>
Balance, December 31, 2017	<u>\$ 2,252</u>

EXHIBIT C-19

STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ord.</u> <u>No.</u>	<u>Description</u>	Balance December 31, 2016	2017 <u>Authorizations</u>	Notes <u>Issued</u>	Balance December 31, <u>2017</u>
15-12	Various Public Improvements	\$ 17,000			\$ 17,000
16-10	Acquisition of a Garbage Truck	16,750			16,750
16-11	Various Improvements and Acq. of Equipment	96,539			96,539
17-02	Various Improvements and Acq. of Equipment	<u>-</u>	<u>\$ 1,261,300</u>	<u>\$ 1,113,420</u>	<u>147,880</u>
		<u>\$ 130,289</u>	<u>\$ 1,261,300</u>	<u>\$ 1,113,420</u>	<u>\$ 278,169</u>

WATER UTILITY FUND

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

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2016	\$ 3,256,448	\$ -
Increased by Receipts:		
Water Usage Charges Receivable	\$ 2,790,675	
Other Charges Receivable	89,247	
Mobile Antenna Rent	157,447	
Non-Budget Revenue	51,862	
Interest on Deposits		\$ 196
Overpayments	23,022	
Woodcliff Lake Surcharge Receivable	92,813	
Received from Current Fund		4,723
Received from Other Trust Fund	6,788	
Received from General Capital Fund		601,840
Received from Water Operating Utility Fund		355,009
Received from Electric Operating Utility Fund	72,485	
Received From Utility Trust Fund	<u>73,846</u>	<u>-</u>
	<u>3,358,185</u>	<u>961,768</u>
	6,614,633	961,768
Decreased by Disbursements:		
2017 Appropriations	3,193,455	
2016 Appropriation Reserves	12,172	
Encumbrances Payable	181,266	
Improvement Authorizations		1,465
Interest on Bonds and Notes	45,358	
Payments to Current Fund	1,002	
Payments made for Current Fund	6,040	
Payments made to Water Utility Capital Fund	355,009	
Payments made for Water Utility Capital Fund	<u>788,748</u>	<u>-</u>
	<u>4,583,050</u>	<u>1,465</u>
Balance, December 31, 2017	<u>\$ 2,031,583</u>	<u>\$ 960,303</u>

**BOROUGH OF PARK RIDGE
ANALYSIS OF CASH
WATER UTILITY CAPITAL FUND**

		Balance, December 31, <u>2017</u>
Fund Balance		\$ 4,723
Capital Improvement Fund		276,669
Contracts Payable		234,153
Due from General Capital Fund		(696,725)
Due to Water Utility Operating Fund		757,444
Improvement		
<u>Authorizations:</u> <u>Description</u>		
Ord.		
<u>No.</u>		
98-11.1	Construction of Well #20	149
04-07	Replacement of Water Mains	(19,540)
2012-9	Various Public Improvements/Acquisitions	363,471
2014-15	Various Public Improvements/Acquisitions	(9,117)
2014-21	Installation of New Well and Pumping Station	47,340
2015-11	Various Public Improvements/Acquisitions	33,195
2016-14	Acquisition of Water Distribution Equipment and Machinery	1,762
2016-21/2017-03	Improvements to Well #7 and Well #17 Treatment Facility	(31,756)
2017-17	Replacement of Water Main at Glen Road	(1,465)
		<u> </u> (1,465)
		 <u>\$ 960,303</u>

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

Balance, December 31, 2016	\$	<u>25</u>
Balance, December 31, 2017	\$	<u><u>25</u></u>

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

Balance, December 31, 2016	\$	201,781
Increased by:		
Water Usage Charges Levied		<u>2,938,454</u>
		3,140,235
Decreased by:		
Water Usage Charges Collected:		
Cash Receipts	\$	2,790,675
Due from Current Fund		10,698
Overpayments Applied		<u>46,882</u>
		<u>2,848,255</u>
Balance, December 31, 2017	\$	<u><u>291,980</u></u>

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

Balance, December 31, 2016	\$	44,426
Increased by:		
Other Water Charges Levied		
Fire Sprinklers	\$	74,481
Hydrants		<u>36,728</u>
		<u>111,209</u>
		155,635
Decreased by:		
Other Water Charges Collected:		
Fire Sprinklers		53,215
Hydrants		<u>36,032</u>
		<u>89,247</u>
Balance, December 31, 2017	\$	<u><u>66,388</u></u>

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

Balance, December 31, 2016	\$	33,430
Increased by:		
Surcharges Levied		103,065
		136,495
Decreased by:		
Surcharges Collected		92,813
		43,682
Balance, December 31, 2017	\$	43,682

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

Balance, December 31, 2016	\$	4,723
Decreased by:		
Cash Receipts		4,723
		0

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

Balance, December 31, 2016	\$	100,000
Decreased by:		
Raised in 2017 Budget		100,000
		0

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

	Balance, December 31, <u>2016</u>	<u>Additions by</u> Budget Capital <u>Outlay</u>	Balance, December 31, <u>2017</u>
Source of Supply Plant:			
Structures and Improvements	\$ 332,667	\$ 3,517	\$ 336,184
Wells and Springs	4,219,435		4,219,435
Pumping Plant:			
Land and Land Rights	12,887		12,887
Structures and Improvements	566,553		566,553
Electric Pumping Equipment	746,322	7,695	754,017
Water Treatment Plant - Water			
Treatment Equipment	1,143,473	100,000	1,243,473
Computer Hardware/Software-Equipment	105,149		105,149
Transmission and Distribution Plant:			
Structures and Improvements	661,778		661,778
Distribution Reservoirs and Standpipes	908,591		908,591
Transmission and Distribution Mains	1,449,347	3,370	1,452,717
Services	236,634		236,634
Meters	792,908	27,906	820,814
Hydrants	372,412	40,967	413,379
Well Communication System-Equipment	18,864		18,864
General Plant:			
Structures and Improvements	173,638	2,500	176,138
Improvements to Utility Garage	102,218		102,218
Office Furniture and Equipment	209,239		209,239
Transportation Equipment	356,788		356,788
Other General Equipment	311,672		311,672
Tools-Equipment	142,549		142,549
Other Utility Assets:			
Other Tangible Property-Equipment	242,936		242,936
Water Diversion Rights	551		551
Meter Reading System	6,763		6,763
Pickup Trucks	108,453	30,625	139,078
New Hybrid Vehicles	37,456		37,456
Backhoe Loader	86,031		86,031
Valve Box Vacuum	20,441	-	20,441
	<u>\$ 13,365,755</u>	<u>\$ 216,580</u>	<u>\$ 13,582,335</u>
2017 Budget Appropriations		\$ 116,580	
2016 Budget Appropriation-Adjustment		87,828	
2016 Appropriation Reserves		<u>12,172</u>	
		<u>\$ 216,580</u>	

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

Ord. No.	Improvement Description	Balance, December 31, 2016	2017 Authorizations Deferred Charges to Future Revenue	Balance, December 31, 2017
96-8/98-11.1	Construction of Well #20	\$ 30,149		\$ 30,149
2004-07	Replacement of Water Mains	44,460		44,460
2012-9	Various Public Improvements & Acq.	363,471		363,471
2014-15	Various Public Improvements & Acq.	284,043		284,043
2014-21	Installation of New Well and Pumping Station	900,000		900,000
2015-011	Various Public Improvements & Acq.	315,000		315,000
2016-13	Acquisition of a Dump Truck	180,000		180,000
2016-14	Acquisition of Water Distribution Equipment and Machinery	150,000		150,000
2016-21/ 2017-03	Improvements to Well #7 Pumping Facility and Well #17 Treatment Facility	400,000	\$ 250,000	650,000
2017-17	Replacement of Water Main on Glen Road	-	800,000	800,000
		<u>\$ 2,667,123</u>	<u>\$ 1,050,000</u>	<u>\$ 3,717,123</u>

EXHIBIT D-15

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

Balance, December 31, 2016 (Due To)	\$ 1,002
Increased by:	
Payments made by Current Fund	<u>1,777</u>
	2,779
Decreased by:	
Cash Disbursements	\$ 1,002
Receipts Deposited in Current Fund - Non-Budget Revenue	49,691
Receipts Deposited in Current Fund - Water Usage Charges	10,698
Payments made for Current Fund	<u>6,040</u>
	<u>67,431</u>
Balance, December 31, 2017 (Due From)	<u>\$ 64,652</u>

EXHIBIT D-16

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

Balance, December 31, 2016	\$ 81,378
Decreased by:	
Cash Receipts	<u>72,485</u>
Balance, December 31, 2017	<u>\$ 8,893</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF DUE TO/FROM WATER UTILITY OPERATING FUND
WATER UTILITY CAPITAL FUND**

Balance, December 31, 2016 (Due From)		\$ 360,009
Increased by:		
2017 Budget Appropriation:		
Capital Improvement Fund	\$ 5,000	
Deferred Charges		
Cost of Improvements - Ordinance No. 2004-07	<u>21,500</u>	
		<u>26,500</u>
		386,509
Decreased by:		
Cash Receipts	355,009	
Interest Earned	196	
Payments Made by Water Utility Operating Fund:		
Improvement Authorizations	590,729	
Contracts Payable	<u>198,019</u>	
		<u>1,143,953</u>
Balance, December 31, 2017 (Due To)		<u>\$ 757,444</u>

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

Balance, December 31, 2016		\$ 47,502
Increased by:		
Cash Receipts	\$ 6,788	
Payments made by Other Trust Fund	<u>17,107</u>	
		<u>23,895</u>
Balance, December 31, 2017		<u>\$ 71,397</u>

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

Balance, December 31, 2016		\$ 591,840
Increased by:		
Bond Anticipation Notes Deposited in General Capital Fund		<u>706,725</u>
		1,298,565
Decreased by:		
Cash Receipts		<u>601,840</u>
Balance, December 31, 2017		<u>\$ 696,725</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF 2016 APPROPRIATION RESERVES
WATER UTILITY OPERATING FUND**

	Balance, December 31, <u>2016</u>	Cancelled Encumbrances	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING					
Salaries and Wages	\$ 63,099		\$ 63,099		\$ 63,099
Other Expenses	73,473	\$ 19,267	92,740		92,740
Group Insurance	194	-	194	-	194
	<u>136,766</u>	<u>19,267</u>	<u>156,033</u>	<u>-</u>	<u>156,033</u>
Total Operating					
CAPITAL IMPROVEMENTS					
Water Resin Replacement - Well #10	12,172		12,172	\$ 12,172	
Capital Outlay	2,160	-	2,160	-	2,160
	<u>14,332</u>	<u>-</u>	<u>14,332</u>	<u>12,172</u>	<u>2,160</u>
Total Capital Improvements					
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures					
Contribution to					
Public Employees Retirement System	5,018		5,018		5,018
Social Security System (O.A.S.I.)	54	-	54	-	54
	<u>5,072</u>	<u>-</u>	<u>5,072</u>	<u>-</u>	<u>5,072</u>
Total Deferred Charges and Statutory Expenditures					
	<u>\$ 156,170</u>	<u>\$ 19,267</u>	<u>\$ 175,437</u>	<u>\$ 12,172</u>	<u>\$ 163,265</u>
Cash Disbursed				<u>\$ 12,172</u>	

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

Balance, December 31, 2016		\$ 200,533
Increased by:		
Charges to 2017 Budget Appropriations		<u>134,058</u>
		334,591
Decreased by:		
Cancellations Restored to 2016 Appropriation Reserves	\$ 19,267	
Cash Disbursements	<u>181,266</u>	
		<u>200,533</u>
Balance, December 31, 2017		<u>\$ 134,058</u>

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

Balance, December 31, 2016		\$ 198,019
Increased by:		
Charges to Improvement Authorizations		<u>234,153</u>
		432,172
Decreased by:		
Payments Made by Water Utility Operating Fund		<u>198,019</u>
Balance, December 31, 2017		<u>\$ 234,153</u>

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

Balance, December 31, 2016	\$ 46,882
Increased by:	
Overpayments Received	<u>23,022</u>
	69,904
Decreased by:	
Overpayments Applied to Water Usage Charges Receivable	<u>46,882</u>
Balance, December 31, 2017	<u>\$ 23,022</u>

**STATEMENT OF ACCRUED INTEREST ON BONDS AND NOTES
WATER UTILITY OPERATING FUND**

Balance, December 31, 2016	\$ 15,560
Increased by:	
Budget Appropriation for Interest on Bonds and Notes	<u>47,703</u>
	63,263
Decreased by:	
Interest Paid	<u>45,358</u>
Balance, December 31, 2017	<u>\$ 17,905</u>

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

Ord. No.	Improvement Description	Ordinance Amount	Balance, December 31, 2016		2017 Authorizations	Paid or Charged	Balance, December 31, 2017	
			Funded	Unfunded	Deferred Charges to Future Revenue		Funded	Unfunded
96-8/98-11.1/								
14-03	Construction of Well #20	\$ 425,000	\$ 149	\$ 30,000			\$ 149	\$ 30,000
2004-07	Replacement of Water Mains	150,000		44,460				44,460
2012-9	Various Public Improvements and Acq.	1,085,000	363,471				363,471	
2014-15	Various Public Improvements and Acq.	470,000		284,043				284,043
2014-21	Installation of New Well and Pumping Station	900,000		853,888		\$ 6,548		847,340
2015-11	Various Public Improvements and Acq.	315,000		260,000		226,805		33,195
2016-13	Acquisition of a Dump Truck	180,000		9,668				9,668
2016-14	Acq of Water Distribution Equipment and Machinery	150,000	57,550			55,788	1,762	
2016-21/ 2017-03	Improvements to Well #7 Pumping Facility and Well # 17 Treatment Facility	650,000		367,592	\$ 250,000	535,741		81,851
2017-17	Replacement of Water Main at Glen Road	800,000	-	-	800,000	1,465	-	798,535
			<u>\$ 421,170</u>	<u>\$ 1,849,651</u>	<u>\$ 1,050,000</u>	<u>\$ 826,347</u>	<u>\$ 365,382</u>	<u>\$ 2,129,092</u>
	Cash Disbursements					\$ 1,465		
	Due to Water Utility Operating Fund					590,729		
	Contracts Payable					<u>234,153</u>		
						<u>\$ 826,347</u>		

**BOROUGH OF PARK RIDGE
STATEMENT OF SERIAL BONDS
WATER UTILITY CAPITAL FUND**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturity of Bonds Outstanding at December 31, 2017</u>			<u>Balance, December 31, 2016</u>	<u>Decreased</u>	<u>Balance, December 31, 2017</u>
			<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>			
Water Utility Bonds	8/15/2012	\$ 1,250,000	2018-19	\$ 80,000	2.00%	\$ 955,000	\$ 80,000	\$ 875,000
			2020-22	85,000	2.00%			
			2023-25	90,000	2.00%			
			2026	95,000	2.10%			
			2027	95,000	2.20%			
Water Utility Bonds	8/15/2013	582,000	2018-19	40,000	2.00%	<u>472,000</u>	<u>40,000</u>	<u>432,000</u>
			2020-21	40,000	3.00%			
			2022-23	45,000	3.00%			
			2024	45,000	3.25%			
			2025	45,000	3.50%			
			2026	45,000	4.00%			
			2027	47,000	4.00%			
						<u>\$ 1,427,000</u>	<u>\$ 120,000</u>	<u>\$ 1,307,000</u>
Paid by Budget Appropriation							<u>\$ 120,000</u>	

**BOROUGH OF PARK RIDGE
STATEMENT OF BOND ANTICIPATION NOTES
WATER UTILITY CAPITAL FUND**

Ord. No.	<u>Improvement Description</u>	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, <u>2016</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2017</u>
14-15	Various Public Improvements and Acquisitions	10/8/2015	10/7/2016 10/6/2017	10/6/2017 5/18/2018	2.00 % 1.09	\$ 176,840	\$ 176,840	\$ 176,840	\$ 176,840
14-21	Installation of New Well and Pumping Facility	10/8/2015	10/7/2016 10/6/2017	10/6/2017 5/18/2018	2.00 % 1.09	100,000	100,000	100,000	100,000
15-11	Various Public Improvements and Acquisitions	10/8/2015	10/7/2016 10/6/2017	10/6/2017 5/18/2018	2.00 % 1.09	315,000	315,000	315,000	315,000
16-13	Acquisition of a Dump Truck	10/6/2017	10/6/2017	5/18/2018	1.09 %		170,332		170,332
16-21	Improvements to Well #7 and Well #17 Treatment Facility	10/6/2017	10/6/2017	5/18/2018	1.09 %		400,000		400,000
17-03	Suppl- Imprvmts to Well #7 and Well #17 Treatment	10/6/2017	10/6/2017	5/18/2018	1.09 %	-	136,393	-	136,393
						<u>\$ 591,840</u>	<u>\$ 1,298,565</u>	<u>\$ 591,840</u>	<u>\$ 1,298,565</u>
							\$ 706,725		
							591,840	\$ 591,840	
							<u>\$ 1,298,565</u>	<u>\$ 591,840</u>	

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

Balance, December 31, 2016	\$ 271,669
Increased by:	
2017 Budget Appropriation - Due from Water Operating Fund	<u>5,000</u>
Balance, December 31, 2017	<u>\$ 276,669</u>

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

Balance, December 31, 2016	\$ 12,075,378
Increased by:	
Serial Bonds Paid by Operating Budget	\$ 120,000
Authorizations Funded by 2017 Budget Appropriations - Cost of Improvements Due from Water Utility Operating Fund	21,500
Capital Outlay Operating Budgets:	
2016 Appropriation Reserves	12,172
2016 Budget Appropriations- Adjustment Water Resin Replacements Well #10	87,828
2017 Budget Appropriations	<u>116,580</u>
	<u>358,080</u>
Balance, December 31, 2017	<u>\$ 12,433,458</u>

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

<u>Ord. No.</u>	<u>Improvement Description</u>	Balance, December 31, <u>2016</u>	Balance, December 31, <u>2017</u>
2016-14	Acq. Of Water Distribution Equipment and Machinery	<u>\$ 150,000</u>	<u>\$ 150,000</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF MISCELLANEOUS RESERVES
WATER UTILITY OPERATING FUND**

	Balance, December 31, <u>2016</u>	Increased	Realized in 2017 <u>Budget</u>	Balance, December 31, <u>2017</u>
Payment of Water Tank	\$ 9,201			\$ 9,201
Construction of Water Line	1,500			1,500
Woodcliff Lake Improvements	302,733	\$ 92,813	\$ 64,208	331,338
Handy Harmon Settlement	<u>1,506,068</u>	<u>-</u>	<u>-</u>	<u>1,506,068</u>
	<u>\$ 1,819,502</u>	<u>\$ 92,813</u>	<u>\$ 64,208</u>	<u>\$ 1,848,107</u>
Woodcliff Lake Surcharge Collected		<u>\$ 92,813</u>		

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

Ord. <u>No.</u>	Purpose	Balance, December 31, <u>2016</u>	2017 <u>Authorizations</u>	Raised in 2017 <u>Budget</u>	Notes <u>Issued</u>	Balance, December 31, <u>2017</u>
98-11.1	Construction of Well #20	\$ 30,000				\$ 30,000
2004-07	Replacement of Water Mains	85,500		\$ 21,500		64,000
2014-15	Various Public Improvements & Acq.	293,160				293,160
2014-21	Installation of New Well and Pumping Station	800,000				800,000
2016-13	Acquisition of a Dump Truck	180,000			\$ 170,332	9,668
2016-21	Improvements to Well #7 Pumping Facility and Well #17 Treatment Facility	400,000			400,000	
2017-03	Suppl- Imprvts to Well #7 and Well #17 Treatment		\$ 250,000		136,393	113,607
2017-17	Replacement of Water Main Glen Road - WCL	<u>-</u>	<u>800,000</u>	<u>-</u>	<u>-</u>	<u>800,000</u>
		<u>\$ 1,788,660</u>	<u>\$ 1,050,000</u>	<u>\$ 21,500</u>	<u>\$ 706,725</u>	<u>\$ 2,110,435</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, 2016	\$ 1,397,550	\$ -
Increased by Receipts:		
Light and Power Charges Receivable	\$ 9,218,559	
Other Charges Receivable	22,348	
Interest on Delinquent Accounts	18,515	
Interest on Deposits		\$ 915
Non-Budget Revenue	21,245	
Prepaid Charges	24,756	
Overpayments	15,266	
Reserve for Capital Improvements		637,000
Receipts from Current Fund	111,199	1,919
Receipts for Current Fund	2,742	
Receipts from General Capital Fund		240,500
Receipts from Electric Utility Capital Fund	88,307	
Receipts from Utility Trust Fund	111,068	-
	<u>9,634,005</u>	<u>880,334</u>
	11,031,555	880,334
Decreased by Disbursements:		
2017 Appropriations	9,062,476	
Petty Cash	300	
Encumbrances Payable	440,859	
Improvement Authorizations		5,334
Interest on Bonds and Notes	36,321	
Payments Made for Current Fund	3,539	
Payments to Electric Utility Operating Fund		88,307
Payments Made for Electric Utility Capital Fund	244,461	
Payments to Water Utility Operating Fund	72,485	-
	<u>9,860,441</u>	<u>93,641</u>
Balance, December 31, 2017	<u>\$ 1,171,114</u>	<u>\$ 786,693</u>

**BOROUGH OF PARK RIDGE
ANALYSIS OF CASH
ELECTRIC UTILITY CAPITAL FUND**

		Balance, December 31, 2017
Fund Balance		\$ 1,919
Capital Improvement Fund		281,500
Contracts Payable		28,512
Reserve for Capital Improvements		437,000
Due from General Capital Fund		(340,263)
Due to Electric Utility Operating Fund		219,876
Improvement Authorizations:		
Ord.		
<u>No.</u>	<u>Description</u>	
1996-05	Installation of Underground Electric - Bear's Nest II	(24,107)
2011-21	Various Public Impvts./Acqu. of Vehicle	3,208
2012-04	Acquisition of Aerial Bucket Truck	18,880
2014-04	Purchase of Electric Distribution Infrastructure Materials	1,063
2014-14/ 2015-15	Acquisition of Mini-Excavator and Install Circuit Breakers at Mill Road Station	(1,013)
2016-12	Acquisition of Aerial Bucket	(575)
2017-16	Purchase of Electric Distribution Infrastructure Materials	160,693
		<u>\$ 786,693</u>

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

Balance, December 31, 2016	\$ <u>325</u>
Balance, December 31, 2017	\$ <u>325</u>

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

Balance, December 31, 2016	\$ 850
Increased by:	
Established by Treasurer Disbursements	<u>300</u>
Balance, December 31, 2017	\$ <u>1,150</u>

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

Balance, December 31, 2016	\$ 392,703
Increased by:	
Light and Power Charges Levied	<u>9,262,937</u>
	9,655,640
Decreased by:	
Light and Power Charges Collected	\$ 9,218,559
Due from Current Fund	3,500
Overpayments Applied	14,888
Prepaid Applied	<u>2,803</u>
	<u>9,239,750</u>
Balance, December 31, 2017	\$ <u>415,890</u>

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

Balance, December 31, 2016	\$ 18,636
Increased by:	
Other Electric Charges Levied - Dusk to Dawn	<u>22,467</u>
	41,103
Decreased by:	
Other Electric Charges Collected - Dusk to Dawn	<u>22,348</u>
Balance, December 31, 2017	\$ <u>18,755</u>

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

	Balance, December 31, <u>2016</u>	Additions By:		Balance, December 31, 2017
		Budget Capital Outlay	<u>Ordinance</u>	
Structures and Improvements	\$ 807,199	\$9,135		\$ 816,334
Electric Wire Storage Shed	320,326			320,326
Regulating Station	6,102			6,102
Hydro Generator-Equipment	7,732			7,732
Mill Road Substation	637,752			637,752
Brae Boulevard Substation	1,691,727			1,691,727
Poles, Towers and Fixtures	509,171			509,171
Cable & Wires	1,123,579	620		1,124,199
Underground Conduit	107,584			107,584
Underground Conductors & Devices	204,226			204,226
Line Transformers	671,961	20,596		692,557
Services	329,420			329,420
Installation of Customers' Services	8,817			8,817
Office Furniture, Etc.-Equipment	230,188			230,188
Vehicles/Equipment	1,135,274			1,135,274
Meters & Current Transformers	330,149	12,698		342,847
Street Lighting & Signal System	348,564	6,379		354,943
Tools, Shop & Garage Equipment	264,982	9,444		274,426
Computer Hardware/Software-Equipment	246,048	1,197		247,245
Meter Reading System-Equipment	12,660			12,660
Smoke Detectors-Equipment	149,897			149,897
Municipal Improvement	75,000			75,000
Holiday Decorations-Equipment	64,634	524		65,158
Store Equipment	12,880			12,880
Laboratory Equipment	6,397			6,397
Miscellaneous Equipment	89,935			89,935
Bear's Nest Village- Regulating Station	713,408			713,408
Construction of Additional Voltage Regulator	149,395			149,395
Construction of Mini-Substation	349,860	5		349,865
Recreational Lighting-Equipment	13,113			13,113
Scada System	117,028			117,028
Construction Services	200,757			200,757
Improvement to Utility Garage	225,962			225,962
Improvement to Electric System	226,522			226,522
Conversion Mill Road Substation & Museum	250,000			250,000
Replace Brae Road Transformer	244,881			244,881
Pick-up Trucks	64,113			64,113
Aerial Bucket Truck	334,872	-	-	334,872
	<u>\$ 12,282,115</u>	<u>\$ 60,598</u>	<u>\$ -</u>	<u>\$ 12,342,713</u>
2017 Budget Appropriations		<u>\$ 60,598</u>		

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

Ord. No.	<u>Improvement Description</u>	Balance, December 31, <u>2016</u>	2017	Costs (To)/From Fixed Capital	Balance, December 31, <u>2017</u>
			<u>Authorizations</u> Deferred Reserve for Amortization		
2011-21/					
2012-10	Various Public Impvts./Acqu. of Vehicle	\$ 3,208			\$ 3,208
2012-04	Acquisition of Aerial Bucket Truck	18,880			18,880
2014-04	Purchase of Electric Distribution Infrastructure Materials	1,063			1,063
2014-14/	Acquisition of Mini-Excavator and Install				
2015-15	Circuit Breakers at Mill Pond Station	385,000			385,000
2016-12	Acquisition of Aerial Bucket	250,000			250,000
2017-16	Purchase of Electric Distribution Infrastructure Materials	-	200,000	-	200,000
		<u>\$ 658,151</u>	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 858,151</u>

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

Balance, December 31, 2016		\$ 111,199
Increased by:		
Non-Budget Revenues Deposited in Current Fund	\$ 45,446	
Light and Power Charges Deposited in Current Fund	3,500	
Payments made for Current Fund	<u>3,539</u>	
		<u>52,485</u>
		163,684
Decreased by:		
Payments Made by Current Fund	21,099	
Current Fund Receipts Deposited in Electric Utility Operating Fund	2,742	
Cash Receipts	<u>111,199</u>	
		<u>135,040</u>
Balance, December 31, 2017		<u>\$ 28,644</u>

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

Balance, December 31, 2016		\$ 88,307
Increased by:		
Payments made by Electric Utility Operating Fund:		
Improvement Authorizations	\$ 19,461	
Contracts Payable	225,000	
Interest Earned	<u>915</u>	
		<u>245,376</u>
		333,683
Decreased by:		
2017 Budget Appropriations		
Deferred Charges		
Cost of Improvements - Ord No. 1996-05	25,500	
Cash Disbursements	<u>88,307</u>	
		<u>113,807</u>
Balance, December 31, 2017		<u>\$ 219,876</u>

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

Balance, December 31, 2016	\$ 24,011
Increased by:	
Payments made by Other Trust Fund	_____ 5,929
Balance, December 31, 2017	<u>\$ 29,940</u>

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

Balance, December 31, 2016	\$ 240,500
Increased by:	
Bond Anticipation Notes Deposited in General Capital Fund	_____ 340,263
	580,763
Decreased by:	
Cash Receipts	_____ 240,500
Balance, December 31, 2017	<u>\$ 340,263</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF 2016 APPROPRIATION RESERVES
ELECTRIC UTILITY OPERATING FUND**

	Balance, December 31, <u>2016</u>	Encumbrances <u>Cancelled</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING					
Salaries and Wages	\$ 24,316		\$ 24,316		\$ 24,316
Other Expenses	36,651	\$ 9,265	45,916		45,916
Group Health Insurance	55,901		55,901		55,901
Purchase of Electric Current	<u>62,855</u>	<u>3,549</u>	<u>66,404</u>	<u>-</u>	<u>66,404</u>
Total Operating	<u>179,723</u>	<u>12,814</u>	<u>192,537</u>	<u>-</u>	<u>192,537</u>
CAPITAL IMPROVEMENTS					
Capital Outlay	<u>73,538</u>	<u>-</u>	<u>73,538</u>	<u>-</u>	<u>73,538</u>
Total Capital Improvements	<u>73,538</u>	<u>-</u>	<u>73,538</u>	<u>-</u>	<u>73,538</u>
DEFERRED CHARGES AND STATUTORY					
Statutory Expenditures					
Contribution to					
Public Employees Retirement System	4		4		4
Social Security System (O.A.S.I.)	<u>11,682</u>	<u>-</u>	<u>11,682</u>	<u>-</u>	<u>11,682</u>
Total Deferred Charges and Statutory Expenditures	<u>11,686</u>	<u>-</u>	<u>11,686</u>	<u>-</u>	<u>11,686</u>
	<u>\$ 264,947</u>	<u>\$ 12,814</u>	<u>\$ 277,761</u>	<u>\$ -</u>	<u>\$ 277,761</u>

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

Balance, December 31, 2016		\$ 453,673
Increased by:		
Charges to 2017 Budget Appropriations		<u>514,074</u>
		967,747
Decreased by:		
Cancellations Restored to 2016 Appropriation Reserves	\$ 12,814	
Cash Disbursements	<u>440,859</u>	
		<u>453,673</u>
Balance, December 31, 2017		<u>\$ 514,074</u>

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

Balance, December 31, 2016		\$ 225,000
Increased by:		
Charges to Improvement Authorizations		<u>28,512</u>
		253,512
Decreased by:		
Payments made by Electric Utility Operating Fund		<u>225,000</u>
Balance, December 31, 2017		<u>\$ 28,512</u>

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

Balance, December 31, 2016	\$ 9,093
Increased by:	
Budget Appropriation for Interest on Bonds and Notes	<u>34,558</u>
	43,651
Decreased by:	
Interest Paid	<u>36,321</u>
Balance, December 31, 2017	<u>\$ 7,330</u>

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

Increased by:	
Cash Receipts - Settlement	\$ 637,000
Decreased by:	
Appropriation to Finance Improvement Authorization	<u>200,000</u>
Balance, December 31, 2017	<u>\$ 437,000</u>

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

Ord. No.	Improvement Description	Ordinance Amount	Balance, December 31, 2016		2017 Authorizations Reserve for Capital Improvements	Paid or Charged	Balance, December 31, 2017	
			Funded	Unfunded			Funded	Unfunded
2011-21/								
2012-10	Var Pub. Impvts./Acqu. of Vehicle	\$ 415,000	\$ 3,208				\$ 3,208	
2012-04	Acquisition of Aerial Bucket Truck	200,000	18,880				18,880	
2014-04	Purchase of Electric Distribution Infrastructure Materials	125,000	1,063				1,063	
2014-14/	Acquisition of Mini-Excavator and Install Circuit Breakers at Mill Road Station	385,000		\$ 42,082		\$ 13,425		\$ 28,657
2016-12	Acquisition of Aerial Bucket	250,000		24,567		575		23,992
2017-16	Purchase of Electric Distribution Infrastructure Materials	200,000	-	-	\$ 200,000	39,307	160,693	-
			<u>\$ 23,151</u>	<u>\$ 66,649</u>	<u>\$ 200,000</u>	<u>\$ 53,307</u>	<u>\$ 183,844</u>	<u>\$ 52,649</u>
						Cash Disbursements	\$ 5,334.0	
						Due to Electric Utility Operating Fund	19,461	
						Contracts Payable	<u>28,512</u>	
							<u>\$ 53,307</u>	

**BOROUGH OF PARK RIDGE
STATEMENT OF SERIAL BONDS
ELECTRIC UTILITY CAPITAL FUND**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturity of Bonds Outstanding at December 31, 2017</u>		<u>Interest Rate</u>	<u>Balance, December 31,</u>		<u>Balance, December 31,</u>	
			<u>Date</u>	<u>Amount</u>		<u>2016</u>	<u>Decreased</u>	<u>2017</u>	
Electric Utility Bonds	10/15/2007	\$1,693,000	2018	\$ 150,000	3.875%				
			2019	175,000	3.875%				
			2020	168,000	4.000%	\$ 643,000	\$ 150,000	\$ 493,000	
Electric Utility Bonds	8/15/2012	695,000	2018	100,000	2.000%				
			2019	105,000	2.000%	305,000	100,000	205,000	
Electric Utility Bonds	8/15/2013	100,000	2018	20,000	2.000%				
			2019	20,000	2.000%	<u>55,000</u>	<u>15,000</u>	<u>40,000</u>	
						<u>\$ 1,003,000</u>	<u>\$ 265,000</u>	<u>\$ 738,000</u>	
							<u>\$ 265,000</u>		

Paid by Budget Appropriation

**BOROUGH OF PARK RIDGE
STATEMENT OF BOND ANTICIPATION NOTES
ELECTRIC UTILITY CAPITAL FUND**

Ord. No.	<u>Improvement Description</u>	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, 2016	Increased	Decreased	Balance, December 31, 2017
14-14/ 15-15	Acquisition of Mini-Excavator and Installation of Circuit Breakers at Mill Road Substation	10/8/15	10/7/2016 10/6/2017	10/6/2017 5/18/2018	2.00% 1.09%	\$ 240,500	\$ 355,330	\$ 240,500	\$ 355,330
16-12	Acquisition of Aerial Bucket Truck	10/6/17	10/6/2017	5/18/2018	1.09%	-	225,433	-	225,433
						<u>\$ 240,500</u>	<u>\$ 580,763</u>	<u>\$ 240,500</u>	<u>\$ 580,763</u>
New Issues Due From General Capital Fund							\$ 340,263		
Renewals Due From/To General Capital Fund							<u>240,500</u>	<u>\$ 240,500</u>	
							<u>\$ 580,763</u>	<u>\$ 240,500</u>	

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

Balance, December 31, 2016	\$ 281,500
Balance, December 31, 2017	<u>\$ 281,500</u>

EXHIBIT E-26

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

Balance, December 31, 2016		\$ 11,251,596
Increased by:		
Serial Bonds Paid by Operating Budget	\$	265,000
Authorizations Funded by Budget Appropriations - Cost of Improvements Due from Electric Utility Operating Fund		25,500
Capital Outlay Operating Budget: 2017 Budget Appropriations		<u>60,598</u>
		<u>351,098</u>
Balance, December 31, 2017		<u>\$ 11,602,694</u>

EXHIBIT E-27

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

Ord. No.	<u>Improvement Description</u>	Balance, December 31, <u>2016</u>	Fixed Capital <u>Authorized</u>	Balance, December 31, <u>2017</u>
14-04	Purchase of Electric Distribution Infrastructure Materials	\$ 1,063		\$ 1,063
17-16	Purchase of Electric Distribution Infrastructure Materials	<u>-</u>	<u>\$ 200,000</u>	<u>200,000</u>
		<u>\$ 1,063</u>	<u>\$ 200,000</u>	<u>\$ 201,063</u>

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

Balance, December 31, 2016	\$	2,803
Increased by:		
Collections of 2018 Light and Power Charges		<u>24,756</u>
		27,559
Decreased by:		
Prepayments Applied to Light and Power Charges Receivable		<u>2,803</u>
Balance, December 31, 2017	\$	<u>24,756</u>

**STATEMENT OF OVERPAYMENTS
ELECTRIC UTILITY OPERATING FUND**

Balance, December 31, 2016	\$	14,888
Increased by:		
Overpayments Received		<u>15,266</u>
		30,154
Decreased by:		
Overpayments Applied to Light and Power Charges Receivable		<u>14,888</u>
Balance, December 31, 2017	\$	<u>15,266</u>

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

Balance, December 31, 2016	\$	1,919
Decreased by:		
Cash Receipts		<u>1,919</u>

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

Ord. No.	Purpose	Balance, December 31, <u>2016</u>	Raised in in 2017 <u>Budget</u>	Notes <u>Issued</u>	Balance, December 31, <u>2017</u>
1996-05	Installation of Underground Electric - Bear's Nest II	\$ 49,607	\$ 25,500		\$ 24,107
2014-14/ 2015-15	Acquisition of Min-Excavator and Install Circuit Breakers at Mill Road Station	144,500		\$ 114,830	29,670
2016-12	Acquisition of Aerial Bucket	<u>250,000</u>	<u>-</u>	<u>225,433</u>	<u>24,567</u>
		<u>\$ 444,107</u>	<u>\$ 25,500</u>	<u>\$ 340,263</u>	<u>\$ 78,344</u>

UTILITY TRUST FUND

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

Balance, December 31, 2016		\$ 1,117,113
Increased by Receipts:		
Water and Electric Utility Deposit Payable	\$ 50,571	
Water Utility Operating Revenues Received in Utility Trust Fund	12,768	
Electric Utility Operating Revenues Received in Utility Trust Fund	19,771	
Receipts from Current Fund	550	
Interest Due to Water Utility Operating Fund	3,583	
Interest Due to Electric Utility Operating Fund	<u>2,065</u>	
		89,308
		1,206,421
Decreased by Disbursements:		
Cash Disbursements	41,005	
Payments Made to Water Utility Operating Fund	73,846	
Payments Made to Electric Utility Operating Fund	<u>111,068</u>	
		225,919
Balance, December 31, 2017		<u>\$ 980,502</u>

**STATEMENT OF DEPOSIT PAYABLE
UTILITY TRUST FUND**

	Balance, December 31, 2016	Increases	Decreases	Balance, December 31, 2017
Water Utility Customers	\$ 527,670	\$ 37,381	\$ 21,611	\$ 543,440
Electric Utility Customers	<u>399,715</u>	<u>13,190</u>	<u>19,394</u>	<u>393,511</u>
	<u>\$ 927,385</u>	<u>\$ 50,571</u>	<u>\$ 41,005</u>	<u>\$ 936,951</u>
Cash Receipts		\$ 50,571		
Cash Disbursements		<u>-</u>	<u>\$ 41,005</u>	
		<u>\$ 50,571</u>	<u>\$ 41,005</u>	

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

Balance, December 31, 2016		\$ 77,599
Increased by:		
Water Utility Operating Revenues Received in Utility Trust Fund	\$ 12,768	
Interest on Deposits	<u>3,583</u>	
		<u>16,351</u>
		93,950
Decreased by:		
Payments to Water Utility Operating Fund		<u>73,846</u>
Balance, December 31, 2017		<u>\$ 20,104</u>

EXHIBIT F-4

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

Balance, December 31, 2016		\$ 112,679
Increased by:		
Electric Utility Operating Revenues Received in Utility Trust Fund	\$ 19,771	
Interest on Deposits	<u>2,065</u>	
		<u>21,836</u>
		134,515
Decreased by:		
Payments to Electric Utility Operating Fund		<u>111,068</u>
Balance, December 31, 2017		<u>\$ 23,447</u>

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

Balance, December 31, 2016	\$ 550
Decreased by:	
Cash Receipts	<u>550</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, 2016	\$ 312,817	\$ -
Increased by Receipts:		
Membership Fees	\$ 233,835	
Miscellaneous Revenue	47,610	
Petty Cash	<u>600</u>	<u>-</u>
	<u>282,045</u>	<u>-</u>
	594,862	-
Decreased by Disbursements:		
2017 Appropriations	216,155	
Encumbrances Payable	149	
Accrued Interest on Notes	780	
Petty Cash	350	
Payments made for Current Fund	547	
Payments to Current Fund	13,576	
Payments to General Capital Fund	<u>9,604</u>	<u>-</u>
	<u>241,161</u>	<u>-</u>
Balance, December 31, 2017	<u>\$ 353,701</u>	<u>\$ -</u>

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

	Balance, December 31, <u>2017</u>
Fund Balance	\$ 361
Capital Improvement Fund	16,000
Grants Receivable	(23,801)
Due from General Capital Fund	(40,978)
Improvement Authorizations:	
Ord.	
<u>No.</u> <u>Description</u>	
06-10 Pool Rehabilitation	24,440
10-06 ADA Improvements - Bathrooms	18,615
15-02 Installation of a Slide and a Volleyball Court at the Municipal Pool	<u>5,363</u>
	<u>\$ -</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF PETTY CASH
SWIM POOL UTILITY OPERATING FUND**

Balance, December 31, 2016	\$	250
Increased by:		
Receipts from Treasurer		350
600		
Decreased by:		
Returned to Treasurer		600
600		

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

		Balance December 31, <u>2016</u>	Balance December 31, <u>2017</u>	<u>Balance Pledged to Improvement Authorizations</u>
Ord. No.	Grantor			
10-06	Community Development Block Grant	\$ 23,801	\$ 23,801	\$ 23,801
		\$ 23,801	\$ 23,801	\$ 23,801

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

Balance, December 31, 2016	\$	57,063
Increased by:		
Payments by Swim Pool Utility Operating Fund for Swim Pool Utility Capital Fund		9,604
		66,667
Decreased by:		
Payments made to Current Fund by General Capital Fund for Swim Pool Utility Capital Fund		25,689
Balance, December 31, 2017	\$	40,978

EXHIBIT G-10

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

Balance, December 31, 2016	\$	9,604
Decreased by:		
Payments by Swim Pool Utility Operating Fund for Swim Pool Utility Capital Fund		\$ 9,604

EXHIBIT G-11

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

Balance, December 31, 2016 (Due To)	\$	576
Increased by:		
Payments Made by Current Fund		13,000
		13,576
Decreased by:		
Payments to Current Fund	\$	13,576
Payments Made for Current Fund		547
		14,123
Balance, December 31, 2017 (Due From)	\$	547

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

	Balance, December 31, <u>2016</u>	Balance, December 31, <u>2017</u>
Municipal Pool	\$ 841,996	\$ 841,996
Swim Pool Slide	48,900	48,900
Sanitary Sewer Reconstruction	5,075	5,075
Painting & Sandblasting	10,000	10,000
Handicapped Improvements	87,238	87,238
Bridge	8,260	8,260
Electrical Work	4,520	4,520
Furniture	20,493	20,493
Recreation Equipment	5,023	5,023
Other Equipment	32,984	32,984
Landscaping	5,223	5,223
Land Improvements	18,379	18,379
Water Sprinklers	8,785	8,785
Parking Lot Improvement	21,726	21,726
Security Lock	750	750
Small Tools	1,146	1,146
	<u>1,120,498</u>	<u>1,120,498</u>
	\$ <u>1,120,498</u>	\$ <u>1,120,498</u>

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

<u>Ord #</u>	<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance,</u>	<u>Balance,</u>
		<u>Date</u>	<u>Amount</u>	<u>December 31,</u>	<u>December 31,</u>
				<u>2016</u>	<u>2017</u>
06-10	Pool Rehabilitation	09/05/06	\$ 120,000	\$ 24,440	\$ 24,440
10-06	ADA Improvements to Bathrooms	3/15/2010	99,228	18,615	18,615
15-02	Installation of a Slide and a Volleyball Court at the Municipal Pool	2/10/2015	65,000	<u>5,363</u>	<u>5,363</u>
				<u>\$ 48,418</u>	<u>\$ 48,418</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF 2016 APPROPRIATION RESERVES
SWIM POOL UTILITY OPERATING FUND**

	Balance, December 31, <u>2016</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING				
Salaries and Wages	\$ 14,980	\$ 14,980		\$ 14,980
Other Expenses	<u>24,574</u>	<u>24,608</u>	\$ -	<u>24,608</u>
 Total Operating	 <u>39,554</u>	 <u>39,588</u>	 -	 <u>39,588</u>
 STATUTORY EXPENDITURES				
Contribution to Social Security System (O.A.S.I.)	<u>801</u>	<u>801</u>	-	<u>801</u>
 Total Statutory Expenditures	 <u>801</u>	 <u>801</u>	 -	 <u>801</u>
	<u>\$ 40,355</u>	<u>\$ 40,389</u>	<u>\$ -</u>	<u>\$ 40,389</u>
		Appropriation Reserves \$ 40,355		
		Cancelled Encumbrances <u>34</u>		
		<u>\$ 40,389</u>		

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

Balance, December 31, 2016	\$ 183
Increased by:	
Charges to 2017 Budget Appropriations	82
	265
Decreased by:	
Cancellations Restored to 2016 Appropriation Reserves	\$ 34
Cash Disbursements	<u>149</u>
	183
Balance, December 31, 2017	<u>\$ 82</u>

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

Balance, December 31, 2016	\$ 300
Balance, December 31, 2017	<u>\$ 300</u>

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

Ord. No.	Improvement Description	Ordinance		Balance, December 31, 2016		Balance, December 31, 2017	
		Date	Amount	Funded	Unfunded	Funded	Unfunded
06-10	Pool Rehabilitation	9/5/2006	\$ 120,000	\$ 24,440		\$ 24,440	
10-06	ADA Improvements to Bathrooms	3/15/2010	99,228	18,615		18,615	
15-02	Installation of a Slide and a Volleyball Court at the Municipal Pool	2/10/2015	65,000	-	\$ 5,363	-	\$ 5,363
				<u>\$ 43,055</u>	<u>\$ 5,363</u>	<u>\$ 43,055</u>	<u>\$ 5,363</u>

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

Balance, December 31, 2016	\$ 195
Increased by:	
Budget Appropriation for Interest on Notes	653
	848
Decreased by:	
Interest Paid	780
Balance, December 31, 2017	\$ 68

**STATEMENT OF DUE TO CURRENT FUND
SWIM POOL UTILITY CAPITAL FUND**

Balance, December 31, 2016	\$ 25,689
Decreased by:	
Payments made to Current Fund by General Capital Fund for Swim Pool Utility Capital Fund	25,689

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

Balance, December 31, 2016	\$ <u>16,000</u>
Balance, December 31, 2017	\$ <u>16,000</u>

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

Balance, December 31, 2016	\$ 1,086,861
Increased by:	
Notes Paid by Budget Appropriation	<u>13,000</u>
Balance, December 31, 2017	\$ <u>1,099,861</u>

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

<u>Ord.</u> <u>No.</u>	<u>Improvement Description</u>	Balance December 31, <u>2016</u>	Balance, December 31, <u>2017</u>
06-10	Pool Rehabilitation	\$ 24,440	\$ 24,440
10-06	ADA Improvements to Bathrooms	<u>18,615</u>	<u>18,615</u>
		<u>\$ 43,055</u>	<u>\$ 43,055</u>

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

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<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2017</u>
15-02	Installation of Slide and Volleyball Court at Municipal Pool	10/8/2015	10/7/2016 10/6/2017	10/6/2017 5/18/2018	2.0 % 1.09	\$ 39,000 -	\$ 26,000	\$ 39,000 -	\$ 26,000
						<u>\$ 39,000</u>	<u>\$ 26,000</u>	<u>\$ 39,000</u>	<u>\$ 26,000</u>
					Renewals		\$ 26,000	\$ 26,000	
					Paid by Budget Appropriation		-	13,000	
							<u>\$ 26,000</u>	<u>\$ 39,000</u>	

PUBLIC ASSISTANCE FUND

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

	<u>Total</u>	<u>Account #1</u>	<u>Account #2</u>
Balance, December 31, 2016	\$ 3,847	\$ 1,931	\$ 1,916
Increased by:			
State Aid	4,025		4,025
Receipts from Current Fund	11,686		11,686
Interest on Investments	<u>20</u>	<u>9</u>	<u>11</u>
	19,578	1,940	17,638
Decreased by:			
Public Assistance Expenditures Eligible for State Aid	<u>6,155</u>	<u>-</u>	<u>6,155</u>
Balance, December 31, 2017	<u>\$ 13,423</u>	<u>\$ 1,940</u>	<u>\$ 11,483</u>

EXHIBIT H-2

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

Balance, December 31, 2016 (Due From)	\$ 3,487
Increased by:	
State Aid Received in Current Fund	<u>3,200</u>
	6,687
Decreased by:	
Interest on Investments - PATF #2	\$ 11
Receipts from Current Fund	<u>11,686</u>
	<u>11,697</u>
Balance, December 31, 2017 (Due To)	<u>\$ 5,010</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, 2016	\$ 7,334	\$ 1,931	\$ 5,403
Increased by:			
Revenues	<u>7,234</u>	<u>9</u>	<u>7,225</u>
Decreased by:	14,568	1,940	12,628
Expenditures	<u>6,155</u>	<u>-</u>	<u>6,155</u>
Balance, December 31, 2017	<u>\$ 8,413</u>	<u>\$ 1,940</u>	<u>\$ 6,473</u>

EXHIBIT H-4

STATEMENT OF PUBLIC ASSISTANCE REVENUES

	<u>Total</u>	<u>Account #1</u>	<u>Account #2</u>
State Aid Payments:			
Cash Receipts	\$ 4,025		\$ 4,025
Due from Current Fund	<u>3,200</u>	<u>-</u>	<u>3,200</u>
Total State Aid	7,225	-	7,225
Interest on Investments	<u>9</u>	<u>\$ 9</u>	<u>-</u>
Total Revenues	<u>\$ 7,234</u>	<u>\$ 9</u>	<u>\$ 7,225</u>

EXHIBIT H-5

STATEMENT OF PUBLIC ASSISTANCE EXPENDITURES

	<u>Total</u>	<u>Account #1</u>	<u>Account #2</u>
Current Year Assistance Reported			
Maintenance	\$ 6,155	-	\$ 6,155
Total Expenditures/Disbursements	<u>\$ 6,155</u>	<u>\$ -</u>	<u>\$ 6,155</u>

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

PART II

GOVERNMENT AUDITING STANDARDS

YEAR ENDED DECEMBER 31, 2017



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Park Ridge, as of and for the year ended December 31, 2017, and the related notes to the financial statements, and have issued our report thereon dated May 29, 2018. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was modified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund financial statements.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses we identified certain deficiencies in internal control that we consider to be material weaknesses or 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Borough's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2017-001 and 2017-002 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as item 2017-003 to be significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Park Ridge's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying schedule of findings and responses as items 2017-001, 2017-002 and 2017-003.

We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Borough of Park Ridge in Part III of this report of audit entitled; "Letter of Comments and Recommendations".

Borough of Park Ridge's Responses to Findings

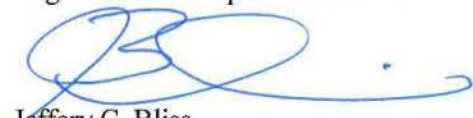
The Borough of Park Ridge's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Borough of Park Ridge's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we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

Purpose of this Report

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

LERCH, VINCI & HIGGINS, LLP

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



Jeffery C. Bliss
Registered Municipal Accountant
RMA Number CR00427

**BOROUGH OF PARK RIDGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Federal Program	State Account Number	CFDA Number	Grant Year	Award Amount	2017 Grant Receipts	Balance January 1, 2017	Revenue Realized	Expended	Balance December 31, 2017	Cumulative Expended
U.S. Department of Transportation (Passed through State Department of Law and Public Safety)										
Impaired Driving Countermeasure	066-1160-100-157	20.616	2016	\$ 3,077			\$ 3,077		\$ 3,077	
Drive Sober or Get Pulled Over	066-1160-100-157	20.601	2017	5,500	\$ 2,159		5,500		5,500	
Drive Sober or Get Pulled Over	066-1160-100-057	20.601	2012	4,400		\$ 490			490	\$ 3,910
Over the Limit Under Arrest	066-1160-100-057	20.601	2012	2,175		2,175			2,175	
Over the Limit Under Arrest	066-1160-100-057	20.601	2011	2,806		2,806			2,806	
Occupant Protection	066-1160-100-155	20.616	2016	4,402			4,402		4,402	
Distracted Driver	066-1160-100-158	20.616	2017	5,500	4,604		5,500		5,500	
U.S. Department of Homeland Security Disaster Grants (Passed through the State Department of Law and Public Safety)										
FEMA - Severe Winter Storm & Snow Storm	066-1200-100-B80	97.036	2017	50,720	50,720		50,720	\$ 50,720		50,720
U.S. Department of Housing and Urban Development Community Development Block Grant Program (Passed through County of Bergen Community Development Agency)										
Handicap Bathrooms - Swim Pool (Ord. 10-06)	PV-PR-03-09	14.218	2010	56,976		18,615			18,615	38,361
Borough Hall ADA Improvements (Ord. 16-15)			2016	44,292		44,292		44,292	-	44,292
Senior Citizens Program			2015	3,711		3,711			3,711	
Senior Citizens Program			2014	3,237		1,096			1,096	2,141
Senior Citizens Program			2013	3,658		473			473	3,165
Superstorm Sandy CDBG Round 4	022-8022-100-004	14.269	2017	16,700	16,700		16,700	16,700		16,700
U.S. Department of Environmental Protection (Passed through State Department of Environmental Protection)										
Recreational Trails Program		20.219								
Woodcliff Lake Reservoir Walkway (Ord 16-11)	100424875205		2016	24,000		24,000		3,292	20,708	3,292
U.S. Department of Agriculture (Passed through State Forestry Services)										
Cooperative Forestry Assistance	042-4870-100-038	10.664	2015	3,000		3,000	-	-	3,000	
					<u>\$ 100,658</u>	<u>\$ 85,899</u>	<u>\$ 115,004</u>	<u>\$ 71,553</u>		

Note: This schedule was not subject to a single audit in accordance with U.S. Uniform Guidance.

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

**BOROUGH OF PARK RIDGE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>State Grant Program</u>	<u>Account Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2017 Grant Receipts</u>	<u>Balance, January 1, 2017</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Program Income</u>	<u>Balance, December 31, 2017</u>	<u>Cumulative Expended</u>
Drug and Alcohol Municipal Alliance	N/A	2017	\$ 2,511	\$ 2,511						
		2016	6,727			\$ 6,727	\$ 4,199		\$ 2,528	\$ 4,199
		2015	4,989		\$ 3,508				3,508	1,481
		2014	8,529		7,048				7,048	1,481
691 Clean Communities Grant Program	042-4900-765-004	2017	18,342	18,342					-	
		2016	21,590			21,590	10,852		10,738	10,852
Drunk Driving Enforcement Fund	1110-448-031020-22	2016	3,905		3,905				3,905	
		2015	398		398				398	
		2014	9,927		9,043				9,043	884
Alcohol Education and Rehabilitation	098-9735-760-001	2017	165	165						
		2016	423		423				423	
		2015	1,653		1,653				1,653	
		2014	1,123		416				416	707
Department of Community Affairs Domestic Violence Grant	N/A	Prior	2,178		2,178				2,178	
Body Armor Replacement Fund	066-1020-718-001	2017	2,027	2,027		2,027	880		1,147	880
		2016	2,024		264				264	1,760
		2015	2,015		429				429	1,586
		2012	1,989		318				318	1,671
		2011	1,948		1,948				1,948	
		2010	2,859		2,009				2,009	850
		2007	1,914		484				484	1,430

**BOROUGH OF PARK RIDGE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>State Grant Program</u>	<u>Account Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2017 Grant Receipts</u>	<u>Balance, January 1, 2017</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Program Income</u>	<u>Balance, December 31, 2017</u>	<u>Cumulative Expended</u>
Recycling Tonnage Grant	042-4900-752-001	2017 2016	\$ 28,049 6,075	\$ 28,049		\$ 6,075			\$ 6,075	
NJEDA Hazardous - Discharge Site	N/A	Prior	2,406		\$ 2,406				2,406	
Department of Transportation										
Mill Road Improvements (Current)	078-6320-480-XXX	2017	150,000			150,000			150,000	
Mill Road Improvements (Ord. 16-15)	078-6320-480-AMF	2016	149,000	100,879	149,000		\$ 149,000		-	\$ 149,000
Park Avenue Improvements (Ord. 16-15)	078-6320-480-XXX	2016	221,000		221,000				221,000	
Department of Human Services										
General Assistance	054-7550-100-250	2017	7,225	7,225	5,403	7,225	6,155	-	6,473	6,155
					<u>\$ 411,833</u>	<u>\$ 193,644</u>	<u>\$ 171,086</u>	<u>\$ -</u>	<u>\$ 434,391</u>	

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Note: This schedule was not subject to a single audit in accordance with N.J. OMB Circular 15-08.

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

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

**BOROUGH OF PARK RIDGE
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2017**

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 schedules of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the regulatory basis of accounting as prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is described in Note 1 to the Borough's financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's financial statements. Financial assistance revenues are reported in the Borough's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 85,899	\$ 186,419	\$ 272,318
Public Assistance Fund	<u>-</u>	<u>7,225</u>	<u>7,225</u>
	<u>\$ 85,899</u>	<u>\$ 193,644</u>	<u>\$ 279,543</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, 2017**

NOTE 5 STATE LOANS OUTSTANDING

The Borough's state loans outstanding at December 31, 2017, which are not required to be reported on the schedule of state financial assistance, are as follows:

<u>Loan Program</u>	<u>State Account Number</u>	<u>Total</u>
Green Trust Loan Program - Memorial Field Improvements	042-4800-533-02	\$ 278,801
Mill Pond Dam Improvements		<u>989,334</u>
		<u>\$ 1,268,135</u>

NOTE 6 DE MINIMIS INDIRECT COST RATE

The Borough has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**BOROUGH OF PARK RIDGE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Part I – Summary of Auditor's Results

Financial Statements

Type of auditors' report issued on financial statements

Modified for Unaudited LOSAP Fund

Internal control over financial reporting:

1) Material weakness(es) identified

 X yes no

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

 X yes none reported

Noncompliance material to the financial statements noted?

 X yes no

Federal Awards Section

Not Applicable

State Awards Section

Not Applicable

**BOROUGH OF PARK RIDGE
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2017**

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 2017-001 – Our audit of the general ledger accounting system maintained for the various funds revealed the following:

- General ledger control account balances were not reconciled to the revenue, appropriation and reserve accounts subsidiary reports and other supporting records on a monthly basis.
- Numerous cash transactions were either misposted or not posted to the general ledger and subsidiary records during the year.
- Numerous interfund transactions were not posted to the respective fund's general ledger and subsidiary records during the year.

Criteria or Specific Requirement – Maintaining General Ledger Accounting System – N.J.A.C. 5:30-5.7.

Condition – The general ledger account balances were not reviewed and reconciled with the subsidiary revenue, appropriation and reserve account reports, bank reconciliation balances and other records on a timely basis. Cash transactions related to receipt and disbursement activities of the various funds were misposted or not posted to the respective fund's accounting records. In addition, numerous interfund transactions between funds were not recorded in the accounting records of the reciprocal fund.

Context General ledger account balances for the Current, Water and Electric Operating Funds were not reconciled to the subsidiary revenue and appropriation status reports and monthly bank reconciliation balances. In addition Other Trust and Utility Trust Funds reserve balances were not reconciled to the detail trial balances or monthly bank reconciliation balances for each reserve account. Also, General Capital and Utility Capital Funds were not reviewed and reconciled to improvement authorization account status subsidiary reports and monthly bank reconciliation balances.

Effect – General ledger balances may not be in agreement with balances per the subsidiary supporting reports and records.

Cause General ledger account balances were not reviewed and reconciled in a timely manner with account balances reported in the subsidiary revenue, appropriation and reserve account reports and other supporting records.

Recommendation – Internal control procedures over the general ledger accounting system be reviewed and revised to ensure general ledger account balances are reconciled on a monthly basis to the respective fund's subsidiary reports and supporting records and that transactions are accurately recorded during the year.

View of Responsible Official and Planned Corrective Action – Management has reviewed this finding and has indicated corrective action will be developed and implemented in 2018 to address this finding.

**BOROUGH OF PARK RIDGE
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2017**

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 2017-002 – Our audit of bank reconciliations in the various funds revealed the following:

- Accounts were not reconciled in a timely manner during the year.
- Bank reconciliations prepared at year end were incomplete.
- Numerous reconciling items and old outstanding checks exist at year end in the various accounts.

Criteria or Specific Requirement – Internal controls over financial reporting.

Condition - Bank reconciliation for the various accounts were not completed on a timely basis (i.e. monthly) throughout the year. Bank reconciliations prepared by the Borough did not include all reconciling items or included invalid reconciling items at year end. In addition, various reconciling items existed at year end as a result of numerous interfund adjustments and old prior year checks that remained outstanding.

Context – Bank reconciliations for all the Borough accounts were not completed on a timely basis. Several bank reconciliations prepared at December 31, 2017 did not include all outstanding items (i.e. deposit in transit and outstanding checks) or included items that were deemed invalid at year end. In addition, numerous reconciling items existed on the various bank reconciliations that were old and invalid.

Effect -- Timely reconciled cash balances were not available to support general ledger cash account balances and transactions recorded in the internal accounting records.

Cause – Bank reconciliations were not completed monthly, throughout the year.

Recommendation Monthly bank reconciliations for all the Borough accounts be completed accurately and in a timely manner. In addition, reconciling items and old outstanding checks be reviewed and cleared record.

View of Responsible Official and Planned Corrective Action - Management has reviewed this finding and has indicated corrective action will be developed and implemented in 2018 to address this finding.

**BOROUGH OF PARK RIDGE
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2017**

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 2017-003 – We noted one budgetary line account in the 2016 Appropriation Reserves budget was overexpended in the amount of \$33,330 at year end.

Criteria or Specific Requirement – Encumbrance Accounting System N.J.A.C. 5:30-5.3

Condition – Expenditures incurred in the Current Fund exceeded available balances.

Context – See Finding

Effect – Appropriations for expenditures incurred may not be available resulting in overexpenditures at year end.

Cause – Available budget balances were not reviewed and budget transfers approved prior to the incurring of expenditures.

Recommendation – Internal control procedures be reviewed and revised to ensure sufficient budget funds are available in the Current Fund prior to expenditures being incurred.

View of Responsible Official and Planned Corrective Action – Management has reviewed this finding and has indicated corrective action will be developed and implemented in 2018 to address this finding.

**BOROUGH OF PARK RIDGE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

CURRENT YEAR FEDERAL AWARDS

Not Applicable

CURRENT YEAR STATE AWARDS

Not Applicable.

**BOROUGH OF PARK RIDGE
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017**

This section identifies the status of prior year findings related to the financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and NJ OMB Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

• **Finding 2016-001**

Condition – Our audit of the general ledger accounting system maintained for the various funds revealed the following:

- General ledger control account balances were not reconciled to the revenue, appropriation and reserve accounts subsidiary reports and other supporting records on a monthly basis.
- Numerous cash transaction were either misposted or not posted to the general ledger and subsidiary records during the year.
- Numerous interfund transactions were not posted to the respective fund's general ledger and subsidiary records during the year.

Current Status

See Finding 2017-001

• **Finding 2016-002**

Condition – Our audit of bank reconciliations in the various funds revealed the following:

- Accounts were not reconciled in a timely manner during the year.
- Bank reconciliations prepared at year end were incomplete.
- Numerous reconciling items and old outstanding checks exist at year end in the various accounts.

Current Status

See Finding 2017-002

• **Finding 2016-003**

Condition – We noted twenty-one (21) budgetary line accounts in the 2016 Current Fund Budget were overexpended for a total of \$304,757 at year end.

Current Status

See Finding 2017-003

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

PART III

SUPPLEMENTARY DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2017

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	<u>Year 2017</u>		<u>Year 2016</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 800,000	1.68 %	\$ 750,700	1.65 %
Miscellaneous - From Other Than Local				
Property Tax Levies	3,714,818	7.79	3,258,937	7.15
Collection of Delinquent Taxes and Tax Title Liens	277,093	0.58	307,772	0.68
Collection of Current Tax Levy	42,725,796	89.57	40,962,736	89.93
Other Credits to Income	181,429	0.38	268,969	0.59
Total Income	<u>47,699,136</u>	<u>100.00 %</u>	<u>45,549,114</u>	<u>100.00 %</u>
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	13,823,596	29.27 %	12,922,207	28.66 %
County Taxes	4,668,150	9.88	4,555,804	10.10
Local District School Tax	28,370,946	60.07	27,600,648	61.22
Municipal Open Space Taxes	111,620	0.24		
Other Expenditures	254,111	0.54	7,699	0.02
Total Expenditures	<u>47,228,423</u>	<u>100.00 %</u>	<u>45,086,358</u>	<u>100.00 %</u>
Excess in Revenue	470,713		462,756	
Adjustments to Income before Fund Balance:				
Expenditures Included Above Which are by Statute				
Deferred Charges to Budget of Succeeding Year	353,330		304,757	
Statutory Excess to Fund Balance	824,043		767,513	
Fund Balance, January 1	1,888,071		1,871,258	
	2,712,114		2,638,771	
Less Utilization as Anticipated Revenue	<u>800,000</u>		<u>750,700</u>	
Fund Balance, December 31	<u>\$ 1,912,114</u>		<u>\$ 1,888,071</u>	

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	<u>Year 2017</u>		<u>Year 2016</u>		
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 604,542	14.95 %	\$ 407,266	9.56 %	
Water Usage Charges	2,848,255	70.41	3,282,640	77.02	
Miscellaneous Charges and Fees	246,694	6.10	284,111	6.67	
Reserve for Woodcliff Lake Improvements	64,208	1.59	62,418	1.46	
Non-Budget Revenue	118,100	2.92	57,286	1.34	
Other Credits to Income	163,265	4.04	168,134	3.95	
	<u>4,045,064</u>	<u>100.00 %</u>	<u>4,261,855</u>	<u>100.00 %</u>	
EXPENDITURES					
Operating	2,975,500	81.91 %	3,149,800	85.02 %	
Capital Improvements	155,000	4.27	143,000	3.86	
Debt Service	167,703	4.62	161,853	4.37	
Deferred Charges and Statutory Expenditures	334,500	9.21	250,100	6.75	
	<u>3,632,703</u>	<u>100.00 %</u>	<u>3,704,753</u>	<u>100.00 %</u>	
Excess in Revenue	412,361		557,102		
Adjustments to Income before Fund Balance:					
Expenditures Included Above Which are by Statute					
Deferred Charges to Budget of Succeeding Year	-		100,000		
Statutory Excess to Fund Balance	412,361		657,102		
Fund Balance, January 1	<u>868,290</u>		<u>618,454</u>		
	1,280,651		1,275,556		
Less Utilization as Anticipated Revenue	<u>604,542</u>		<u>407,266</u>		
Fund Balance, December 31	<u>\$ 676,109</u>		<u>\$ 868,290</u>		

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	Year 2017		Year 2016	
	Amount	Percent	Amount	Percent
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 528,350	5.19 %	\$ 575,870	5.38 %
Light and Power Charges	9,239,750	90.80	9,869,966	96.99
Miscellaneous Charges and Fees	40,863	0.40	39,903	0.39
Non-Budget Revenue	89,442	0.88	46,842	0.46
Other Credits to Income	<u>277,761</u>	<u>2.73</u>	<u>165,615</u>	<u>1.63</u>
 Total Income	 <u>10,176,166</u>	 <u>100.00</u> %	 <u>10,698,196</u>	 <u>100.00</u> %
 EXPENDITURES				
Operating	9,224,600	93.86 %	9,263,900	91.92 %
Capital Improvements	75,500	0.77	290,000	2.88
Debt Service	299,558	3.05	282,188	2.80
Deferred Charges and Statutory Expenditures	<u>228,500</u>	<u>2.32</u>	<u>242,000</u>	<u>2.40</u>
 Total Expenditures	 <u>9,828,158</u>	 <u>100.00</u> %	 <u>10,078,088</u>	 <u>100.00</u> %
 Excess in Revenue	 348,008		 620,108	
 Fund Balance, January 1	 <u>860,117</u>		 <u>815,879</u>	
	1,208,125		1,435,987	
 Less Utilization as Anticipated Revenue	 <u>528,350</u>		 <u>575,870</u>	
 Fund Balance, December 31	 <u>\$ 679,775</u>		 <u>\$ 860,117</u>	

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	<u>Year 2017</u>		<u>Year 2016</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 39,000	10.81 %	\$ 39,000	10.78 %
Membership Fees	233,835	64.80	226,500	62.59
Miscellaneous Fees	47,610	13.19	69,669	19.25
Other Credits to Income	<u>40,389</u>	<u>11.19</u>	<u>26,696</u>	<u>7.38</u>
Total Income	<u>360,834</u>	<u>100.00 %</u>	<u>361,865</u>	<u>100.00 %</u>
EXPENDITURES				
Operating	296,050	92.91 %	249,300	91.19 %
Debt Service	13,653	4.28	1,167	0.43
Deferred Charges and Statutory Expenditures	<u>8,950</u>	<u>2.81</u>	<u>22,900</u>	<u>8.38</u>
Total Expenditures	<u>318,653</u>	<u>100.00 %</u>	<u>273,367</u>	<u>100.00 %</u>
Excess in Revenue	42,181		88,498	
Fund Balance, January 1	<u>261,854</u>		<u>212,356</u>	
	304,035		300,854	
Less Utilization as Anticipated Revenue	<u>39,000</u>		<u>39,000</u>	
Fund Balance, December 31	<u>\$ 265,035</u>		<u>\$ 261,854</u>	

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Tax Rate</u>	\$ <u>2,702</u>	\$2,608	\$2,503
<u>Apportionment of Tax Rate</u>			
Municipal	.580	.542	.528
Library	.039	.039	.037
Municipal Open Space	.007	-	-
County	.282	.284	.263
County – Open Space	.011	.003	.003
Local District School	1.783	1.740	1.672

Assessed Valuation

2017	<u>\$1,591,597,259</u>
2016	\$1,586,288,695
2015	<u>\$1,605,592,569</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>
2017	\$ 43,090,475	\$ 42,725,796	99.15%
2016	41,517,900	40,962,736	98.66%
2015	40,254,466	39,902,208	99.12%

**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</u> <u>Year</u>	<u>Amount of</u> <u>Tax Title</u> <u>Liens</u>	<u>Amount of</u> <u>Delinquent</u> <u>Taxes</u>	<u>Total</u> <u>Delinquent</u>	<u>Percentage</u> <u>of</u> <u>Tax Levy</u>
2017	-	\$ 277,681	\$ 277,681	0.64%
2016	-	277,093	277,093	0.67%
2015	-	327,052	327,052	0.81%

Property Acquired by Tax Title Lien Liquidation

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2017	\$100,650
2016	100,650
2015	100,650

Comparison of Water Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(*)</u>	<u>Percentage</u> <u>of Collection</u>
2017	\$2,938,454	\$2,848,255	96.93%
2016	3,287,018	3,282,640	99.87%
2015	3,092,920	3,011,809	97.38%

Comparison of Electric Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(*)</u>	<u>Percentage</u> <u>of Collection</u>
2017	\$9,262,937	\$9,239,750	99.75%
2016	9,872,176	9,869,966	99.98%
2015	10,106,215	10,070,539	99.64%

*Includes collection of prior year receivables.

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

Comparative Schedule of Fund Balances

	Year	Balance, December 31	Utilized In Budget of Succeeding Year
Current Fund	2017	\$1,912,114	\$900,000
	2016	1,888,071	800,000
	2015	1,871,258	750,700
	2014	1,963,603	750,700
	2013	1,806,511	680,700
Water Utility Fund	2017	\$676,109	\$528,355
	2016	868,290	604,542
	2015	618,454	407,266
	2014	626,759	399,400
	2013	540,321	267,512
Electric Utility Operating Fund	2017	\$679,775	\$436,296
	2016	860,117	528,350
	2015	815,879	575,870
	2014	608,177	514,598
	2013	1,089,664	945,480
Swim Pool Utility Operating Fund	2017	\$265,035	\$78,660
	2016	261,854	39,000
	2015	212,356	39,000
	2014	247,561	46,100
	2013	207,930	14,750

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

OFFICIALS IN OFFICE AND SURETY BONDS

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate or Personal Surety</u>
Terence P. Maguire	Mayor (1/1/17-4/15/17)		
Keith Misciagna	Mayor (4/16/17-12/31/17)		
June Bertini	Councilwoman		
Rich Bosi	Councilman		
Matthew Capilli	Councilman		
Kelly Epstein	Councilwoman		
Robert Oppelt	Councilman		
Keith Misciagna	Councilman (1/1/17-4/15/17)		
Michael Mintz	Councilman (4/16/17-12/31/17)		
Julie Falkenstern	Borough Administrator (11/28/17-12/31/17)		
Kelley R. O'Donnell	Borough Administrator/ Borough Clerk (1/1/17-7/31/17)	(a)	
Magdalena Giandomenico	Acting Borough Clerk (8/1/17-12/31/17)	(a)	
Joseph Kolodziej	Director of Finance/Chief Financial Officer	(a)	
Jessica Mazzarella	Tax Collector/Treasurer	(a)	MELJIF
William Beattie	Director of Operations	(a)	
John E. TenHoeve, Jr., Esq.	Borough Attorney		
Brooker Engineering	Borough Engineer		
Joseph Madden	Police Chief		
Thomas Derienzo, Jr.	Fire Chief		
Julie Falkenstern	Subdivision Search Officer	(a)	
Nick Saluzzi	Construction Code Official/Zoning Officer	(a)	
Robert Campora	Tax Assessor	(a)	
Peter Wayne	Superintendent of Public Works	(a)	
Paul Longo	Supervisor of Electric		
Chris O'Leary	Supervisor of Water and Sewer		
Robert Murken	Electric Sub-Code Official	(a)	
John Wittckind	Plumbing Sub-Code Official	(a)	
Robert Ludwig	Fire Subcode Official	(a)	
Katherine Bowen	Director of Welfare	(a)	

(a) Public Employee Dishonesty Coverage was issued by the Municipal Excess Liability Joint Insurance Fund (MELJIF) in the amount of \$1,000,000 per loss covering all employees including statutory bond coverages.

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

GENERAL COMMENTS

Prior Year Findings Unresolved

Finance

- **Finding** – Our audit of police outside duty services revealed a deficit balance in the reserve account of \$82,720 at December 31, 2017 exists due to vendors not being billed on a timely basis.

Recommendation – Appropriate action be taken to eliminate the police outside duty services reserve account deficit by billing vendors timely for services rendered during the year.

- **Finding** – Several prior year grants receivable balances in the Current, General Capital and Swim Pool Capital Funds remain uncollected at year end.

Recommendation -- Prior year grant receivable balances in the Current, General Capital and Swim Pool Capital Funds be reviewed and efforts be made to collect outstanding balances and uncollectable amounts be cancelled.

- **Finding** -- Our audit revealed numerous interfund balances existed between the various funds at December 31, 2017.

Recommendation – Efforts be made to clear interfund balances prior to year-end.

- **Finding** – Our audit of the Affordable Housing Trust Fund revealed the annual financial reports were not updated and available for audit for the years ended December 31, 2016 and 2017.

Recommendation – Annual financial reports for the Affordable Housing Trust Fund be updated on a timely basis and be made available for audit.

Payroll

- **Finding** – Our audit of accrued time for compensated absences revealed that detailed attendance records were not maintained in a central file or location for all municipal departments. In addition, we noted certain amounts were not properly calculated and certain department records were not updated at year-end.

Recommendation – Detailed attendance records to account for employee compensated absences be maintained in a central file and location for all employees of the Borough. In addition, amounts be properly updated and calculated at year end.

Purchasing

- **Finding** – Our audit of purchasing revealed political contributions disclosure forms were not available for certain vendors where required.

Recommendation – Purchasing procedures be reviewed and revised to ensure political contribution disclosure forms are obtained where required.

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

GENERAL COMMENTS (Continued)

Current Year Findings

Finance

- **Finding** – Our audit of developer escrow deposits in the Other Trust Fund revealed a certain account was in a deficit position of approximately \$150,000 at year end. In addition, payments were charged to escrow deposit accounts that were unrelated to the respective project.

Recommendation – With respect to developer escrow deposits:

- Sufficient deposits be obtained in advance of incurring expenditures.
 - Greater care be exercised to ensure only project related expenditures are charged to developer accounts.
- **Finding** – Our audit revealed the fixed asset inventory report was not updated for additions and deletions in 2017. We noted approximately \$394,000 of unrecorded additions for 2017.

Recommendation – The fixed asset inventory report be updated for additions and deletions on an annual basis at year end.

Payroll

- **Finding** – Our audit of employee health benefit contributions revealed amounts were not recalculated when the Borough switched health benefit providers on May 1, 2017 resulting in underpayment of required contributions.

Recommendation – Payroll procedures be reviewed to ensure that employee health benefit contributions are properly calculated during the year.

- **Finding** – Our audit of employee pension system reporting revealed:
 - Numerous differences exist in employee pension deductions per the Borough's payroll records and the quarterly state pension reports for 2017.
 - Pensionable base pay wages were incorrectly reported for certain employees on the quarterly state pension reports for 2017.

Recommendation – With respect to employee pension system reporting:

- Payroll procedures be reviewed to ensure employee pension amounts are properly deducted from employees pay and reported on the quarterly state pension reports.
- Employee's pensionable base pay be accurately reported on the quarterly state pension reports.

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

GENERAL COMMENTS (Continued)

Payroll (Continued)

- **Finding** – Our audit of employee health benefit opt-out payments revealed a certain payment which exceeded the maximum waiver amount permitted by State statute (NJSA 40A:10-17.1).

Recommendation – A review be made of employee health benefit opt-out payments to ensure amounts paid are within the maximum waiver amounts permitted by State statute.

Departments

- **Finding** – Our audit of the Recreation Department revealed that the cash receipts ledger is incomplete and does not include all recreation fees collected during the year.

Recommendation – A complete cash receipts ledger be maintained for all amounts collected by the Recreation Department.

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

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

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$17,500. The Borough has adopted a resolution increasing the threshold to \$40,000 effective July 1, 2015 and has appointed the Director of Operations as qualified purchasing agent in accordance with regulations established by the Division of Local Government Services.

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

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

Rehabilitation of Well #7	Salak Lane Recreation Improvements
Photocatalytic Oxidation Treatment System at Well #17	
Replacement of Activated Carbon at Wells	2017 Road Program
Purchase of Fire Hydrants	Purchase of Dump Truck with Snow Plow
Mall Roof Improvements	Firehouse Roof Improvements

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 reveal certain payments, contracts or agreements in excess of \$40,000 "for the performance of any work, or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJS 40A:11-6.

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

GENERAL COMMENTS (Continued)

Collection of Interest of Delinquent Taxes

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

The Governing Body on January 2, 2017 adopted the following resolution authorizing interest to be charged on delinquent taxes and water accounts:

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

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

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on November 2, 2017.

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

<u>Year</u>	<u>Number of Liens</u>
2017	0
2016	0
2015	0
2014	0
2013	0

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

Suggestions to Management

- A review be made of all unused and inactive rates in the Water and Electric Operating Fund's master fee schedules contained in the Borough's accounting software.
- A review be made of the pension payments made for 2015 and 2016 to determine if any overpayments were made for the deferred pension obligations.
- A review be made to determine if the 2017 retro pension report was remitted to the state pension system.
- Old inactive improvement authorization balances in the various capital funds and the balances in the various deposit and reserve accounts in the Other Trust Fund be reviewed to determine accounts that can be cleared of record.

APPRECIATION

We desire to express our appreciation to the Administrator, Chief Financial Officer, and the other Borough staff who assisted us during the course of our audit.

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

RECOMMENDATIONS

Finance

It is recommended that:

- * 1. Internal control procedures over the general ledger accounting system be reviewed and revised to ensure general ledger account balances are reconciled on a monthly basis to the respective fund's subsidiary reports and supporting records and that transactions are accurately recorded during the year.
- * 2. Monthly bank reconciliations for all the Borough accounts be completed accurately and in a timely manner. In addition, reconciling items and old outstanding checks be reviewed and cleared of record.
- * 3. Internal control procedures be reviewed and revised to ensure sufficient budget funds are available in the Current Fund prior to expenditures being incurred.
- * 4. Appropriate action be taken to eliminate the police outside duty services reserve account deficit by billing vendors timely for services rendered during the year.
- * 5. Prior year grant receivable balances in the Current, General Capital and Swim Pool Capital Funds be reviewed and efforts be made to collect outstanding balances and uncollectable amounts be cancelled.
- * 6. Efforts be made to clear interfund balances prior to year-end.
- * 7. Annual financial reports for the Affordable Housing Trust Fund be updated on a timely basis and be made available for audit.
- 8. With respect to developer escrow deposits:
 - Sufficient deposits be obtained in advance of incurring expenditures.
 - Greater care be exercised to ensure only project related expenditures are charged to developer deposit accounts.
- 9. The fixed asset inventory report be updated for additions and deletions on an annual basis at year end.

Purchasing

- * 1. It is recommended that purchasing procedures be reviewed and revised to ensure political contribution disclosure forms are obtained where required.

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

RECOMMENDATIONS (Continued)

Payroll

It is recommended that:

- * 1. Detailed attendance records to account for employee compensated absences be maintained in a central file and location for all employees of the Borough. In addition, amounts be properly updated and calculated at year-end.
- 2. Payroll procedures be reviewed to ensure that employee health benefit contributions are properly calculated during the year.
- 3. With respect to employee pension reporting:
 - Payroll procedures be reviewed to ensure employee pension amounts are properly deducted from employees pay and reported on the quarterly state pension reports.
 - Employee's pensionable base pay be accurately reported on the quarterly state pension reports.
- 4. A review be made of employee health benefit opt-out payments to ensure amounts paid are within the maximum waiver amounts permitted by State statute.

Departments

- 1. It is recommended that a complete cash receipts ledger be maintained for all amounts collected by the Recreation Department.

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

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

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

LERCH, VINCI & HIGGINS, LLP

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



Jeffrey C. Bliss
Certified Public Accountant
RMA Number CR00429