

BOROUGH OF PARK RIDGE
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2022

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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, 2022**



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL 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 Audit of the Financial Statements

Opinions

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, 2022 and 2021, 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, 2022, and the related notes to the financial statements.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the possible effects of the matters discussed in the Basis for Qualified Opinion on Regulatory Basis of Accounting section of our report, 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, 2022 and 2021, 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, 2022 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.

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 section of our report, 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, 2022 and 2021, or changes in financial position, or, where applicable, cash flows for the years then ended.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough of Park Ridge and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2022 and 2021. The LOSAP Trust Fund financial activities are included in the Borough's Trust Funds, and represent 49.0 percent and 54.4 percent of the assets and liabilities of the Borough's Trust Funds as of December 31, 2022 and 2021, respectively.

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 and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Park Ridge's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Borough of Park Ridge's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Park Ridge's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary 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, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Park Ridge. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and 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.

Other Information


Management is responsible for the other information included in the report of audit. The other information comprises the supplementary data and letter of comments and recommendation section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 12, 2023 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 solely 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 & BLISS, LLP
 LERCH, VINCI & BLISS, LLP
 Certified Public Accountants
 Registered Municipal Accountants


 Jeffrey C. Bliss
 Registered Municipal Accountant
 RMA Number CR00429

Fair Lawn, New Jersey
 September 12, 2023

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
ASSETS			
Cash	A-4	\$ 5,662,497	\$ 4,586,154
Cash - Petty Cash	A-6	750	750
Cash - Change Funds	A-5	275	275
Due to State of New Jersey - Senior Citizens' and Veterans' Deductions	A-7	1,611	2,111
Grant Receivables	A-8	382	45,218
		<u>5,665,515</u>	<u>4,634,508</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-9	254,531	201,539
Property Acquired for Taxes - Assessed Valuation	A-10	100,650	100,650
Revenue Accounts Receivable	A-11	8,458	18,934
Other Accounts Receivable	A-12	4,491	21,588
Due from Municipal Library	A-30	22,365	
Due from Animal Control Fund	B-5	9,649	5,076
Due from Other Trust Fund	B-15		3,032
Due from General Capital Fund	C-10		8,737
Due from Water Utility Operating Fund	D-21	11,250	62,966
Due from Electric Utility Operating Fund	E-29	9,383	48,091
Due from Public Assistance Fund	H-2	25	-
		<u>420,802</u>	<u>470,613</u>
Deferred Charges			
Emergency Authorizations	A-13		24,012
Overexpenditure of Appropriations	A-13	33,990	1,268
Overexpenditure of Appropriation Reserves	A-13		5,692
Special Emergency Authorizations	A-14	208,000	260,000
		<u>241,990</u>	<u>290,972</u>
Total Assets		<u>\$ 6,328,307</u>	<u>\$ 5,396,093</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2022 AND 2021**

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3,A-15	\$ 890,301	\$ 621,863
Encumbrances Payable	A-16	262,350	223,235
Accounts Payable	A-17	1,215	
Tax Overpayments	A-18		2,465
PILOT Overpayments	A-23	157,500	148,686
Prepaid Taxes	A-19	302,901	461,499
County Taxes Payable	A-20	32,535	2,883
County PILOT Payable	A-24	29,892	9,245
Tax Appeal Judgements Payable	A-26	681,010	513,435
Fees Payable	A-25	2,396	122
Due to Municipal Library	A-30		4,744
Due to Open Space Preservation Trust Fund	B-7	111,124	110,693
Due to Other Trust Fund	B-15	72,773	
Due to General Capital Fund	C-10	455,939	
Due to Water Utility Capital Fund	A-28	150,000	150,000
Due to Electric Utility Capital Fund	A-29	5,000	5,000
Due to Public Assistance Trust Fund	H-2		5,798
Reserve for:			
Tax Appeals	A-27	90,310	
Appropriated Grant Reserves	A-31	34,569	33,769
Unappropriated Grant and Aid Reserves	A-32	69,360	490,522
		3,349,175	2,783,959
Reserve for Receivables and Other Assets	A	420,802	470,613
Fund Balance	A-1	2,558,330	2,141,521
Total Liabilities, Reserves and Fund Balance		<u>\$ 6,328,307</u>	<u>\$ 5,396,093</u>

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 1,300,000	\$ 1,500,000
Miscellaneous Revenue Anticipated	A-2	4,247,223	2,459,337
Receipts from Delinquent Taxes	A-2	201,443	237,890
Receipts from Current Taxes	A-2	48,634,772	47,319,658
Non-Budget Revenue	A-2	398,244	495,993
Other Credits to Income			
Unexpended Balances of Appropriation Reserves	A-15	314,247	373,060
Accounts Payable Cancelled	A-1		14,562
Statutory Excess from Animal Control Trust Fund	B-5	4,518	5,072
Due to Municipal Library Cancelled	A-30	4,744	
Other Accounts Receivable Liquidated	A	17,097	
Interfunds Liquidated	A	<u>2,193</u>	<u>-</u>
Total Revenue		<u>55,124,481</u>	<u>52,405,572</u>
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries & Wages	A-3	5,785,729	5,534,438
Other Expenses	A-3	6,799,055	6,049,960
Capital Improvements	A-3	453,000	308,548
Debt Service	A-3	2,020,309	1,936,929
Deferred Charges and Statutory Expenditures	A-3	1,522,231	1,550,789
County Taxes	A-20	4,625,881	4,637,363
Local District School Tax	A-21	32,097,370	31,493,033
Municipal Open Space Tax	A-22	111,124	110,693
Overexpenditures of Appropriation Reserves	A-1		5,692
Refund of Prior Years Revenue	A-1		3,686
Other Accounts Receivable Established	A-1		20,901
Interfunds and Municipal Library Receivable Created	A	<u>26,963</u>	<u>127,902</u>
Total Expenditures		<u>53,441,662</u>	<u>51,779,934</u>
Excess in Revenue		1,682,819	625,638
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-13	33,990	30,972
Expenditures Included Above Which were Funded by			
Bond Ordinance	A-1	<u>-</u>	<u>266,336</u>
Statutory Excess to Fund Balance		1,716,809	922,946
FUND BALANCE, JANUARY 1	A	<u>2,141,521</u>	<u>2,718,575</u>
		3,858,330	3,641,521
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	<u>1,300,000</u>	<u>1,500,000</u>
FUND BALANCE, DECEMBER 31	A	<u>\$ 2,558,330</u>	<u>\$ 2,141,521</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, 2022

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
FUND BALANCE ANTICIPATED	A-1	\$ 1,300,000	\$ 1,300,000	-
MISCELLANEOUS REVENUES				
Licenses				
Alcoholic Beverages	A-11	19,000	19,315	\$ 315
Fees and Permits				
Fire Code Department	A-11	53,000	64,780	11,780
Board of Health/Registrar	A-11	23,000	26,714	3,714
Fines and Costs - Municipal Court	A-11	40,000	59,028	19,028
Interest and Costs on Taxes	A-11	70,000	69,345	(655)
Interest on Investments	A-11	10,000	119,179	109,179
Insurance Fund Dividends	A-11	25,000	25,000	-
Hotel Tax	A-11	75,000	219,425	144,425
Recycling Program	A-11	12,000	16,025	4,025
Cable Television Franchise Fee	A-11	137,000	141,059	4,059
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	28,500	32,500	4,000
Tri-Boro Safety Corps.	A-11	50,000	56,342	6,342
Tri-Boro Safety Corps. - Prior Year Balance	A-11	25,000	40,197	15,197
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	A-11	382,598	382,598	-
Watershed Moratorium Offset Aid	A-11	1,598	1,598	-
Uniform Construction Code Fees	A-11	250,000	248,326	(1,674)
Recycling Tonnage Grant	A-32	15,296	15,296	-
Clean Communities Grant	A-32	18,788	18,788	-
Municipal Alliance	A-32	444	444	-
JIF Safety Award Grant	A-32	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	14,000	12,777	(1,223)
Library Reimbursements	A-11	61,000	61,000	-
Excess Sewer User Fees	A-11	40,000	74,830	34,830
Sprint Cell Tower Rent	A-11	96,000	104,653	8,653
American Rescue Plan	A-33	909,988	909,988	-
Park Ridge Transit - PILOT	A-11	525,000	398,569	(126,431)
Police Outside Duty Fees	A-11	50,000	138,447	88,447
Due from Water Utility Operating Fund	A-11	60,000	60,000	-
Due from Electric Utility Operating Fund	A-11	40,000	40,000	-
Total Miscellaneous Revenues	A-1	3,923,212	4,247,223	324,011
RECEIPTS FROM DELINQUENT TAXES	A-1,A-9	185,000	201,443	16,443
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET				
Local Tax For Municipal Purposes	A-9	11,253,369	11,915,508	662,139
Minimum Library Tax	A-9	634,889	634,889	-
Total Amount to be Raised by Taxes	A-2	11,888,258	12,550,397	662,139
	A-3	\$ 17,296,470	18,299,063	\$ 1,002,593
Non-Budget Revenue	A-1,A-2		398,244	
			\$ 18,697,307	

BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Reference</u>	<u>Realized</u>
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenue from Collections	A-9	\$ 48,734,772
Less: Transferred to Reserve for Tax Appeals	A-27	<u>100,000</u>
Revenue Realized	A-1	48,634,772
Less Allocated to School, County and Municipal Open Space Taxes	A-20,A-21,A-22	<u>36,834,375</u>
		11,800,397
Add Appropriation Reserve for Uncollected Taxes	A-3	<u>750,000</u>
Amount for Support of Municipal Budget Appropriation	A-2	<u>\$ 12,550,397</u>
Analysis of Non-Budget Revenue		
Tax Sale Premium (Foreclosed)		\$ 49,100
Police Fees and Permits		2,027
Senior Citizen and Veterans Administration Fees		1,095
Housing Registration Fees		21,600
FEMA - Tropical Storm Isaias Reimbursements		167,655
FEMA - Tropical Storm Ida Reimbursements		16,784
PILOT - Lehman Gardens		10,291
Insurance Dividend		61,966
Miscellaneous		<u>67,726</u>
		<u>\$ 398,244</u>

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>	
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>	<u>Over-</u>
		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>	<u>expended</u>
OPERATIONS - WITHIN "CAPS"						
GENERAL GOVERNMENT						
General Administration						
Salaries and Wages	\$ 92,000	\$ 92,000	\$ 85,191	\$ 6,809		
Other Expenses	80,800	80,800	72,548	8,252		
Other Expenses - Grant Professional	35,000	35,000	35,000	-		
Mayor and Council						
Salaries and Wages	43,200	43,200	43,200	-		
Other Expenses	10,500	10,500	8,774	1,726		
Municipal Clerk						
Salaries and Wages	180,000	180,800	180,772	28		
Other Expenses	39,300	39,300	29,130	10,170		
Financial Administration						
Salaries and Wages	179,585	149,585	148,898	687		
Other Expenses	58,000	58,000	48,104	9,896		
Audit Services						
Other Expenses	47,500	47,500	33,695	13,805		
Revenue Administration						
Salaries and Wages	77,100	105,200	105,153	47		
Other Expenses	7,700	7,700	7,678	22		
Tax Assessment Administration						
Salaries and Wages	16,400	16,400	15,000	1,400		
Other Expenses	28,275	7,275	3,160	4,115		
Legal Services and Costs						
Other Expenses	350,000	156,500	155,915	585		
Engineering Services and Costs						
Other Expenses	50,000	50,000	26,840	23,160		
LAND USE ADMINISTRATION						
Planning Board						
Salaries and Wages	89,308	89,308	82,586	6,722		
Other Expenses	13,625	13,625	8,198	5,427		
Zoning Board of Adjustment						
Salaries and Wages	53,692	61,292	61,257	35		
Other Expenses	11,600	11,600	9,297	2,303		
Zoning Officer						
Salaries and Wages	15,200	15,200	13,740	1,460		
Other Expenses	1,100	1,100	56	1,044		
Housing Task Force						
Salaries and Wages	12,100	12,200	11,748	452		
Other Expenses	250	250	110	140		
INSURANCE						
General Liability	210,000	210,000	172,196	37,804		
Employee Group Health	1,305,000	1,350,000	1,139,803	210,197		
Employee Group Health Waiver	40,000	40,000	33,604	6,396		
Tri-Boro Ambulance	8,500	8,500	-	8,500		

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>	
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>	<u>Over-</u>
		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>	<u>expended</u>
OPERATIONS - WITHIN "CAPS" (Continued)						
PUBLIC SAFETY FUNCTIONS						
Police						
Salaries and Wages	\$ 2,623,000	\$ 2,710,100	\$ 2,706,164	\$ 3,936		
Salaries and Wages - ARPA	600,000	600,000	600,000	-		
Other Expenses	122,550	122,550	105,089	17,461		
Pistol Range						
Other Expenses	25,000	25,000	24,929	71		
Police Reserves/EMC						
Salaries and Wages	19,600	19,600	15,750	3,850		
Salaries and Wages				-		
Tri-Borough Safety Corps						
Other Expenses	89,500	89,500	102,797	-		\$ 13,297
Police Dispatch/911						
Other Expenses	210,000	210,000	207,940	2,060		
Emergency Management Services						
Salaries and Wages	6,000	7,500	7,500	-		
Other Expenses	8,200	10,700	10,133	567		
First Aid Organization						
Other Expenses - Contribution	20,000	20,000	20,000	-		
Fire Department						
Salaries and Wages	65,000	65,000	65,000	-		
Other Expenses	93,470	93,470	71,716	21,754		
Fire Hydrant Services	22,000	22,000	18,133	3,867		
Fire Prevention						
Salaries and Wages	49,100	49,100	47,125	1,975		
Other Expenses	7,800	7,800	6,148	1,652		
PUBLIC WORKS FUNCTION						
Streets and Road Maintenance						
Salaries and Wages	734,012	733,012	626,043	106,969		
Salaries and Wages - ARPA	209,988	209,988	209,988	-		
Other Expenses	230,600	230,600	194,826	35,774		
Sewer System						
Salaries and Wages	61,600	42,400	3,033	39,367		
Other Expenses	11,800	11,800	11,799	1		
Shade Tree						
Other Expenses	15,700	15,700	11,772	3,928		
Solid Waste Collection						
Other Expenses - Sanitation	651,570	651,570	651,569	1		
Other Expenses - Sanitation - ARPA	100,000	100,000	100,000	-		
Other Expenses - Recycling	141,750	141,750	135,796	5,954		
Building and Grounds						
Salaries and Wages	102,300	102,800	102,748	52		
Other Expenses	81,200	72,200	92,893	-		20,693
Other Expenses - Contractual	78,000	78,000	78,000	-		
Vehicle Maintenance						
Salaries and Wages	112,500	112,500	110,697	1,803		
Other Expenses	92,800	92,800	78,235	14,565		

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, 2022

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>	
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>	<u>Over-</u>
		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>	<u>expended</u>
OPERATIONS - WITHIN "CAPS" (Cont'd)						
HEALTH AND HUMAN SERVICES						
Board of Health						
Salaries and Wages	\$ 12,000	\$ 21,700	\$ 21,585	\$ 115		
Other Expenses	54,475	54,475	54,475	-		
Administration of Public Assistance						
Salaries and Wages	12,000	12,000	10,876	1,124		
Other Expenses	1,500	1,500	-	1,500		
Aid to Mental Health						
Other Expenses	9,000	9,000	9,000	-		
PARKS AND RECREATION FUNCTIONS						
Recreation Services and Programs						
Salaries and Wages	41,100	41,100	39,352	1,748		
Other Expenses	22,000	22,000	16,668	5,332		
Senior Citizens						
Salaries and Wages	23,300	23,300	12,936	10,364		
Other Expenses	7,500	7,500	7,500	-		
OTHER COMMON OPERATING FUNCTIONS						
Celebration of Public Events	5,000	10,000	8,460	1,540		
Park Ridge Television						
Salaries and Wages	15,000	15,000	12,240	2,760		
Other Expenses	12,000	12,000	11,992	8		
Municipal Services Act						
Other Expenses	30,000	39,000	28,725	10,275		
UNIFORM CONSTRUCTION CODE						
APPROPRIATIONS OFFSET BY DEDICATED						
REVENUES (N.J.A.C. 5:23-4-17)						
Construction Code Official						
Salaries and Wages	255,000	255,000	249,245	5,755		
Other Expenses	17,750	17,750	17,576	174		
UTILITY EXPENSES AND BULK PURCHASES						
Electricity	90,000	90,000	77,052	12,948		
Telephone	30,000	30,000	19,019	10,981		
Water	17,500	17,500	13,817	3,683		
Gas and Oil	20,000	20,300	20,236	64		
Gasoline	75,000	120,000	113,281	6,719		
OPERATIONS - WITHIN "CAPS" (Cont'd)						
LANDFILL/SOLID WASTE DISPOSAL COSTS						
Dumping Fees	80,000	80,000	50,250	29,750	-	-
Total Operations Within "CAPS"	10,500,300	10,468,800	9,754,079	748,711	-	33,990
Detail:						
Salaries and Wages	5,700,085	5,785,285	5,587,827	197,458	-	-
Other Expenses	4,800,215	4,683,515	4,166,252	551,253	-	33,990

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, 2022

	<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>	<u>Over- expended</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"						
Deferred Charges						
Overexpenditure of Budget Appropriations	\$ 1,268	\$ 1,268	\$ 1,268			
Overexpenditure of Appropriation Reserves	5,692	5,692	5,692			
Statutory Expenditures						
Contribution to						
Social Security System	245,000	252,500	252,465	\$ 35		
Defined Contribution Retirement Plan	5,000	5,000	1,751	3,249		
Police & Firemen Retirement System	851,009	851,009	851,009	-		
Public Employees Retirement System	306,750	330,750	330,733	17	-	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	1,414,719	1,446,219	1,442,918	3,301	-	-
Total General Appropriations for Municipal Purposes Within "CAPS"	11,915,019	11,915,019	11,196,997	752,012	-	\$ 33,990
OPERATIONS - EXCLUDED FROM "CAPS"						
LANDFILL/SOLID WASTE DISPOSAL COSTS						
Recycling Tax	12,000	12,000	-	12,000		
SEWERAGE PROCESSING AND DISPOSAL						
Bergen County Utilities Authority-Sewer Fees	718,038	718,038	718,038	-		
EDUCATION FUNCTIONS						
Maintenance of Free Public Library	634,889	634,889	634,889	-		
OPERATIONS - EXCLUDED FROM "CAPS" (Cont'd)						
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS						
Municipal Court						
Other Expenses - Contractual	122,419	122,419	85,811	36,608		
PUBLIC SAFETY FUNCTION						
LOSAP						
Fire Department	54,120	54,120	-	54,120		
Tri-Borough Ambulance	20,000	20,000	-	20,000	-	-
OTHER COMMON OPERATING EXPENSES						
Reserve for Tax Appeals	485,000	485,000	485,000	-	-	-
Total Other Operations Excluded from "CAPS"	2,046,466	2,046,466	1,923,738	122,728	-	-
PUBLIC AND PRIVATE PROGRAMS						
OFFSET BY REVENUES						
Municipal Drug Alliance Program						
Salaries & Wages	444	444	-	444		
Clean Communities Grant	18,788	18,788	18,527	261		
Recycling Tonnage Grant	15,296	15,296	440	14,856		
JIF Safety Award	1,000	1,000	1,000	-	-	-
Total Public and Private Programs Offset by Revenues	35,528	35,528	19,967	15,561	-	-

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, 2022

	<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>	<u>Over- expended</u>
Total Operations Excluded from "CAPS"	\$ 2,081,994	\$ 2,081,994	\$ 1,943,705	\$ 138,289	-	-
Detail:						
Salaries and Wages	444	444	-	444	-	-
Other Expenses	2,081,550	2,081,550	1,943,705	137,845	-	-
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	453,000	453,000	453,000	-	-	-
Total Capital Improvements Excluded from "CAPS"	453,000	453,000	453,000	-	-	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Payment of Bond Principal	1,595,000	1,595,000	1,595,000	-		
Payment of Bond Anticipation Notes and Capital Notes	106,000	106,000	106,000	-		
Interest on Bonds	179,800	179,800	179,740	-	\$ 60	
Interest on Notes	26,700	26,700	26,626	-	74	
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	112,945	112,945	112,943	-	2	-
Total Municipal Debt Service Excluded from "CAPS"	2,020,445	2,020,445	2,020,309	-	136	-
DEFERRED CHARGES MUNICIPAL- EXCLUDED FROM "CAPS"						
DEFERRED CHARGES						
Emergency Authorizations	24,012	24,012	24,012	-	-	
Special Emergency Authorization - 5 Years (NJSA 40A:4-55)	52,000	52,000	52,000	-	-	-
Total Deferred Charges Municipal Excluded from "CAPS"	76,012	76,012	76,012	-	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	4,631,451	4,631,451	4,493,026	138,289	136	-
Subtotal General Appropriations	16,546,470	16,546,470	15,690,023	890,301	136	\$ 33,990
Reserve for Uncollected Taxes	750,000	750,000	750,000	-	-	-
Total General Appropriations	\$ 17,296,470	\$ 17,296,470	\$ 16,440,023	\$ 890,301	\$ 136	\$ 33,990
	<u>Reference</u>	<u>A-2</u>	<u>A-1</u>	<u>A,A-1</u>		<u>A</u>
Cash Disbursed	A-4		\$ 14,406,701			
Encumbrances Payable	A-16		262,350			
Reserve for Tax Appeals	A-27		485,000			
Due to General Capital Fund	C-10		453,000			
Deferred Charges						
Overexpenditure of Appropriation Reserves	A-13		5,692			
Overexpenditure of Budget Appropriations	A-13		1,268			
Emergency Authorizations	A-13		24,012			
Special Emergency Authorizations	A-14		52,000			
Reserve for Uncollected Taxes	A-2		750,000			
			<u>\$ 16,440,023</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, 2022 AND 2021

ASSETS	<u>Reference</u>	<u>2022</u>	<u>2021</u> (Restated)
ANIMAL CONTROL TRUST FUND			
Cash	B-3	\$ 19,226	\$ 16,987
OTHER TRUST FUND			
Cash	B-3	1,437,379	1,445,890
Police Outside Duty Receivable	B-12	93,045	53,767
Due from Current Fund	B-15	72,773	
Due from Water Utility Operating Fund	B-17	10,000	
Due from Electric Utility Operating Fund	B-18	10,000	-
		<u>1,623,197</u>	<u>1,499,657</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Cash	B-3	<u>106,821</u>	<u>104,737</u>
OPEN SPACE PRESERVATION TRUST FUND			
Cash	B-3	204,616	162,412
Due from Current Fund	B-7	111,124	110,693
Contributions Receivable	B-16	<u>7,333</u>	<u>7,333</u>
		<u>323,073</u>	<u>280,438</u>
AFFORDABLE HOUSING TRUST FUND			
Cash	B-3	<u>432,845</u>	<u>423,627</u>
LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)			
Investments	B	2,333,131	2,684,178
Contributions Receivable	B	<u>71,444</u>	<u>85,084</u>
		<u>2,404,575</u>	<u>2,769,262</u>
Total Assets		<u>\$ 4,909,737</u>	<u>\$ 5,094,708</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, 2022 AND 2021

LIABILITIES AND RESERVES	<u>Reference</u>	<u>2022</u>	<u>2021</u> (Restated)
ANIMAL CONTROL TRUST FUND			
Due to State of New Jersey	B-4	\$ 115	\$ 138
Due to Current Fund	B-5	9,649	5,076
Reserve for Animal Control Expenditures	B-6	<u>9,462</u>	<u>11,773</u>
		<u>19,226</u>	<u>16,987</u>
OTHER TRUST FUND			
Due to Current Fund	B-15		3,032
Developers Escrow Deposits	B-13	677,372	689,631
Payroll Deductions Payable	B-14	31,381	80,192
Miscellaneous Reserves & Deposits	B-19	821,399	673,035
Reserve for Police Outside Duty Receivable	B-12	<u>93,045</u>	<u>53,767</u>
		<u>1,623,197</u>	<u>1,499,657</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Due to State of New Jersey	B-8	1,744	
Reserve for Unemployment Insurance Benefits	B-9	<u>105,077</u>	<u>104,737</u>
		<u>106,821</u>	<u>104,737</u>
OPEN SPACE PRESERVATION TRUST FUND			
Due to General Capital Fund	C-6	107,167	14,667
Reserve for Open Space Expenditures	B-10	<u>215,906</u>	<u>265,771</u>
		<u>323,073</u>	<u>280,438</u>
AFFORDABLE HOUSING TRUST FUND			
Reserve for Affordable Housing	B-11	<u>432,845</u>	<u>423,627</u>
LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)			
Reserve for LOSAP Benefits	B	<u>2,404,575</u>	<u>2,769,262</u>
 Total Liabilities and Reserves		 <u>\$ 4,909,737</u>	 <u>\$ 5,094,708</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, 2022**

			<u>Anticipated (Memo)</u>		
	<u>Reference</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Realized</u>	<u>Excess or Deficit</u>
Amount to be Raised by Taxation	B-10	\$ 110,344	\$ 110,344	\$ 111,124	\$ 780
Reserve Funds Anticipated	B-10	-	52,016	52,016	-
	B-2	<u>\$ 110,344</u>	<u>\$ 162,360</u>	163,140	<u>\$ 780</u>
Non-Budget Revenue	B-1			1,371	
				<u>\$ 164,511</u>	
<u>Analysis of Non-Budget Revenue</u>					
Interest on Deposits	B-10			<u>\$ 1,371</u>	

**STATEMENT OF APPROPRIATIONS-REGULATORY BASIS
OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

		<u>Appropriated (Memo)</u>		<u>Expended</u>	
		<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Maintenance of Lands for Recreation and Conservation					
Other Expenses			\$ 69,860	\$ 69,860	
Down Payments on Improvements			92,500	92,500	
Reserve for Future Use		<u>\$ 110,344</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
		<u>\$ 110,344</u>	<u>\$ 162,360</u>	<u>\$ 162,360</u>	<u>\$ -</u>
Reference	B-1		B-1	B-10	

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
ASSETS			
Cash	C-2,C-3	\$ 1,649,130	\$ 16,261
Grants Receivable	C-4	910,088	899,244
Contributions Receivable	C-5	14,000	28,000
Due from Current Fund	C-10	455,939	
Due from Open Space Preservation Trust Fund	C-6	107,167	14,667
Due from Water Utility Capital Fund	D-11		18,750
Due from Electric Utility Capital Fund	E-20		18,750
Deferred Charges to Future Taxation			
Funded	C-7	6,018,994	7,709,305
Unfunded	C-8	<u>7,568,928</u>	<u>5,652,248</u>
Total Assets		<u>\$ 16,724,246</u>	<u>\$ 14,357,225</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Serial Bonds	C-13	\$ 5,209,000	\$ 6,804,000
Green Trust Loans	C-14	809,994	905,305
Bond Anticipation Notes	C-12	4,899,846	2,670,000
Encumbrances Payable	C-9	1,624,016	1,313,395
Improvement Authorizations			
Funded	C-11	545,886	325,081
Unfunded	C-11	1,824,555	1,104,944
Due to Current Fund	C-10		8,737
Due to Water Utility Capital Fund	D-11	226,250	
Due to Electric Utility Capital Fund	E-20	56,250	
Capital Improvement Fund	C-15	345,000	
Reserve for Preliminary Expenses	C-16	7,371	14,480
Reserve for Community Center	C-17	508,675	508,675
Reserve for Sewer Improvements	C-18	208,260	208,260
Reserve for Payment of Debt	C-19	100	100
Reserve for Grants Receivable	C-4	390,859	472,515
Fund Balance	C-1	<u>68,184</u>	<u>21,733</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 16,724,246</u>	<u>\$ 14,357,225</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2022 and 2021 of \$2,885,256 and \$3,068,890, respectively. (See Exhibit C-20)

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, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
Balance, January 1	C	\$ 21,733	\$ 53,951
Increased by:			
Premium on Bond Anticipation Notes Issued	C-2	<u>46,451</u>	<u>17,782</u>
		68,184	71,733
Decreased by:			
Anticipated as Current Fund Revenue	C	<u>-</u>	<u>50,000</u>
Balance, December 31	C	<u>\$ 68,184</u>	<u>\$ 21,733</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2022 AND 2021**

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
ASSETS			
OPERATING FUND			
Cash	D-5	\$ 3,670,528	\$ 2,994,638
Due from Water Utility Capital Fund	D-12		124,044
Due from Electric Utility Operating Fund	D-10	30,897	
Due from Utility Trust Fund	F-3	<u>9,236</u>	<u>1,459</u>
		<u>3,710,661</u>	<u>3,120,141</u>
Receivables With Full Reserves			
Water Usage Charges Receivable	D-7	372,840	346,261
Other Charges Receivable	D-8	94,823	85,708
Woodcliff Lake Surcharge Receivable	D-9	<u>56,802</u>	<u>53,963</u>
		<u>524,465</u>	<u>485,932</u>
Deferred Charges			
Overexpenditure of Appropriation	D-13	<u>56,764</u>	<u>-</u>
Total Operating Fund		<u>4,291,890</u>	<u>3,606,073</u>
CAPITAL FUND			
Cash	D-5, D-6	2,238,116	777,769
Due from Current Fund	A-29	150,000	150,000
Due from General Capital Fund	D-11	226,250	
Due from Water Utility Operating Fund	D-12	108,839	
Fixed Capital	D-14	16,331,023	16,231,471
Fixed Capital Authorized and Uncompleted	D-15	<u>4,069,259</u>	<u>1,576,347</u>
Total Capital Fund		<u>23,123,487</u>	<u>18,735,587</u>
		<u>\$ 27,415,377</u>	<u>\$ 22,341,660</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, 2022 AND 2021
(Continued)

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	D-4,D-16	\$ 732,853	\$ 202,825
Encumbrances Payable	D-17	180,526	463,049
Overpayments	D-19	32,514	29,246
Accrued Interest on Bonds and Notes	D-20	75,922	15,887
Due to Other Trust Fund	B-17	10,000	
Due to Current Fund	D-21	11,250	62,966
Due to Water Utility Capital Fund	D-12	108,839	
Due to Electric Utility Operating Fund	D-10		5,501
Miscellaneous Reserves	D-30	<u>1,638,099</u>	<u>1,594,205</u>
		2,790,003	2,373,679
Reserve for Receivables	D	524,465	485,932
Fund Balance	D-1	<u>977,422</u>	<u>746,462</u>
Total Operating Fund		<u>4,291,890</u>	<u>3,606,073</u>
CAPITAL FUND			
Serial Bonds Payable	D-24	1,267,000	1,452,000
Bond Anticipation Notes	D-25	4,240,154	1,386,700
Encumbrances Payable	D-18	466,597	134,750
Improvement Authorization			
Funded	D-23	185,962	184,756
Unfunded	D-23	1,870,800	891,536
Due to General Capital Fund	D-11		18,750
Due to Water Utility Operating Fund	D-12		124,044
Due to Electric Utility Capital Fund	D-22	12,973	
Capital Improvement Fund	D-26	226,919	297,919
Reserve for Capital Improvements	D-27	190,000	
Reserve for Amortization	D-28	14,296,980	14,004,416
Deferred Reserve for Amortization	D-29	290,502	197,002
Fund Balance	D-2	<u>75,600</u>	<u>43,714</u>
Total Capital Fund		<u>23,123,487</u>	<u>18,735,587</u>
		<u>\$ 27,415,377</u>	<u>\$ 22,341,660</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2022 and 2021 of \$305,646 and \$767,000, respectively. (See Exhibit D-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
WATER UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	D-3	\$ 350,000	\$ 400,000
Water Usage Charges	D-3	3,726,098	3,294,914
Miscellaneous Charges and Fees	D-3	312,014	295,598
Reserve for Woodcliff Lake Improvements - Reimbursements			
Holly Court Water Tank - Debt Service	D-3	51,430	46,983
Installation of New Well & Pumping Station - Debt Service	D-3	1,300	1,300
Water Main at Glen Road	D-3	6,400	6,400
Non-Budget Revenue	D-3	118,767	23,540
Other Credits			
Appropriation Reserves Lapsed	D-16	<u>163,165</u>	<u>209,092</u>
Total Income		<u>4,729,174</u>	<u>4,277,827</u>
EXPENDITURES			
Operating	D-4	3,349,900	3,296,860
Capital Improvements	D-4	290,000	320,000
Debt Service	D-4	304,578	236,957
Deferred Charges and Statutory Expenditures	D-4	<u>260,500</u>	<u>255,810</u>
Total Expenditures		<u>4,204,978</u>	<u>4,109,627</u>
Excess in Revenue		524,196	168,200
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	D-13	<u>56,764</u>	<u>-</u>
Statutory Excess to Fund Balance		580,960	168,200
Fund Balance, January 1,	D	<u>746,462</u>	<u>978,262</u>
		1,327,422	1,146,462
Decreased by:			
Utilized as Anticipated Revenue	D-1,D-3	<u>350,000</u>	<u>400,000</u>
Balance, December 31,	D	<u>\$ 977,422</u>	<u>\$ 746,462</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, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
Balance, January 1	D	\$ 43,714	\$ 64,479
Increased by:			
Premium on Bond Anticipation Notes Issued	D-5	<u>31,886</u>	<u>9,235</u>
		75,600	73,714
Decreased by:			
Appropriated to Finance Improvement Authorizations	D-2	<u>-</u>	<u>30,000</u>
Balance, December 31,	D	<u>\$ 75,600</u>	<u>\$ 43,714</u>

BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	D-1	\$ 350,000	\$ 350,000	
Water Usage Charges	D-1,D-7	3,465,585	3,726,098	\$ 260,513
Miscellaneous Charges and Fees	D-1,D-3	275,000	312,014	37,014
Reserve for Woodcliff Lake Improvements - Reimbursements				
Holly Court Water Tank - Debt Service	D-1, D-30	51,430	51,430	
Installation of New Well & Pumping Station - Debt Service	D-1, D-30	1,300	1,300	
Water Main at Glen Road	D-1, D-30	<u>6,400</u>	<u>6,400</u>	<u>-</u>
	D-4	<u>\$ 4,149,715</u>	4,447,242	<u>\$ 297,527</u>
Non-Budget Revenue	D-1, D-3		<u>118,767</u>	
			<u>\$4,566,009</u>	
<u>Analysis of Realized Revenue</u>				
Miscellaneous Charges and Fees:				
Fire Sprinklers	D-8		\$ 79,210	
Hydrants	D-8		43,128	
Mobile Antenna Rents	D-5		<u>189,676</u>	
	D-3		<u>\$ 312,014</u>	
Non-Budget Revenue:				
Interest on Delinquent Accounts			\$ 11,743	
Interest on Investments			80,450	
Miscellaneous			<u>26,574</u>	
	D-3		<u>\$ 118,767</u>	
Cash Receipts	D-5		\$ 89,469	
Due from Water Utility Capital Fund	D-12		21,494	
Due from Utility Trust Fund	F-3		<u>7,804</u>	
			<u>\$ 118,767</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, 2022

	<u>Appropriated</u>		<u>Expended</u>			
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Overexpended</u>	<u>Cancelled</u>
OPERATING						
Salaries and Wages	\$ 1,333,000	\$ 1,333,000	\$ 1,289,474	\$ 43,526		
Other Expenses	<u>2,016,900</u>	<u>2,016,900</u>	<u>1,514,005</u>	<u>502,895</u>	-	-
Total Operating	<u>3,349,900</u>	<u>3,349,900</u>	<u>2,803,479</u>	<u>546,421</u>	-	-
CAPITAL IMPROVEMENTS						
Capital Improvement Fund	50,000	50,000	50,000	-		
Capital Outlay	<u>240,000</u>	<u>240,000</u>	<u>67,364</u>	<u>172,636</u>	-	-
Total Capital Improvements	<u>290,000</u>	<u>290,000</u>	<u>117,364</u>	<u>172,636</u>	-	-
DEBT SERVICE						
Payment of Bond Principal	185,000	185,000	185,000			
Payment of Note Principal	7,700	7,700	7,600			\$ 100
Interest on Bonds	37,000	38,200	36,799			1,401
Interest on Notes	<u>19,615</u>	<u>18,415</u>	<u>75,179</u>	-	\$ 56,764	-
Total Debt Service	<u>249,315</u>	<u>249,315</u>	<u>304,578</u>	-	56,764	1,501
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
Statutory Expenditures						
Contribution to						
Public Employees Retirement System	157,500	157,500	157,500	-		
Defined Contribution Retirement Program	1,000	1,000	403	597		
Social Security System (O.A.S.I.)	<u>102,000</u>	<u>102,000</u>	<u>88,801</u>	<u>13,199</u>	-	-
Total Deferred Charges and Statutory Expenditures	<u>260,500</u>	<u>260,500</u>	<u>246,704</u>	<u>13,796</u>	-	-
	<u>\$ 4,149,715</u>	<u>\$ 4,149,715</u>	<u>\$ 3,472,125</u>	<u>\$ 732,853</u>	<u>\$ 56,764</u>	<u>\$ 1,501</u>

	<u>Reference</u>	D-3	D-4	D-1	D, D-1	D-13
Cash Disbursed	D-5			\$ 3,129,621		
Encumbrances Payable	D-17			180,526		
Due to Water Utility Capital Fund	D-12			50,000		
Accrued Interest on Bonds and Notes	D-20			<u>111,978</u>		
				<u>\$ 3,472,125</u>		

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
ELECTRIC UTILITY FUND
AS OF DECEMBER 31, 2022 AND 2021**

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
ASSETS			
OPERATING FUND			
Cash	E-5	\$ 4,356,507	\$ 2,316,229
Cash - Change Fund	E-7	75	75
Due from Water Utility Operating Fund	D-15		5,501
Due from Electric Utility Capital Fund	E-14		38
Due from Utility Trust Fund	F-4	<u>6,956</u>	<u>912</u>
		<u>4,363,538</u>	<u>2,322,755</u>
Receivables With Full Reserves			
Light and Power Charges Receivable	E-10	576,069	606,237
Other Charges Receivable	E-11	<u>18,719</u>	<u>19,000</u>
		<u>594,788</u>	<u>625,237</u>
Deferred Charges			
Overexpenditure of Appropriation	E-9	<u>27,735</u>	<u>-</u>
Total Operating Fund		<u>4,986,061</u>	<u>2,947,992</u>
CAPITAL FUND			
Cash	E-5, E-6	1,784,262	164,801
Due from Current Fund	A-30	5,000	5,000
Due from General Capital Fund	E-20	56,250	
Due from Water Utility Capital Fund	D-12	12,973	
Due from Electric Utility Operating Fund	E-14	43,985	
Fixed Capital	E-12	14,013,495	14,013,495
Fixed Capital Authorized and Uncompleted	E-13	<u>3,461,646</u>	<u>291,646</u>
Total Capital Fund		<u>19,377,611</u>	<u>14,474,942</u>
		<u>\$ 24,363,672</u>	<u>\$ 17,422,934</u>

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
ELECTRIC UTILITY FUND
AS OF DECEMBER 31, 2022 AND 2021
(Continued)

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	E-4,E-15	\$ 2,142,805	\$ 904,354
Encumbrances Payable	E-16	330,716	433,108
Overpayments	E-19	24,775	22,388
Accrued Interest on Bonds and Notes	E-18	29,138	1,591
Accounts Payable	E-27		7,445
Other Liabilities	E-28	121,263	121,263
Due to Current Fund	E-29	9,383	48,091
Due to Other Trust Fund	B-18	10,000	
Due to Water Utility Operating Fund	D-15	30,897	
Due to Electric Utility Capital Fund	E-14	43,985	-
		2,742,962	1,538,240
Reserve for Receivables	E	594,788	625,237
Fund Balance	E-1	1,648,311	784,515
Total Operating Fund		4,986,061	2,947,992
CAPITAL FUND			
Serial Bonds	E-22	395,000	455,000
Bond Anticipation Notes	E-23	2,226,000	
Encumbrances Payable	E-17	1,527,929	59,226
Improvement Authorizations			
Funded	E-21	84,988	98,642
Unfunded	E-21	1,252,289	76,285
Due to General Capital Fund	E-20		18,750
Due to Electric Utility Operating Fund	E-14		38
Capital Improvement Fund	E-24	27,750	88,750
Reserve for Capital Improvements	E-25	12,500	12,500
Reserve for Amortization	E-26	13,468,780	13,408,780
Deferred Reserve for Amortization	E-30	366,361	215,361
Fund Balance	E-2	16,014	41,610
Total Capital Fund		19,377,611	14,474,942
		\$ 24,363,672	\$ 17,422,934

There were Bonds and Notes Authorized But Not Issued on December 31, 2022 and 2021 of \$1,019,000 and \$226,000, 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, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	E-3	\$ 604,000	\$ 704,000
Light and Power Charges	E-3	9,711,353	8,878,477
Miscellaneous Charges and Fees	E-3	17,888	17,226
Electric Capital Fund Balance	E-3	40,000	
Non-Budget Revenue	E-3	163,600	42,721
Other Credits to Income			
Appropriation Reserves Lapsed	E-15	889,498	452,736
Accounts Payable Cancelled	E-27	<u>7,445</u>	<u>-</u>
Total Income		<u>11,433,784</u>	<u>10,095,160</u>
EXPENDITURES			
Operating	E-4	9,454,000	9,084,560
Capital Improvements	E-4	190,000	90,000
Debt Service	E-4	99,523	73,288
Deferred Charges and Statutory Expenditures	E-4	<u>250,200</u>	<u>234,102</u>
Total Expenditures		<u>9,993,723</u>	<u>9,481,950</u>
Excess in Revenue		1,440,061	613,210
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	E-9	<u>27,735</u>	<u>-</u>
Statutory Excess to Fund Balance		1,467,796	613,210
Fund Balance, January 1,	E	<u>784,515</u>	<u>875,305</u>
		2,252,311	1,488,515
Decreased by:			
Utilized as Anticipated Revenue	E-1, E-3	<u>604,000</u>	<u>704,000</u>
Balance, December 31,	E	<u>\$ 1,648,311</u>	<u>\$ 784,515</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, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
Balance, January 1	E	\$ 41,610	\$ 41,610
Increased by:			
Premium on Bond Anticipation Notes Issued	E-5, D-12	<u>14,404</u>	<u>-</u>
		56,014	41,610
Decreased by:			
Anticipated as Electric Utility Operating Fund Revenue	E-14	<u>40,000</u>	<u>-</u>
Balance, December 31,	E	<u>\$ 16,014</u>	<u>\$ 41,610</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
ELECTRIC UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	E-1	\$ 604,000	\$ 604,000	
Light and Power Charges	E-1,E-10	9,305,175	9,711,353	\$ 406,178
Miscellaneous Charges and Fees	E-1,E-3	17,000	17,888	888
Electric Capital Fund Balance	E-14	<u>40,000</u>	<u>40,000</u>	-
	E-4	<u>\$ 9,966,175</u>	10,373,241	<u>\$ 407,066</u>
Non-Budget Revenue	E-1, E-3		<u>163,600</u>	
			<u>\$10,536,841</u>	
<u>Analysis of Realized Revenue</u>				
Miscellaneous Charges and Fees				
Dusk to Dawn	E-3,E-11		<u>\$ 17,888</u>	
Non-Budget Revenue:				
Interest on Investments			\$ 73,614	
Interest on Delinquent Accounts			32,847	
Miscellaneous			<u>57,139</u>	
	E-3		<u>\$ 163,600</u>	
Cash Receipts	E-5		\$ 140,301	
Due from Electric Utility Capital Fund	E-14		17,937	
Due from Utility Trust Fund	F-4		<u>5,362</u>	
			<u>\$ 163,600</u>	

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
ELECTRIC UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Appropriated</u>		<u>Expended</u>			
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Overexpended</u>	<u>Cancelled</u>
OPERATING						
Salaries and Wages	\$1,484,000	\$1,484,000	\$1,250,365	\$ 233,635		
Other Expenses	1,155,000	1,155,000	812,534	342,466		
Purchase of Electric Current	6,160,000	6,160,000	4,731,772	1,428,228		
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	 <u>9,454,000</u>	 <u>9,454,000</u>	 <u>7,449,671</u>	 <u>2,004,329</u>	 <u>-</u>	 <u>-</u>
 CAPITAL IMPROVEMENTS						
Capital Improvement Fund	90,000	90,000	90,000			
Capital Outlay	100,000	100,000	-	100,000	-	-
 Total Capital Improvements	 <u>190,000</u>	 <u>190,000</u>	 <u>90,000</u>	 <u>100,000</u>	 <u>-</u>	 <u>-</u>
 MUNICIPAL DEBT SERVICE -						
Payment of Bond Principal	60,000	60,000	60,000			
Interest on Bonds	11,975	11,975	11,788	-		\$ 187
Interest on Notes	-	-	27,735	-	\$ 27,735	-
 Total Municipal Debt Service	 <u>71,975</u>	 <u>71,975</u>	 <u>99,523</u>	 <u>-</u>	 <u>27,735</u>	 <u>187</u>
 DEFERRED CHARGES AND STATUTORY EXPENDITURES						
Statutory Expenditures						
Contribution to						
Public Employees Retirement System	139,200	139,200	139,200	-		
Social Security System (O.A.S.I.)	110,000	110,000	71,890	38,110		
Defined Contribution Retirement Program	1,000	1,000	634	366	-	-
 Total Deferred Charges and Statutory Expenditures	 <u>250,200</u>	 <u>250,200</u>	 <u>211,724</u>	 <u>38,476</u>	 <u>-</u>	 <u>-</u>
	<u>\$9,966,175</u>	<u>\$9,966,175</u>	<u>\$7,850,918</u>	<u>\$2,142,805</u>	<u>\$ 27,735</u>	<u>\$ 187</u>
	<u>Reference</u>	<u>E-3</u>	<u>E-4</u>	<u>E-1</u>	<u>E, E-1</u>	<u>E-9</u>
Cash Disbursed	E-5			\$7,390,679		
Encumbrances Payable	E-16			330,716		
Accrued Interest on Bonds and Notes	E-18			39,523		
Due to Electric Utility Capital Fund	E-14			90,000		
				<u>\$7,850,918</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, 2022 AND 2021

ASSETS	<u>Reference</u>	<u>2022</u>	<u>2021</u>
Cash	F-1	\$ 1,019,559	\$ 968,173
		<u>\$ 1,019,559</u>	<u>\$ 968,173</u>
LIABILITIES AND RESERVES			
Deposits Payable			
Water Customers	F-2	\$ 594,733	\$ 571,139
Electric Customers	F-2	408,634	394,663
Due to Water Utility Operating Fund	F-3	9,236	1,459
Due to Electric Utility Operating Fund	F-4	<u>6,956</u>	<u>912</u>
Total Liabilities and Reserves		<u>\$ 1,019,559</u>	<u>\$ 968,173</u>

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SWIM POOL UTILITY FUND
AS OF DECEMBER 31, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
ASSETS			
OPERATING FUND			
Cash	G-5	\$ 391,373	\$ 324,218
Due from Swim Pool Utility Capital Fund	G-7	<u>111</u>	<u>8</u>
		391,484	324,226
Deferred Charges			
Special Emergency Authorizations	G-8	<u>164,000</u>	<u>205,000</u>
Total Operating Fund		<u>555,484</u>	<u>529,226</u>
CAPITAL FUND			
Cash	G-5, G-6	35,726	35,623
Fixed Capital	G-9	<u>1,221,078</u>	<u>1,221,078</u>
Total Capital Fund		<u>1,256,804</u>	<u>1,256,701</u>
		<u>\$ 1,812,288</u>	<u>\$ 1,785,927</u>

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SWIM POOL UTILITY FUND
AS OF DECEMBER 31, 2022 AND 2021
(Continued)

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	G-4,G-10	\$ 47,398	\$ 43,539
Encumbrances Payable	G-12	<u>769</u>	<u>4,765</u>
		48,167	48,304
Fund Balance	G-1	<u>507,317</u>	<u>480,922</u>
Total Operating Fund		<u>555,484</u>	<u>529,226</u>
CAPITAL FUND			
Due to Swim Pool Utility Operating Fund	G-7	111	8
Capital Improvement Fund	G-11	16,000	16,000
Reserve for Amortization	G-13	1,221,078	1,221,078
Fund Balance	G-2	<u>19,615</u>	<u>19,615</u>
Total Capital Fund		<u>1,256,804</u>	<u>1,256,701</u>
		<u>\$ 1,812,288</u>	<u>\$ 1,785,927</u>

There were no Bonds and Notes Authorized But Not Issued on December 31, 2022 and 2021.

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, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	G-3	\$ 65,000	\$ 82,000
Membership Fees	G-3	315,973	309,236
Miscellaneous Fees	G-3	67,770	56,288
Non-Budget Revenue	G-3	70	
Other Credits			
Appropriation Reserves Lapsed	G-10	<u>39,882</u>	<u>95</u>
Total Income		<u>488,695</u>	<u>447,619</u>
EXPENDITURES			
Operating	G-4	325,000	290,000
Capital Improvements	G-4	19,000	
Deferred Charges and Statutory Expenditures	G-4	<u>53,300</u>	<u>11,900</u>
Total Expenditures		<u>397,300</u>	<u>301,900</u>
Excess in Revenue		91,395	145,719
Fund Balance, January 1,	G	<u>480,922</u>	<u>417,203</u>
		572,317	562,922
Decreased by:			
Utilized as Anticipated Revenue	G-1, G-3	<u>65,000</u>	<u>82,000</u>
Balance, December 31,	G	<u>\$ 507,317</u>	<u>\$ 480,922</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, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
Balance, January 1	G	\$ <u>19,615</u>	\$ <u>19,615</u>
Balance, December 31,	G	\$ <u>19,615</u>	\$ <u>19,615</u>

BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
SWIM POOL UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Utilized	G-1	\$ 65,000	\$ 65,000	
Membership Fees	G-1,G-5	287,000	315,973	\$ 28,973
Miscellaneous	G-1,G-3	<u>45,300</u>	<u>67,770</u>	<u>22,470</u>
	G-4	<u>\$ 397,300</u>	\$ 448,743	<u>\$ 51,443</u>
Non-Budget Revenue	G-1, G-3		<u>70</u>	
			<u>\$ 448,813</u>	
<u>Analysis of Realized Revenue</u>				
Miscellaneous				
Guest Fees			\$ 31,909	
Swim Lessons			6,791	
Late Fees			5,215	
Snack Bar Concession Fee			4,100	
Interest on Deposits			4,709	
Other Receipts and Fees			<u>15,046</u>	
	G-3		<u>\$ 67,770</u>	
Cash Receipts	G-5		\$ 67,306	
Due From Swim Pool Utility Capital Fund	G-7		<u>464</u>	
			<u>\$ 67,770</u>	
Non-Budget Revenue:				
Miscellaneous Receipts	G-5		<u>\$ 70</u>	

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SWIM POOL UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
OPERATING				
Salaries and Wages	\$ 160,000	\$ 160,000	\$ 146,558	\$ 13,442
Other Expenses	<u>165,000</u>	<u>165,000</u>	<u>151,132</u>	<u>13,868</u>
Total Operating	<u>325,000</u>	<u>325,000</u>	<u>297,690</u>	<u>27,310</u>
CAPITAL IMPROVEMENTS				
Capital Outlay	<u>19,000</u>	<u>19,000</u>	<u>-</u>	<u>19,000</u>
Total Capital Improvements	<u>19,000</u>	<u>19,000</u>	<u>-</u>	<u>19,000</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES				
Deferred Charges				
Special Emergency Authorization	41,000	41,000	41,000	
Statutory Expenditures				
Contribution to Social Security System (O.A.S.I.)	<u>12,300</u>	<u>12,300</u>	<u>11,212</u>	<u>1,088</u>
Total Deferred Charges and Statutory Expenditures	<u>53,300</u>	<u>53,300</u>	<u>52,212</u>	<u>1,088</u>
	<u>\$ 397,300</u>	<u>\$ 397,300</u>	<u>\$ 349,902</u>	<u>\$ 47,398</u>
	<u>Reference</u>	<u>G-3</u>	<u>G-4</u>	<u>G-1</u>
Cash Disbursed	G-5		\$ 308,133	
Encumbrances Payable	G-12		769	
Deferred Charges - Special Emergency	G-8		<u>41,000</u>	
			<u>\$ 349,902</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, 2022 AND 2021**

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
ASSETS			
Cash	H-1	\$ 18,240	\$ 13,620
Due from Current Fund	H-2	<u>-</u>	<u>5,798</u>
		<u>\$ 18,240</u>	<u>\$ 19,418</u>
LIABILITIES AND RESERVES			
Due to Current Fund	H-2	\$ 25	
Reserve for Public Assistance	H-3	<u>18,215</u>	<u>\$ 19,418</u>
		<u>\$ 18,240</u>	<u>\$ 19,418</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Land and Land Improvements	\$ 15,900,155	\$ 15,365,203
Buildings and Building Improvements	5,593,227	5,593,227
Machinery and Equipment	<u>6,725,770</u>	<u>6,614,282</u>
	<u>\$ 28,219,152</u>	<u>\$ 27,572,712</u>
Investment in Fixed Assets	<u>\$ 28,219,152</u>	<u>\$ 27,572,712</u>

NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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 projects, 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, 2022 AND 2021**

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 Trust 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, 2022 AND 2021

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.

Reclassifications – Certain reclassifications may have been made to the December 31, 2021 balances to conform to the December 31, 2022 presentation.

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, 2022 AND 2021**

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, 2022 AND 2021**

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.

Funded and unfunded debt authorizations for general capital projects are also recorded as deferred charges and represent permanent long-term debt issues outstanding (funded) and temporary debt issues outstanding or unissued debt authorizations (unfunded), respectively. GAAP does not permit the recording of deferred charges for funded and unfunded debt authorizations.

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, 2022 AND 2021**

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.

Reserve for Uncollected Taxes – Reserve for Uncollected Taxes is a non-spending budget appropriation account required to provide assurance that cash collected for property taxes levied in the current year will provide sufficient cash flow to meet expected budgetary obligations. The minimum amount required to be budgeted in Reserve for Uncollected Taxes is determined utilizing the actual percentage of property taxes collected in the immediate preceding budget year, unless allowable alternative methods are utilized with the approval of the Division. A Reserve for Uncollected Taxes is not established or required under GAAP.

Pensions – The Borough appropriates in its annual budget the amount required to be paid for pension contributions as determined by the State administered pension systems. Under the regulatory basis of accounting the Borough is only required to disclose in the Notes to the Financial Statements its share of the actuarially determined net pension liabilities, deferred outflow of resources, deferred inflow of resources and pension expense (benefit) related to the State administered pension system. GAAP requires these actuarially determined amounts to be reported in the government-wide financial statements.

Other Post-Employment Benefits (OPEB) – The Borough funds its employer paid post-retirement medical benefits on a pay-as-you-go basis. Under the regulatory basis of accounting the Borough is only required to disclose in the Notes to the Financial Statements its actuarially determined net OPEB liability, deferred outflow of resources, deferred inflow of resources and OPEB expense (benefit). GAAP requires these actuarially determined amounts to be reported in the government-wide financial statements.

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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

General Fixed Assets (Continued)

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

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

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

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 Borough must prepare its budget in compliance with applicable laws limiting or capping the amounts by which both the budget appropriations and the municipal tax levy can increase in the annual budget.

1977 Appropriation “CAP”: The 1977 Appropriation Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.1 through 4-45.43a. The law was originally adopted in 1976 and was most recently amended in 2003. Under this law, the Borough is permitted to increase its overall current fund appropriations (with certain exceptions) by 2.5% or the “cost of living adjustment” (COLA), whichever is less. The COLA is calculated based on the Implicit Price Deflator for Local Governments computed by the U.S. Department of Commerce. The Borough can, when the COLA is less than or equal to 2.5%, increase its allowable inside-the-cap appropriations to 3.5%, upon adoption of a COLA Rate Ordinance by the governing body and beyond 3.5% upon voter passage of a referendum.

2010 Levy “CAP”: The 2010 Levy Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.44 through 45.47. It established limits on the increase in the total amount to be raised by taxation for municipal purposes (municipal tax levy). The core of the levy cap formula is a 2% increase to the previous year’s amount to be raised by taxation for municipal purposes, exclusive of certain appropriations and allowable adjustments and extraordinary costs related to a declared emergency. Voter approval may be requested to increase the municipal tax levy by more than the allowable adjusted tax levy.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgets and Budgetary Accounting (Continued)

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 2022 the Borough Council did not increase the original budget and in 2021 the Borough Council increased the original Current Fund budget by \$336,072. The 2021 increase was attributable to emergency appropriations of \$290,436 for down payments on improvements and the 2021 road, curb, drainage and sidewalk improvement program and \$45,636 of additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2022 and 2021.

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>2022</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
<u>Current Fund</u>			
<u>2022 Budget Appropriations:</u>			
Tri-Boro Safety Corps - Other Expenses	\$ 89,500	\$ 102,797	\$ (13,297)
Buildings and Grounds - Other Expenses	72,200	92,893	(20,693)
<u>Water Utility Operating Fund</u>			
<u>2022 Budget Appropriations:</u>			
Interest on Notes	\$ 18,415	\$ 75,179	\$ (56,764)
<u>Electric Utility Operating Fund</u>			
<u>2022 Budget Appropriations:</u>			
Interest on Notes	\$ -	\$ 27,735	\$ (27,735)

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Excess Expenditures Over Appropriations (Continued)

<u>2021</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
<u>Current Fund</u>			
<u>2021 Budget Appropriations:</u>			
Interest on Notes	\$ 24,110	\$ 25,378	\$ (1,268)
<u>2020 Appropriation Reserves:</u>			
Salaries and Wages:			
General Administration	6,307	6,726	(419)
Municipal Clerk	195	1,662	(1,467)
Planning Board	1,799	3,039	(1,240)
Zoning Board of Adjustment	956	1,783	(827)
Road Repairs & Maintenance	6	1,745	(1,739)

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 deposits in excess of the FDIC or NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, bail funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

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, 2022 and 2021 (restated), the book value of the Borough's deposits were \$23,027,925 and \$14,352,239 and bank and brokerage firm balances of the Borough's deposits amounted to \$23,383,466 and \$14,527,615, 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>2022</u>	<u>2021</u> (Restated)
Insured	\$ 21,451,078	\$ 12,640,193
Uninsured and Collateralized	<u>1,932,388</u>	<u>1,887,422</u>
	<u>\$ 23,383,466</u>	<u>\$ 14,527,615</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

A. Cash Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2022 and 2021 (restated), the Borough's bank balances of \$1,932,388 and \$1,504,945, respectively, were exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2022</u>	<u>2021</u> (Restated)
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust		
department but not in the Borough's name	\$ <u>1,932,388</u>	\$ <u>1,887,422</u>

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, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; 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, Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school district, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law, " (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investments in the Department of the Treasury for investment by local units; Local Government investment pools, deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the Borough is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

As of December 31, 2022 and 2021, the Borough had the following investments:

	<u>Fair Value</u>	
	<u>(LOSAP Unaudited)</u>	
	<u>2022</u>	<u>2021</u>
Investment:		
Lincoln Financial Group LOSAP Retirement Fund	\$ <u>2,333,131</u>	\$ <u>2,684,178</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial credit risk. As of December 31, 2022 and 2021, \$2,333,131 and \$2,684,178 of the Borough's investments was exposed to custodial credit risk as follows:

	Fair Value	
	(LOSAP Unaudited)	
	<u>2022</u>	<u>2021</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Borough's name	\$ <u>2,333,131</u>	\$ <u>2,684,178</u>

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. 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 – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 40A:5-15.1 and N.J.A.C. 5:30-14.19). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2022 and 2021, the Borough's investment in Lincoln Financial Group, a subsidiary of Lincoln National Life Insurance Company, was rated A1 by Moody's Investor Service.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Borough's investment in a single issuer. 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.

Fair Value of Investments. The Borough of Park Ridge measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than those in Level 1; and
- *Level 3:* Unobservable inputs.

Investments in the LOSAP plans are valued based on price data obtained from observed transactions and market price quotations provided by Lincoln Financial Group. Since the value is not obtained from a quoted price in an active market the LOSAP plan investments held by the Borough at December 31, 2022 and 2021 are categorized as Level 2.

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, 2022 AND 2021

NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE

Receivables at December 31, 2022 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Electric Utility</u>	<u>Total</u>
<u>2022</u>				
Property Taxes	\$ 254,531			\$ 254,531
Utility Charges and Fees	<u>-</u>	<u>\$ 524,465</u>	<u>\$ 594,788</u>	<u>1,119,253</u>
	<u>\$ 254,531</u>	<u>\$ 524,465</u>	<u>\$ 594,788</u>	<u>\$ 1,373,784</u>

In 2022, the Borough collected \$201,443, \$485,932 and \$625,237 from delinquent taxes, water utility and electric utility charges and fees, respectively which represented 100%, 100% and 100% of the delinquent tax, water and electric charges receivable at December 31, 2021.

Receivables at December 31, 2021 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Electric Utility</u>	<u>Total</u>
<u>2021</u>				
Property Taxes	\$ 201,539			\$ 201,539
Utility Charges and Fees	<u>-</u>	<u>\$ 485,932</u>	<u>\$ 625,237</u>	<u>1,111,169</u>
	<u>\$ 201,539</u>	<u>\$ 485,932</u>	<u>\$ 625,237</u>	<u>\$ 1,312,708</u>

In 2021, the Borough collected \$237,890, \$386,564 and \$397,232, from delinquent taxes, water utility and electric utility charges and fees, respectively which represented 97%, 100% and 100% of the delinquent tax, water and electric charges receivable at December 31, 2020.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

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>2022</u>		<u>2021</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	\$ 30,307	\$ 794,836	\$ 127,902	\$ 271,491
Trust Fund:				
Animal Control		9,649		5,076
Other Trust	92,773			3,032
Open Space Preservation	111,124	107,167	110,693	14,667
General Capital Fund	563,106	282,500	52,167	8,737
Water Utility Fund:				
Operating	40,133	130,089	125,503	68,467
Capital	485,089	12,973	150,000	142,794
Electric Utility Fund:				
Operating	6,956	94,265	6,451	48,091
Capital	118,208		5,000	18,788
Utility Trust Fund		16,192		2,371
Swim Pool Utility Fund:				
Operating	111		8	
Capital		111		8
Public Assistance Fund	-	25	5,798	-
 Total	 <u>\$ 1,447,807</u>	 <u>\$ 1,447,807</u>	 <u>\$ 583,522</u>	 <u>\$ 583,522</u>

The above balances are the result of expenditures being paid by one fund on behalf of another and/or deposits made or revenues earned in one fund which are 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, 2022 AND 2021

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:

	Balance <u>December 31,</u>	Subsequent Year Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
<u>2022</u>			
Current Fund			
Overexpenditure of Appropriation	\$ 33,990	\$ 33,990	
Special Emergency Authorizations (40A:4-55)	208,000	52,000	\$ 156,000
Water Utility Fund			
Overexpenditure of Appropriation	56,764	56,764	
Electric Utility Fund			
Overexpenditure of Appropriation	27,735	27,735	
Swim Pool Utility Fund			
Special Emergency Authorizations (40A:4-55)	164,000	41,000	123,000
<u>2021</u>			
Current Fund			
Emergency Authorization	\$ 24,012	\$ 24,012	
Overexpenditure of Appropriation	1,268	1,268	
Overexpenditure of Appropriation Reserves	5,692	5,692	
Special Emergency Authorizations (40A:4-55)	260,000	52,000	\$ 208,000
Swim Pool Utility Fund			
Special Emergency Authorizations (40A:4-55)	205,000	41,000	164,000

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

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:

	2022		2021	
	<u>Fund Balance December 31,</u>	<u>Utilized in Subsequent Year's Budget</u>	<u>Fund Balance December 31,</u>	<u>Utilized in Subsequent Year's Budget</u>
Current Fund				
Cash Surplus	\$ 2,314,347	\$ 1,830,000	\$ 1,803,220	\$ 1,300,000
Non-Cash Surplus	<u>243,983</u>	<u>-</u>	<u>338,301</u>	<u>-</u>
	<u>\$ 2,558,330</u>	<u>\$ 1,830,000</u>	<u>\$ 2,141,521</u>	<u>\$ 1,300,000</u>
Water Utility Operating Fund				
Cash Surplus	\$ 920,658	\$ 500,000	\$ 746,462	\$ 350,000
Non-Cash Surplus	<u>56,764</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 977,422</u>	<u>\$ 500,000</u>	<u>\$ 746,462</u>	<u>\$ 350,000</u>
Electric Utility Operating Fund				
Cash Surplus	\$ 1,620,576	\$ 500,000	\$ 784,515	\$ 604,000
Non-Cash Surplus	<u>27,735</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,648,311</u>	<u>\$ 500,000</u>	<u>\$ 784,515</u>	<u>\$ 604,000</u>
Swim Pool Utility Operating Fund				
Cash Surplus	\$ 343,317	\$ 100,000	\$ 275,922	\$ 65,000
Non-Cash Surplus	<u>164,000</u>	<u>-</u>	<u>205,000</u>	<u>-</u>
	<u>\$ 507,317</u>	<u>\$ 100,000</u>	<u>\$ 480,922</u>	<u>\$ 65,000</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

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, 2022 and 2021.

	Balance, December 31, <u>2021</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2022</u>
<u>2022</u>				
Land and Land Improvements	\$ 15,365,203	\$ 534,952		\$ 15,900,155
Buildings and Building Improvements	5,593,227			5,593,227
Machinery and Equipment	<u>6,614,282</u>	<u>295,688</u>	<u>\$ 184,200</u>	<u>6,725,770</u>
	<u>\$ 27,572,712</u>	<u>\$ 830,640</u>	<u>\$ 184,200</u>	<u>\$ 28,219,152</u>
	Balance, December 31, <u>2020</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2021</u>
<u>2021</u>				
Land and Land Improvements	\$ 15,365,203			\$ 15,365,203
Buildings and Building Improvements	5,593,227			5,593,227
Machinery and Equipment	<u>6,504,751</u>	<u>\$ 334,925</u>	<u>\$ 225,394</u>	<u>6,614,282</u>
	<u>\$ 27,463,181</u>	<u>\$ 334,925</u>	<u>\$ 225,394</u>	<u>\$ 27,572,712</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

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, 2022 and 2021.

<u>Water Utility Fund</u>	Balance December 31, <u>2021</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2022</u>
<u>2022</u>				
Fixed Capital				
Land and Land Rights	\$ 13,438			\$ 13,438
Structures and System Improvements	11,740,170	\$ 94,452		11,834,622
Vehicles and Equipment	<u>4,477,863</u>	<u>5,100</u>	<u>-</u>	<u>4,482,963</u>
	<u>\$ 16,231,471</u>	<u>\$ 99,552</u>	<u>\$ -</u>	<u>\$ 16,331,023</u>
	Balance December 31, <u>2020</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2021</u>
<u>2021</u>				
Fixed Capital				
Land and Land Rights	\$ 13,438			\$ 13,438
Structures and System Improvements	11,774,174	\$ 34,006	68,010	11,740,170
Vehicles and Equipment	<u>4,326,705</u>	<u>151,158</u>	<u>-</u>	<u>4,477,863</u>
	<u>\$ 16,114,317</u>	<u>\$ 185,164</u>	<u>\$ 68,010</u>	<u>\$ 16,231,471</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 8 FIXED ASSETS (Continued)

B. Utility Funds Fixed Assets (Continued)

<u>Electric Utility Fund</u>	Balance December 31, 2021	Additions	Retirements	Balance, December 31, 2022
<u>2022</u>				
Fixed Capital				
Structures and System Improvements	\$ 10,747,817			\$ 10,747,817
Vehicles and Equipment	3,265,678	-	-	3,265,678
	<u>\$ 14,013,495</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,013,495</u>
	Balance December 31, 2020	Additions	Retirements	Balance, December 31, 2021
<u>2021</u>				
Fixed Capital				
Structures and System Improvements	\$ 10,550,143	\$ 197,674		\$ 10,747,817
Vehicles and Equipment	2,957,952	307,726	-	3,265,678
	<u>\$ 13,508,095</u>	<u>\$ 505,400</u>	<u>\$ -</u>	<u>\$ 14,013,495</u>
<u>Swim Pool Utility Fund</u>	Balance December 31, 2021	Additions	Retirements	Balance, December 31, 2022
<u>2022</u>				
Fixed Capital				
Land and Land Improvements	\$ 54,113			\$ 54,113
Pool Facilities and Improvements	1,062,315			1,062,315
Furniture & Equipment	104,650	-	-	104,650
	<u>\$ 1,221,078</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,221,078</u>
	Balance December 31, 2020	Additions	Retirements	Balance, December 31, 2021
<u>2021</u>				
Fixed Capital				
Land and Land Improvements	\$ 54,113			\$ 54,113
Pool Facilities and Improvements	1,062,315			1,062,315
Furniture & Equipment	104,650	-	-	104,650
	<u>\$ 1,221,078</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,221,078</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 9 MUNICIPAL DEBT

The Local Bond Law (NJSA 40A:2 et.seq.) 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 and acquisitions or other purposes permitted by the Local Bond Law. 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 and acquisitions or other purposes permitted by the Local Bond Law, 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>2022</u>	<u>2021</u>
Issued		
General		
Bonds, Notes and Loans	\$ 10,918,840	\$ 10,379,305
Water Utility		
Bonds and Notes	5,507,154	2,838,700
Electric Utility		
Bonds and Notes	<u>2,621,000</u>	<u>455,000</u>
	19,046,994	13,673,005
Less Funds Temporarily Held to Pay Bonds, Notes and Loans	<u>216,274</u>	<u>86,742</u>
Net Debt Issued	18,830,720	13,586,263
Authorized But Not Issued		
General		
Bonds and Notes	2,885,256	3,068,890
Water Utility		
Bonds and Notes	305,646	767,000
Electric Utility		
Bonds and Notes	<u>1,019,000</u>	<u>226,000</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 23,040,622</u>	<u>\$ 17,648,153</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 9 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows is in the format of the Borough's Annual Debt Statement and indicates a statutory net debt of .693% and .711% at December 31, 2022 and 2021, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2022</u>			
General Debt	\$ 13,804,096	\$ 216,274	\$ 13,587,822
School Debt	4,666,000	4,666,000	-
Utility Debt	<u>9,452,800</u>	<u>9,452,800</u>	<u>-</u>
Total	<u>\$ 27,922,896</u>	<u>\$ 14,335,074</u>	<u>\$ 13,587,822</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2021</u>			
General Debt	\$ 13,448,195	\$ 86,742	\$ 13,361,453
School Debt	5,546,466	5,546,466	-
Utility Debt	<u>4,286,700</u>	<u>4,286,700</u>	<u>-</u>
Total	<u>\$ 23,281,361</u>	<u>\$ 9,919,908</u>	<u>\$ 13,361,453</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>2022</u>	<u>2021</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 68,654,227	\$ 65,778,162
Less: Net Debt	<u>13,587,822</u>	<u>13,361,453</u>
Remaining Borrowing Power	<u>\$ 55,066,405</u>	<u>\$ 52,416,709</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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>2022</u>	<u>2021</u>
\$4,827,000, 2007 Bonds, due in annual installments of \$327,000 through October, 2023, interest at 3.875% to 4.00%	\$ 327,000	\$ 677,000
\$3,215,000, 2012 Bonds, due in annual installments of \$250,000 to \$300,000 through August 2026, interest at 2.00%	1,200,000	1,450,000
\$3,035,000, 2013 Refunding Bonds, due in annual installments of \$340,000 through February 2022, interest at 4.00%		340,000
\$2,207,000, 2013 Bonds, due in annual installments of \$280,000 to \$277,000 through August 2023, interest at 3.00%	277,000	557,000
\$4,880,000, 2018 Bonds, due in annual installments of \$375,000 to \$700,000 through May 2027, interest at 2.50% to 3.00%	3,405,000	3,780,000
	<u>\$ 5,209,000</u>	<u>\$ 6,804,000</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>2022</u>	<u>2021</u>
\$500,000, 2008 Loan, due in semi - annual installments of \$15,701 to \$16,834 through July, 2026, interest at 2.00%	\$ 130,092	\$ 161,029
\$1,156,000, 2012 Loan, due in semi - annual installments of \$32,670 to \$39,079 through April, 2032, interest at 2.00%	679,902	744,276
	<u>\$ 809,994</u>	<u>\$ 905,305</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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>2022</u>	<u>2021</u>
\$1,250,000, 2012 Bonds, due in annual installments of \$85,000 to \$95,000 through August, 2027, interest at 2.00% to 2.20%	\$ 460,000	\$ 545,000
\$582,000, 2013 Bonds, due in annual installments of \$45,000 to \$47,000 through August, 2027, interest at 3.00% to 4.00%	227,000	272,000
\$790,000, 2018 Bonds, due in annual installments of \$55,000 to \$75,000 through May, 2031, interest at 2.50% to 3.00%	<u>580,000</u>	<u>635,000</u>
	<u>\$ 1,267,000</u>	<u>\$ 1,452,000</u>

Electric Utility

\$600,000, 2018 Bonds, due in annual installments of \$60,000 to \$70,000 through May, 2028, interest at 2.50% to 3.00%	<u>\$ 395,000</u>	<u>\$ 455,000</u>
	<u>\$ 395,000</u>	<u>\$ 455,000</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

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, 2022 is as follows:

Calendar Year	General		Water Utility		Electric Utility		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2023	\$ 1,611,227	\$ 149,381	\$ 190,000	\$ 33,690	\$ 60,000	\$ 10,475	\$ 2,054,773
2024	1,099,181	103,662	195,000	29,103	65,000	8,913	1,500,859
2025	1,101,174	76,420	195,000	24,190	65,000	7,125	1,468,909
2026	1,103,208	47,385	200,000	19,015	65,000	5,175	1,439,783
2027	766,109	18,255	207,000	13,345	70,000	3,150	1,077,859
2028-2032	338,095	17,130	280,000	17,250	70,000	1,050	723,525
	<u>\$ 6,018,994</u>	<u>\$ 412,233</u>	<u>\$ 1,267,000</u>	<u>\$ 136,593</u>	<u>\$ 395,000</u>	<u>\$ 35,888</u>	<u>\$ 8,265,708</u>

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years ended December 31, 2022 and 2021 were as follows:

	Balance, December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2022</u>	Due Within One Year
<u>2022</u>					
<u>General Capital Fund</u>					
Bonds Payable	\$ 6,804,000		\$ 1,595,000	\$ 5,209,000	\$ 1,514,000
Intergovernmental Loans Payable	<u>905,305</u>	<u>-</u>	<u>95,311</u>	<u>809,994</u>	<u>97,227</u>
General Capital Fund Long-Term Liabilities	<u>\$ 7,709,305</u>	<u>\$ -</u>	<u>\$ 1,690,311</u>	<u>\$ 6,018,994</u>	<u>\$ 1,611,227</u>
<u>Water Capital Fund</u>					
Bonds Payable	\$ 1,452,000	\$ -	\$ 185,000	\$ 1,267,000	\$ 190,000
Water Capital Fund Long-Term Liabilities	<u>\$ 1,452,000</u>	<u>\$ -</u>	<u>\$ 185,000</u>	<u>\$ 1,267,000</u>	<u>\$ 190,000</u>
<u>Electric Capital Fund</u>					
Bonds Payable	\$ 455,000	\$ -	\$ 60,000	\$ 395,000	\$ 60,000
Electric Capital Fund Long-Term Liabilities	<u>\$ 455,000</u>	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ 395,000</u>	<u>\$ 60,000</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt (Continued)

	Balance, December 31, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2021</u>	Due Within One Year
<u>2021</u>					
<u>General Capital Fund</u>					
Bonds Payable	\$ 8,374,000		\$ 1,570,000	\$ 6,804,000	\$ 1,595,000
Intergovernmental Loans Payable	<u>998,737</u>	<u>-</u>	<u>93,432</u>	<u>905,305</u>	<u>95,311</u>
General Capital Fund Long-Term Liabilities	<u>\$ 9,372,737</u>	<u>\$ -</u>	<u>\$ 1,663,432</u>	<u>\$ 7,709,305</u>	<u>\$ 1,690,311</u>
<u>Water Capital Fund</u>					
Bonds Payable	\$ 1,632,000	\$ -	\$ 180,000	\$ 1,452,000	\$ 185,000
Water Capital Fund Long-Term Liabilities	<u>\$ 1,632,000</u>	<u>\$ -</u>	<u>\$ 180,000</u>	<u>\$ 1,452,000</u>	<u>\$ 185,000</u>
<u>Electric Capital Fund</u>					
Bonds Payable	\$ 515,000	\$ -	\$ 60,000	\$ 455,000	\$ 60,000
Electric Capital Fund Long-Term Liabilities	<u>\$ 515,000</u>	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ 455,000</u>	<u>\$ 60,000</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2022 and 2021 was as follows:

Bond Anticipation Notes

<u>Purpose</u>	<u>Rate</u> <u>(%)</u>	<u>Maturity</u> <u>Date</u>	<u>Balance</u> <u>December 31,</u> <u>2021</u>	<u>Renewed/</u> <u>Issued</u>	<u>Retired/</u> <u>Redeemed</u>	<u>Balance,</u> <u>December 31,</u> <u>2022</u>
2022						
<u>General Capital Fund</u>						
Acq of New Additional or Replace Equip.	3.25%	4/28/2023	\$ 680,000	\$ 680,748	\$ 680,000	\$ 680,748
Refurbishment of Police Pistol Range	3.25%	4/28/2023		8,369		8,369
Improvements to North Fifth Street	3.25%	4/28/2023		490,000		490,000
Installation of Playground at Memorial	3.25%	4/28/2023		150,000		150,000
Various Improvements and Acquisitions	3.25%	4/28/2023		400,000		400,000
Road, Curb, Drainage and Sidewalk Improvement Program	3.25%	4/28/2023	1,020,000	1,681,987	1,020,000	1,681,987
Repair of the 55 Park Ave Bridge	3.25%	4/28/2023	150,000	150,000	150,000	150,000
Replacement of Turf at Memorial Field	3.25%	4/28/2023	820,000	1,338,742	820,000	1,338,742
Total General Capital Fund			<u>\$ 2,670,000</u>	<u>\$ 4,899,846</u>	<u>\$ 2,670,000</u>	<u>\$ 4,899,846</u>

Water Utility Capital Fund

Installation of New Well and Pumping Station	3.25%	4/28/2023	\$ 894,800	\$ 893,508	\$ 894,800	\$ 893,508
Various Improvements	3.25%	4/28/2023		196,000		196,000
Various Improvements and Acquisitions	4.50%	4/28/2023		270,000		270,000
Acq. and Installation of Water Treatment Systems	4.50%	4/28/2023		2,095,000		2,095,000
Replacement of Water Main - Glen Road	3.25%	4/28/2023	491,900	575,646	491,900	575,646
Replacement of Water Main - Glen Road	4.50%	4/28/2023	-	210,000	-	210,000
Total Water Utility Capital Fund			<u>\$ 1,386,700</u>	<u>\$ 4,240,154</u>	<u>\$ 1,386,700</u>	<u>\$ 4,240,154</u>

Electric Utility Capital Fund

Various Capital Improvements	3.25%	4/28/2023		\$ 151,000		\$ 151,000
Various Capital Improvements	4.50%	4/28/2023		75,000		75,000
Various Capital Improvements and Acq. of Equipment	4.50%	4/28/2023	-	2,000,000	-	2,000,000
Total Electric Utility Capital Fund			<u>\$ -</u>	<u>\$ 2,226,000</u>	<u>\$ -</u>	<u>\$ 2,226,000</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

Bond Anticipation Notes

<u>Purpose</u>	<u>Rate</u> <u>(%)</u>	<u>Maturity</u> <u>Date</u>	Balance December 31, <u>2020</u>	Renewed/ <u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31, <u>2021</u>
<u>2021</u>						
<u>General Capital Fund</u>						
Acq of New Additional or Replace Equip. Road, Curb, Drainage and Sidewalk Improvement Program	1.00%	4/29/2022	\$ 350,000	\$ 680,000	\$ 350,000	\$ 680,000
Repair of the 55 Park Ave Bridge	1.00%	4/29/2022	800,000	1,020,000	800,000	1,020,000
Replacement of Turf at Memorial Field	1.00%	4/29/2022	150,000	820,000	150,000	820,000
			<u>820,000</u>	<u>820,000</u>	<u>820,000</u>	<u>820,000</u>
Total General Capital Fund			<u>\$ 1,970,000</u>	<u>\$ 2,670,000</u>	<u>\$ 1,970,000</u>	<u>\$ 2,670,000</u>

Water Utility Capital Fund

Installation of New Well and Pumping Station	1.00%	4/29/2022	\$ 96,100	\$ 894,800	\$ 96,100	\$ 894,800
Replacement of Water Main - Glen Road	1.00%	4/29/2022	498,300	491,900	498,300	491,900
			<u>498,300</u>	<u>491,900</u>	<u>498,300</u>	<u>491,900</u>
Total Water Utility Capital Fund			<u>\$ 594,400</u>	<u>\$ 1,386,700</u>	<u>\$ 594,400</u>	<u>\$ 1,386,700</u>

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

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.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

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

<u>Capital Project</u>	<u>Construction/ Commitment</u>	<u>Estimated Date of Completion/Acquisition</u>
<u>2022</u>		
Generator Upgrades in Various Buildings	\$146,062	2023
GAC Vessels at Wells	200,000	2023
Well 21 Improvements	178,668	2023
Fire Truck Rescue	147,826	2023
Acquisition of Vehicles	107,804	2023
Various Road Improvements	889,736	2023
Mill Road Substation Improvements	1,520,348	2023
<u>2021</u>		
Memorial Field Turf Expansion	\$528,578	2022
Fire Rescue Truck	147,826	2023
2021 Road, Curb, Drainage and Sidewalk Program	193,008	2022
Upgrade to Tri-Boro Dispatch Communication System	124,991	2022
Electric Substation Diagnostic Testing	66,040	2022
Repair of Portable Water Storage	59,875	2022
Well Drilling and Redevelopment Services	110,991	2022
Vacuum Excavator	89,530	2022
Acquisition of Vehicles	110,928	2022
Resin Replacement at Well #15	182,185	2022
Acquisition of Fire Hydrants	89,879	2022
Body Worn Cameras	44,836	2022
Electric Distribution Materials	108,863	2022
Water Distribution Materials	71,256	2022

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 sick leave over the life of their working careers and to redeem such unused leave time in cash (with certain limitations) upon death, retirement or by extended absence immediately preceding retirement.

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$159,711 and \$225,881 at December 31, 2022 and 2021, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2022 and 2021, the Borough has reserved in the Other Trust Fund \$100,048 and \$50,048, respectively, to fund compensated absences in accordance with NJSA 40A:4-39.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)

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, 2022 and 2021 were as follows:

	Balance, January 1 <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2022</u>	Due Within <u>One Year</u>
<u>2022</u>					
Compensated Absences	\$ 225,881		\$ 66,170	\$ 159,711	\$ 25,000
Tax Appeal Judgements Payable	476,475		476,475	-	
Net Pension Liability - PERS (1)	6,338,796			6,338,796	
Net Pension Liability - PFRS (1)	5,337,061			5,337,061	
Net OPEB Liability	38,101,926	-	7,428,333	30,673,593	-
Total	\$ 50,480,139	\$ -	\$ 7,970,978	\$ 42,509,161	\$ 25,000

(1) - GASB Statement Numbers 68 Pension financial information was not provided by the State's Division of Pensions and Benefits as of date of audit.

	Balance, January 1 <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2021</u>	Due Within <u>One Year</u>
<u>2021</u>					
Compensated Absences	\$ 219,402	\$ 31,927	\$ 25,448	\$ 225,881	\$ 25,000
Tax Appeal Judgements Payable		989,910	513,435	476,475	
Net Pension Liability - PERS	8,933,788		2,594,992	6,338,796	
Net Pension Liability - PFRS	9,239,828		3,902,767	5,337,061	
Net OPEB Liability	43,206,487	-	5,104,561	38,101,926	-
Total	\$ 61,599,505	\$ 1,021,837	\$ 12,141,203	\$ 50,480,139	\$ 25,000

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

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. PFRS is a cost-sharing multi-employer defined benefit pension plan with a special funding situation. For additional information about PFRS, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement benefits as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier	Definition
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tier 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years, but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case, benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Public Employees' Retirement System (PERS) – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, 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. PERS is a cost-sharing multi-employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have a least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

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 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). 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 on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollment but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. 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 cost of living increase for PERS 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.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

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.

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2022 was not available and for June 30, 2021 is \$12.0 billion, and the plan fiduciary net position as a percentage of the total pension liability is 70.33% at June 30, 2021. The collective net pension liability of the participating employers for local PFRS at June 30, 2022 was not available and for June 30, 2021 is \$9.4 billion and the plan fiduciary net position as a percentage of total pension liability is 77.26% at June 30, 2021.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2020 which were rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the July 1, 2020 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

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 for 2022 and 2021 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee's annual compensation.

For the years ended December 31, 2022 and 2021 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the Borough for 2022, 2021 and 2020 were equal to the required contributions.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions (Contributions)

During the years ended December 31, 2022, 2021, and 2020, 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:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS (1)</u>	<u>DCRP</u>
2022	\$ 851,009	\$ 626,638	\$ 1,751
2021	798,871	599,306	2,438
2020	707,526	505,296	1,798

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

In addition for the years ended December 31, 2022, 2021 and 2020 the Borough contributed for long-term disability insurance premiums (LTDI) \$-0-, \$-0- and \$1,729, respectively for PERS.

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

The regulatory basis of accounting requires participating employers in PERS and PFRS to disclose in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No.68) their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions.

Under GASB Statement No. 68 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB No. 68 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2022 for the measurement date of June 30, 2022 was not available as of the date of audit. Accordingly, the State's Division of Local Government Services issued Local Finance Notice 2023-10 which authorized and permits New Jersey municipalities to present the most recent available audited GASB No. 68 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 68 financial information for the year ended December 31, 2022 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal years ended June 30, 2021 and 2020. Employer allocation percentages have been rounded for presentation purposes.

Public Employees Retirement System (PERS)

At December 31, 2021, the Borough reported a liability of \$6,338,796 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2021, the Borough's proportionate share was .05351 percent, which was a decrease of .00127 percent from its proportionate share measured as of June 30, 2020 of .05478 percent.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

For the year ended December 31, 2021, the pension system has determined the Borough's pension expense (benefit) to be \$(700,097) for PERS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of \$599,306. At December 31, 2021, 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:

	2021	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 99,971	\$ 45,378
Changes of Assumptions	33,012	2,256,652
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		1,669,805
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>568,265</u>	<u>461,060</u>
Total	<u>\$ 701,248</u>	<u>\$ 4,432,895</u>

At December 31, 2021 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense (benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2022	\$ (1,379,578)
2023	(1,080,643)
2024	(696,645)
2025	(570,095)
2026	(4,686)
Thereafter	<u>-</u>
	<u>\$ (3,731,647)</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

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, 2021 was based on the June 30, 2021 measurement date as determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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, 2021, as reported for the year ended December 31, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>2021</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Sensitivity of Net Pension Liability

The following presents the Borough's proportionate share of the PERS net pension liability as of December 31, 2021 calculated using the discount rate of 7.00%, 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 6.00% or 1-percentage-point higher 8.00% than the current rate:

<u>2021</u>	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Borough's Proportionate Share of the PERS Net Pension Liability	<u>\$ 8,632,155</u>	<u>\$ 6,338,796</u>	<u>\$ 4,392,556</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2021. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

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, 2021, the Borough reported a liability of \$5,337,061 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2021, the Borough's proportionate share was .07302 percent, which was an increase of .00151 percent from its proportionate share measured as of June 30, 2020 of .07151 percent.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

For the year ended December 31, 2021, the pension system has determined the Borough pension expense (benefit) to be \$(424,781) for PFRS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of \$798,871. At December 31, 2021, 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:

	2021	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 60,889	\$ 639,325
Changes of Assumptions	28,399	1,599,493
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		2,274,295
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>747,945</u>	<u>-</u>
Total	<u>\$ 837,233</u>	<u>\$ 4,513,113</u>

At December 31, 2021 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense (benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2022	\$ (1,063,431)
2023	(909,019)
2024	(791,815)
2025	(820,177)
2026	(78,156)
Thereafter	<u>(13,282)</u>
	<u>\$ (3,675,880)</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Actuarial Assumptions

The Borough's total pension liability reported for the year ended December 31, 2021 was based on the June 30, 2021 measurement date as determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

Inflation Rate:	2.75%
Salary Increases	3.25%-15.25% Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

Employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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, 2021, as reported for the year ended December 31, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>2021</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability for PFRS was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of Net Pension Liability

The following presents the Borough's proportionate share of the PFRS net pension liability as of December 31, 2021 calculated using the discount rate of 7.00%, 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 6.00% or 1-percentage-point higher 8.00% than the current rate:

<u>2021</u>	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Borough's Proportionate Share of the PFRS Net Pension Liability	\$ <u>8,104,160</u>	\$ <u>5,337,061</u>	\$ <u>3,033,750</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2021. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

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, 2021, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,501,047. For the years ended December 31, 2021, 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 \$167,173, which is more than the actual contributions the State made on behalf of the Borough of \$130,395. At December 31, 2021 (measurement date June 30, 2021) the State's share of the PFRS net pension liability attributable to the Borough was .07302 percent, which was an increase of .00151 percent from its proportionate share measured as of December 31, 2020 (measurement date June 30, 2020) of .07151 percent. 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.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS

Borough Administered Post-Retirement Health Benefits Program

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 can amend the benefit terms and financing requirements of the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No.75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Benefits Provided

The Borough provides postretirement healthcare insurance benefits for retirees and their dependents who meet certain eligibility requirements 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 credit in PFRS with at least fifteen (15) years of that service in Park Ridge hired on or before June 1, 1992, and twenty (20) years of that service in Park Ridge hired subsequent to June 1, 1992 and prior to January 1, 2013 at the time of retirement are eligible for employer provided post-retirement health coverage. Park Ridge Utility Employees Association members who qualify for service retirement as defined by PERS hired prior to January 1, 2013 and who have a minimum of fifteen (15) years of continuous service with the Borough of Park Ridge at the time of retirement are eligible for employee provided post-retirement health coverage. All other employees hired prior to January 1, 2013 who retire and reach 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. Employees hired on or after January 1, 2013 are not eligible to receive post-retirement health coverage after leaving service with the Borough.

Employees Covered by Postemployment Benefits

At December 31, 2022 and 2021, the following employees were covered by postemployment health care benefits:

	<u>2022</u>	<u>2021</u>
Active Employees	57	68
Inactive Employees or Beneficiaries Currently Receiving Benefits	<u>75</u>	<u>87</u>
	<u>132</u>	<u>155</u>

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The regulatory basis of accounting requires employers with a single-employer defined benefit healthcare plan to disclose in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pension (GASB No. 75)* their collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Borough Administered Post-Retirement Health Benefits Program (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

At December 31, 2022 and 2021, the Borough's total OPEB liabilities were \$30,673,593 and \$38,101,926, respectively. Net OPEB liability was measured as of December 31, 2022 and 2021, respectively, and the OPEB liability was determined by an actuarial valuation as of these dates, respectively.

For the year ended December 31, 2022 and 2021, the Borough has determined it's OPEB expense to be \$454,466 and \$1,152,437, respectively, based on the actuarial valuations which were less for 2022 and more for 2021 than the actual contributions reported in the Borough's financial statements of \$775,536 and \$725,480, respectively. At December 31, 2022 and 2021, the Borough's deferred outflows of resources or deferred inflows and resources related to the OPEB plan which are not reported on the Borough's financial statements are from the following sources:

	<u>2022</u>		<u>2021</u>	
	<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		\$ 4,810,002		
Changes of Assumptions	\$ 4,317,996	6,795,727	\$ 4,834,522	\$ 5,014,992
Total	<u>\$ 4,317,996</u>	<u>\$ 11,605,729</u>	<u>\$ 4,834,522</u>	<u>\$ 5,014,992</u>

At December 31, 2022 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense (benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2023	\$ (671,215)
2024	(671,215)
2025	(671,215)
2026	(671,215)
2027	(671,215)
Thereafter	<u>(3,931,658)</u>
	<u>\$ (7,287,733)</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Borough Administered Post-Retirement Health Benefits Program (Continued)

Actuarial Assumptions

The Borough's total OPEB liability reported for the year ended December 31, 2022 was based on the December 31, 2022 measurement date as determined by an actuarial valuation as of December 31, 2022. The total OPEB liability reported for the year ended December 31, 2021 was based on the December 31, 2021 measurement date as determined by an actuarial valuation as of December 31, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

December 31, 2022

<i>Mortality</i>	<i>December 31, 2022 - RP 2000 Combined Healthy Male Mortality Rates Set Forward One Year and Adjusted for Generational Improvement December 31, 2022 - PUB 2010 "General" classification headcount weighted mortality with generational improvement using Scale MP-2022</i>
<i>Turnover</i>	<i>NJ State Pensions Ultimate Withdrawal Rates- prior to benefits eligibility</i>
<i>Assumed Retirement Age</i>	<i>At first eligibility after the completion of both 15 years of service and age 62, or 25 years of service if earlier</i>
<i>Full Attribution Period</i>	<i>Service to Assumed Retirement Age</i>
<i>Annual Discount Rate</i>	<i>2.06% Based on the Bond Buyer 20 Index December 31, 2021 3.72% Based on the Bond Buyer 20 Index December 31, 2022</i>
<i>CPI Increase</i>	<i>2.5%</i>
<i>Rate of Salary Increase</i>	<i>2.5%</i>
<i>Medical Trend</i>	<i>Medical: 5.3% in 2022, reducing by 0.2% per annum, leveling at 4.5% per annum in 2026 Drug: 6.5% in 2022, reducing by 0.5% per annum, leveling at 4.5% per annum in 2026 Medicare Advantage: 4.5% per annum Dental and Vision: 3.5% per annum</i>
<i>Medical Cost Aging Factor</i>	<i>NJ SHBP Medical Morbidity Rates</i>

- Attribution period – The attribution period begins with the date of hire and ends with full benefits eligibility date.
- Per capita cost methods – The valuation reflects per capita net premium costs based on actual 2022 medical, prescription drug and dental premiums and the plan option selected. The age specific cost was derived based on per person costs at the average age of the active population (47) and scaled to each age based on the medical cost aging factors. At age 65, Medicare Advantage becomes the primary payor of medical benefits and aging factors are not applied.
- Retiree Contributions – NJ Chapter 78 requires that certain future retirees contribute toward the cost of their benefits. Specifically, those who had retired prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.5% of their annual retirement allowance from the Public Employees Retirement System. For purposes of this valuation and for conservatism, we have assumed that future retiree contributions percentage rates will not increase. Thus, we assumed that a future retiree will contribute his/her current employee contribution as reported by The Borough increased annually by the rate of medical trend.
- Actuarial valuation method – Entry Age Normal Funding Method based on a level percentage of salary. 2022 salaries were reported as \$6.062 million.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Borough Administered Post-Retirement Health Benefits Program (Continued)

Actuarial Assumptions (Continued)

December 31, 2021

<i>Mortality</i>	<i>RP 2000 Combined Healthy Male Mortality Rates Set Forward Three Years and Adjusted for Generational Improvements</i>
<i>Turnover</i>	<i>NJ State Pensions Ultimate Withdrawal Rates – prior to benefits eligibility</i>
<i>Assumed Retirement Age</i>	<i>At first eligibility after the completion of both 15 years of service and age 62, or 25 years of service if earlier.</i>
<i>Full Attribution Period</i>	<i>Service to Assumed Retirement Age</i>
<i>Annual Discount Rate</i>	<i>2.06% Based on the Bond Buyer 20 Index December 31, 2021</i>
<i>Rate of Salary Increase</i>	<i>2.5%</i>
<i>Consumer Price Index</i>	<i>2.5%</i>
<i>Trend</i>	<i>Medical: 5.5% in 2021, reducing by 0.2% per annum, leveling at 4.5% per annum in 2026 Drug: 7.0% in 2021, reducing by 0.5% per annum, leveling at 4.5% per annum in 2026 Medicare Advantage: 4.5% per annum Dental and Vision: 4.5% per annum</i>
<i>Medical Cost Aging Factor</i>	<i>NJ SHBP Medical Morbidity Rates</i>

- Attribution Period – The attribution period begins with the date of hire and ends with the full benefits eligibility date.
- Per Capita Cost Methods – The valuation reflects per capita net premium costs based on actual 2020 medical, prescription drug and dental premiums and the plan option selected. The age specific cost was derived based on per person costs at the average age of the active population (48) and scaled to each age based on the medical cost aging factors. At age 65, Medicare becomes the primary payor of medical benefits and aging factors are not applied.
- Retiree Contributions – NJ Chapter 78 requires that certain future retirees contribute toward the cost of their benefits. Specifically, those who had retired prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.5% of their annual retirement allowance from the Public Employees Retirement System. For purposes of this valuation and for conservatism, we have assumed that future retiree contributions percentage rates will not increase. Thus, we assumed that a future retiree will contribute his/her current employee contribution as reported by the Borough increased annually by the rate of medical trend.
- Actuarial Valuation Method – Entry Age Normal Funding Method based on a level percentage of salary. 2021 salaries were reported as \$5.627 million.

The actuarial assumptions used in the December 31, 2022 and 2021 valuation were based on the results of an actuarial experience study as of December 31, 2022 and 2021, respectively.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Borough Administered Post-Retirement Health Benefits Program (Continued)

Changes in the Total OPEB Liability

The change in the Borough's OPEB liability for the years ended December 31, 2022 and 2021 based on measurement date of December 31, 2022 and 2021, respectively, are as follows:

	Total OPEB Liability 2022	Total OPEB Liability 2021
Balance - Beginning of Year	\$ 38,101,926	\$ 43,206,487
Changes for the Year:		
Service Cost	\$ 341,729	264,874
Interest on the Total OPEB Liability	783,952	913,903
Differences Between Expected and Actual Experience	(5,244,824)	
Changes in Assumptions	(2,533,654)	(5,557,858)
Benefit Payments	(775,536)	(725,480)
Net Changes	<u>(7,428,333)</u>	<u>(5,104,561)</u>
Balance - End of Year	<u>\$ 30,673,593</u>	<u>\$ 38,101,926</u>

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Borough's net OPEB liability as of December 31, 2022 and 2021 calculated using the discount rate of 3.72% and 2.06%, respectively, as well as what the Borough's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 2.72% and 1.06%, respectively or 1-percentage-point higher 4.72% and 3.06%, respectively than the current rate:

	1% Decrease (2.72%)	Current Discount Rate (3.72%)	1% Increase (4.72%)
<u>2022</u>			
Net OPEB Liability	<u>\$ 34,567,983</u>	<u>\$ 30,673,593</u>	<u>\$ 27,502,789</u>
	1% Decrease (1.06%)	Current Discount Rate (2.06%)	1% Increase (3.06%)
<u>2021</u>			
Net OPEB Liability	<u>\$ 43,412,731</u>	<u>\$ 38,101,926</u>	<u>\$ 33,803,334</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Borough Administered Post-Retirement Health Benefits Program (Continued)

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the Borough's net OPEB liability as of December 31, 2022 and 2021 calculated using the healthcare trend rates as disclosed above as well as what the Borough's net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1%</u> <u>Decrease</u>	<u>Healthcare Cost</u> <u>Trend Rates</u>	<u>1%</u> <u>Increase</u>
<u>2022</u>			
Net OPEB Liability	\$ <u>34,567,983</u>	\$ <u>30,673,593</u>	\$ <u>33,735,000</u>
	<u>1%</u> <u>Decrease</u>	<u>Healthcare Cost</u> <u>Trend Rates</u>	<u>1%</u> <u>Increase</u>
<u>2021</u>			
Net OPEB Liability	\$ <u>34,153,036</u>	\$ <u>38,101,926</u>	\$ <u>42,917,856</u>

State Administered Post-Retirement Health Benefits Program

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for participating municipalities. The State also sponsors and administers a post-retirement health benefit program for certain eligible former Borough employees and/or their dependents under a special funding situation.

Plan Description and Benefits Provided

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

State Health Benefit Program Fund – Local Government Retired (the Plan) (including Prescription Drug Program Fund) – The Plan is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

State Administered Post-Retirement Health Benefits Program (Continued)

State Health Benefit Program Fund – Local Government Retired (the Plan) (Continued)

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retires with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retires and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level coverage.

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.

Plan Membership and Contributing Employers

Membership and contributing employers/nonemployers of the defined benefit OPEB plan consisted of the following at June 30, 2021:

Active Plan Members	64,243
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	32,624
Total	96,867
Contributing Employers	585
Contributing Nonemployers	1

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

State Administered Post-Retirement Health Benefits Program (Continued)

Measurement Focus and Basis of Accounting

The financial statements of the OPEB plan are prepared in accordance with U.S. generally accepted accounting principles as applicable to government organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the other postemployment benefit plan. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

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

Collective Net OPEB Liability

The collective net OPEB liability of the participating employers and the State, as the non-employer contributing entity, of the Plan at June 30, 2022 was not available and for 2021 is \$18.0 billion and the plan fiduciary net position as a percentage of the total OPEB liability is 0.28% at June 2021.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2020 which was rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the July 1, 2020 OPEB actuarial valuation, the actuarial assumptions and methods used in this valuation were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contribution

The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members. The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1967, as disclosed previously. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis.

The employers participating in the OPEB plan made contributions of \$325.1million and the State of New Jersey, as the non-employer contributing entity, contributed \$37.8 million for fiscal years 2021.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the actuarial determined contribution, an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The Borough is not required to make contributions to the State Plan under the special funding situation. The State as a non-employer contributing entity makes contributions to the Plan on-behalf of the Borough under a special funding situation.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

State Administered Post-Retirement Health Benefits Program (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The regulatory basis of accounting requires participating employers in the State Health Benefit Program Fund – Local Government Retired Plan to disclose in accordance with GASB Statement No. 75, Accounting and *Financial Reporting for Postemployment Benefits other than Pension (GASB No. 75)* their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions.

Under GASB Statement No. 75 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB 75 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2021 for the measurement date of June 30, 2022 was not available as of the date of audit. Accordingly, the State's Division of Local Government Services issued Local Finance Notice 2023-10 which authorizes and permits New Jersey municipalities to present the most recent available audited GASB 75 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB 75 financial information for the year ended December 31, 2021 is not presented in the notes to the financial statements.

The nonemployer allocation percentages presented are based on the ratio of the contributions made as an individual nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal year ended June 30, 2021 and 2020. Nonemployer allocation percentages have been rounded for presentation purposes.

Special Funding Situation

Under N.J.S.A. 43:3C-24 the Borough is responsible for their own OPEB 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 330, P.L. 1997 and Chapter 271, P.L. 1989. Under Chapter 330, P.L. 1997, the State pays the premiums or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989. 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. 75 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. 75 is zero percent and the State's proportionate share is 100% of OPEB under this legislation.

At December 31, 2021, the State's proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$4,752,714. For the years ended December 31, 2021 the plan has determined the State's proportionate share of the OPEB expense attributable to the Borough for the OPEB special funding situation is \$648,526. At December 31, 2020, (measurement date June 30, 2021), the State's share of the OPEB liability attributable to the Borough was .12308 percent, which was an increase of .03664 percent from its proportionate share measured as of December 31, 2020 (measurement date June 30, 2020) of .08644 percent. The State's proportionate share attributable to the Borough was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

State Administered Post-Retirement Health Benefits Program (Continued)

Special Funding Situation (Continued)

Actuarial Assumptions

The State's total OPEB liability attributable to the Brough reported for the year ended December 31, 2021 was based on the June 30, 2021 measurement date as determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2021</u>
Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
PFRS:	
Initial Fiscal Year Applied Through	Rate for All Future Years
Rate	3.25% to 15.25%

*Salary increases are based on years of service within the respective pension plan.

Mortality Rates

Pre-retirement and healthy post-retirement mortality rates were based on the Pub-2010 Healthy "Safety" for PFRS and Healthy "General" for PERS classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality rates were based on the Pub-2010 Disabled "Safety" for PFRS and Disabled "General" for PERS classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Health Care Trends

The trend rate for pre-Medicare medical benefits is initially 5.65 percent and decreases to a 4.50 percent long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 and 2023 are reflected. Future years PPO and HMO trend rates differ for each retirement plan. PPO trend is initially 7.56% in fiscal year 2024, increasing to 14.43% in fiscal year 2025 and decreasing to 4.50% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to 4.50% long-term after 7 years.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the plan upon retirement.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

State Administered Post-Retirement Health Benefits Program (Continued)

Discount Rate

The discount rate for June 30, 2021 measurement date was 2.16%. This represents the municipal bond return rate as chosen by the State. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

OPEB Plan Fiduciary Net Position – State Health Benefits Program Fund – Local Government Retired

Detailed information about the OPEB 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 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 insurance coverage to guard against these events to minimize the exposure to the Borough should they occur.

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

The Borough is also 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.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 14 RISK MANAGEMENT (Continued)

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

<u>Year Ended</u> <u>December 31</u>	<u>Borough</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Earned</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2022	NONE	\$ 10,610	\$ 1,466	\$ 11,736	\$ 105,077
2021	NONE	9,779	258	330	104,737
2020	NONE	9,035	342	11,624	95,030

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, 2022 and 2021. 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, 2022 and 2021, the Borough reserved \$90,310 and \$-0-, 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.

Tax Appeal Judgements Payable – On December 14, 2021 the Borough entered into a settlement agreement with Landmark AR Park Ridge, LLC for real property tax assessment appeals pending in the Tax Court of New Jersey. The parties agreed to reduce the 2019 and 2020 property tax assessments which resulted in total tax refunds or tax overpayments of \$989,910 for both years. The parties agreed that this amount would be taken as credits against future property taxes. As of December 31, 2022 the Borough has funded of this tax appeal settlement from funds on hand in the reserve for tax appeals and recorded a tax appeal judgement payable.

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, 2022 and 2021, 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, 2022 and 2021, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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 \$1,705 and \$1,705 for 2022 and 2021, respectively, for each eligible volunteer fire department member into the Plan. The Borough also contributed a one-third (1/3) share of \$1,705 and \$1,705 for 2022 and 2021, 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 \$1,705 and \$1,705 for 2022 and 2021, respectively, for each Tri-Boro Ambulance Corp. member into the plan. The total Borough contributions were \$43,761 and \$56,833 for 2022 and 2021, respectively. The total contributions from the Boroughs of Montvale and Woodcliff Lake were \$22,734 and \$21,597 for 2022 and 2021, respectively.

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

Lincoln Financial 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.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 18 LEASES RECEIVABLE

Current Fund

On October 1, 2005 the Borough began leasing cell tower space to a third party. The initial lease was for 5 years and the lease renews for three (3) additional 5-year terms unless the leasee notifies the Borough it's intention not to renew the lease one hundred twenty (120) days prior to expiration. The Borough will receive annual payments of \$37,876 to \$49,398. The Borough recognized \$42,610 and \$45,220 in lease revenue for 2022 and 2021, respectively, which includes interest earnings of \$652 and \$816, respectively. As of December 31, 2022 and 2021 the Borough's receivable for lease payments, exclusive of future interest earnings is \$134,274 and \$176,232, respectively, for the lease term ending September 30, 2025.

On June 1, 2006 the Borough began leasing cell tower space to a third party. The initial lease was for 10 years and the lease renews for two (2) additional 10-year terms upon the leasee notifying the Borough it's intention to renew the lease one hundred eighty (180) days prior to expiration. The Borough will receive annual payments of \$19,039 to \$44,799. The Borough recognized \$42,215 and \$49,703 in lease revenue for 2022 and 2021, respectively, which includes interest earnings of \$1,158 and \$1,453, respectively. As of December 31, 2022 and 2021 the Borough's receivable for lease payments, exclusive of future interest earnings is \$148,826 and \$189,883, respectively, for the lease term ending May 31, 2026.

Water Utility Operating Fund

On July 1, 2017 the Borough began leasing cell tower space to a third party. The initial lease was for 5 years and the lease was renewed on July 1, 2022 for one (1) additional 5-year term. The lease provides at the end of the second renewal (June 30, 2027) for two (2) additional 5-year terms unless the leasee notifies the Borough of it's intention to terminate the lease at least 3 months prior to expiration. The Borough will receive annual payments of \$49,733 to \$97,517. The Borough recognized \$93,730 and \$78,108 in lease revenue for 2022 and 2021, respectively, which includes interest earnings of \$13,448 and \$558, respectively. As of December 31, 2022 and 2021 the Borough's receivable for lease payments, exclusive of future interest earnings is \$399,997 and \$480,279, respectively, for the lease term ending June 30, 2027.

On November 1, 2016 the Borough began leasing cell tower space to a third party. The initial lease was for 5 years and the lease renews for four (4) additional 5-year terms unless the leasee notifies the Borough it's intention not to renew the lease at least sixty (60) days prior to expiration. The Borough will receive annual payments of \$87,223 to \$113,391. The Borough recognized \$95,946 and \$93,730 in lease revenue for 2022 and 2021, respectively, which includes interest earnings of \$42 and \$599, respectively. As of December 31, 2022 and 2021 the Borough's receivable for lease payments, exclusive of future interest earnings is \$409,803 and \$505,707, respectively, for the lease term ending October 31, 2026

The future lease revenue principal and interest payments as of December 31, 2022 were as follows:

Current Fund

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 89,614	\$ 1,405	\$ 91,019
2024	92,346	972	93,318
2025	82,149	527	82,676
2026	<u>18,991</u>	<u>48</u>	<u>19,039</u>
Total	<u>\$ 283,100</u>	<u>\$ 2,952</u>	<u>\$ 286,052</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 18 LEASES RECEIVABLE (Continued)

Water Utility Operating Fund

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 195,886	\$ 11,234	\$ 207,120
2024	190,422	8,914	199,336
2025	193,769	6,503	200,272
2026	180,676	4,064	184,740
2027	<u>49,047</u>	<u>687</u>	<u>49,734</u>
Total	<u>\$ 809,800</u>	<u>\$ 31,402</u>	<u>\$ 841,202</u>

NOTE 19 TAX ABATEMENTS

For the years ended December 31, 2022 and 2021, the Borough provided property tax abatements through certain programs authorized under State statutes. These programs include the Long Term Tax Exemption Law (the "LTTE Law") and the New Jersey Housing and Mortgage Financing Act (NJHMFA).

The Long Term Tax Exemption Law (NJSA 40A:20 et.seq.) is focused on broad areas of redevelopment. It allows for a longer abatement term to carry out a larger development plan through declaring an area as being "in need of redevelopment". These long-term property abatements may last up to 30 years from completion of a project or 35 years from execution of the financial agreement. The process is initiated when the municipality passes a resolution calling for the municipal planning board to study the need for designating an area "in need of redevelopment". Upon adopting the planning board's recommendations and formalizing the redevelopment area designation, a municipality adopts a redevelopment plan, engages redevelopment entities to carry out the plan, and may authorize long-term tax abatements in the process. Developers submit abatement applications to the governing body for review. The financial agreement is approved through adoption of a local ordinance. The agreement exempts a project from taxation, but requires a payment in lieu of taxes (PILOTs) in an amount based generally on a percentage of project costs or revenue generated by the project, depending on the type of project. The Developer agreed to contribute \$500,000 to the Borough toward the cost of construction of a Community Center or other public purpose. For the year ended December 31, 2022 and 2021 the Borough abated property taxes totaling \$854,707 and \$835,615 under the LTTE program. The Borough received \$398,569 and \$175,654 in PILOT payments under this program for the years ended December 31, 2021 and 2022, respectively.

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, 2022 and 2021 the Borough abated property taxes totaling \$127,137 and \$124,297, respectively, under the NJHMFA program. The Borough received \$10,291 and \$19,642 in PILOT payments under this program for the years ended December 31, 2022 and 2021, respectively.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 20 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus. On March 13, 2020, the President of the United States declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy, of the State of New Jersey, also declared a public health emergency on March 9, 2020 and instituted mandatory measures via various executive orders to contain the spread of the virus, including closing schools and nonessential businesses and limiting social gatherings. These measures, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey's economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the Governor's pandemic-related executive orders on July 4, 2021. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) terminated on January 1, 2022. On January 11, 2022, the Governor reinstated, via Executive Order No. 280, the state of emergency and declared a new public health emergency in response to a surge in cases tied to new variants of COVID-19, in particular the Omicron variant. Such public health emergency was set to expire 30 days from January 11, 2022, but was later extended, via Executive Order No. 288, for an additional 30 days on February 10, 2022. On March 4, 2022, the Governor declared, via Executive Order No. 292, an end to the reinstated public health emergency, effective March 7, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

In order to provide additional means for local governmental units to address the financial impact of the COVID-19 outbreak, the Governor signed into law P.L. 2020 c. 74 ("Chapter 74") on August 31, 2020. Chapter 74, which took effect immediately, adds two new purposes to the list of special emergency appropriations which may be raised by municipalities or counties over a five year period (either through the issuance of special emergency notes or raised internally without borrowing): (1) direct COVID-19 response expenses; and (2) deficits in prior year's operations attributable to COVID-19 (the beginning of the five year repayment schedule is delayed by one year for these new purposes). Upon approval by the Director of the Division of Local Government Services, New Jersey Department of Community Affairs, in cases of significant fiscal distress, the five year period may be extended to up to ten years. In addition, the statute permits school districts and public authorities to issue debt with a maximum five year maturity schedule for direct COVID-19 expenses. Chapter 74 provides for State supervision of all local government unit borrowings. The statute also grants the Director the authority to modify municipal budgeting rules concerning anticipated revenues in order to lessen the impact of revenue reductions due to COVID-19.

The Borough of Park Ridge's finances and operations may be materially and adversely affected as a result of the continued spread of COVID-19 through reduced or delayed revenue streams, which include the collection of property taxes, which are the Borough of Park Ridge's primary revenue source for supporting its budget. The Borough of Park Ridge cannot predict costs associated with a potential infectious disease outbreak like COVID-19 such as operational costs to clean, sanitize and maintain its facilities, or costs to operate remotely and support Borough functions and critical government actions during an outbreak or any resulting impact such costs could have on the operations of the Borough. However, as of the date of audit, even though the Borough finances and operations had certain reduced revenue streams due to the COVID-19 outbreak, the overall finances and operations of the Borough have not been materially and adversely affected due to the COVID-19 outbreak.

The degree of any such impact on the operations and finances of the Borough cannot be predicted due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the Borough and its economy. The Borough is monitoring the situation and will take such proactive measures as may be required to maintain its functionality and meet its obligations.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by President Biden on March 11, 2021, comprises \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic.

The Plan includes various forms of financial relief including up to a \$1,400 increase in direct stimulus payment to individuals and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Borough.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 20 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC (Continued)

Generally, according to the Plan and implementing regulations, the allowable use of the funds to be provided to the Borough include the following categories:

- Replacing lost public sector revenue;
- Investing in water, sewer, broadband and other infrastructure;
- Providing premium pay for essential workers;
- Supporting public health expenditures;
- Addressing COVID-19 related negative economic impacts; and
- Addressing the disproportionate public health and economic impacts of the crisis on the hardest-hit communities, populations, and households.

However, such funds may not be used to directly or indirectly offset a reduction in net tax revenue resulting from a change in law, regulation or administrative interpretation during the covered period reducing or delaying any tax or tax increase. Additionally, such funds may not be used for deposit in any pension fund. Such funds may be used to offset the amounts required to be raised in budgets for special emergency appropriations for COVID-19 deficits authorized by Chapter 74 discussed above. The Borough will be required to provide periodic reports detailing the accounting of the use of funds.

The Borough will receive \$909,988 from the Plan in two equal payments. The Borough has received the full amount of its relief funds under the plan as of December 31, 2022. The Borough utilized \$909,988 of the funds in the 2022 budget to replace lost public sector revenue. The deadline to obligate the funds is December 31, 2024 and to spend them is December 31, 2026.

NOTE 21 RESTATEMENT

The financial statements of the Other Trust Fund as of December 31, 2021 have been restated to reflect the inclusion of the VNB Escrow Plus bank account. The effect of this restatement is to increase the Other Trust Fund assets for cash by \$382,477 from \$1,063,413 as previously reported to \$1,445,890 at December 31, 2021 with a corresponding increase of \$382,477 to liabilities for escrow deposits payable from \$307,154 as previously reported to \$689,631 at December 31, 2021. Total Other Trust Fund assets and liabilities increased from \$1,117,180 as previously reported to \$1,499,657 at December 31, 2021 as a result of this restatement.

NOTE 22 SUBSEQUENT EVENTS

Bond Anticipation Notes

On April 28, 2023 the Borough issued bond anticipation notes in the amount of \$12,160,000 to temporarily finance expenditures related to various general, water and electric utility capital projects. The Borough awarded the sale of said notes to Piper Sandler & Co. at an interest rate of 4.00%. These notes dated April 28, 2023 will mature on April 26, 2024.

Debt Authorized

On July 11, 2023 the Borough adopted a bond ordinance authorizing the issuance of \$4,809,000 in Bonds or bond anticipation notes to fund certain general capital projects and acquisitions. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

On August 8, 2023, the Borough adopted a bond ordinance authorizing the issuance of \$1,450,000 in Bonds or bond anticipation notes to fund certain water utility capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

On August 8, 2023, the Borough adopted a bond ordinance authorizing the issuance of \$690,000 in Bonds or bond anticipation notes to fund certain electric utility capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

On August 8, 2023, the Borough adopted a bond ordinance authorizing the issuance of \$333,000 in Bonds or bond anticipation notes to fund certain general capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

SUPPLEMENTARY SCHEDULES

CURRENT FUND

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

Balance, December 31, 2021		\$ 4,586,154
Increased by:		
Non-Budget Revenue	\$ 398,244	
Petty Cash	750	
Taxes Receivable	48,111,566	
Revenue Accounts Receivable	3,127,327	
NJ Senior Citizen and Veteran's Deductions	54,750	
Grants Receivable	44,836	
Prepaid Taxes	302,901	
Other Accounts Receivable	19,081	
Tax Overpayments	23,031	
PILOT Overpayments	157,500	
Fees Payable	11,482	
County PILOT Payable	20,647	
Reserve for Grants - Unappropriated	524,354	
Receipts from Animal Control Trust Fund	176	
Receipts from Other Trust Fund	21,252	
Receipts from General Capital Fund	516,668	
Receipts for General Capital Fund	41,664	
Receipts from Water Utility Operating Fund	51,716	
Receipts from Electric Utility Operating Fund	67,166	
Receipts for Public Assistance Fund	22,900	
Receipts from Public Assistance Fund	106	
	<u>53,518,117</u>	
		58,104,271
Decreased by Disbursements:		
2022 Budget Appropriations	14,406,701	
2021 Appropriation Reserves	240,841	
Petty Cash	750	
Encumbrances Payable	209,668	
PILOT Overpayments	148,686	
County Taxes Payable	4,596,229	
Local District School Tax Payable	32,097,370	
Tax Overpayments	25,496	
Fees Payable	9,208	
Other Accounts Receivable	1,984	
Due to/from Municipal Library	22,365	
Reserve for Tax Appeals	18,215	
Payments to General Capital Fund	500,000	
Payments for General Capital Fund	24,868	
Payments to Open Space Preservation Trust Fund	110,693	
Payments to Public Assistance Fund	28,700	
	<u>52,441,774</u>	
Balance, December 31, 2022		<u>\$ 5,662,497</u>

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

Balance, December 31, 2021	<u>\$ 275</u>
Balance, December 31, 2022	<u>\$ 275</u>
<u>Analysis of Balance</u>	
Tax Office	<u>\$ 275</u>

STATEMENT OF PETTY CASH FUNDS

Balance, December 31, 2021	\$ 750
Increased by:	
Disbursements to Treasurer	<u>750</u>
	1,500
Decreased by:	
Returned to Treasurer	<u>750</u>
Balance, December 31, 2022	<u>\$ 750</u>

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

Balance, December 31, 2021	\$ 2,111
Increased by:	
Senior Citizens' Deductions per Tax Duplicate 2022	\$ 3,750
Veterans' Deductions per Tax Duplicate 2022	50,250
Senior Citizens/Veterans Deductions Allowed by Tax Collector - 2022	<u>500</u>
	<u>54,500</u>
	56,611
Decreased by:	
Receipts from State of New Jersey	54,750
Senior Citizens/Veterans Deductions Disallowed by Tax Collector - 2022	<u>250</u>
	<u>55,000</u>
Balance, December 31, 2022	<u>\$ 1,611</u>

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

	Balance, December 31, <u>2021</u>	<u>Received</u>	Balance, December 31, <u>2022</u>
Bulletproof Vest Partnership Grant	\$ 382		\$ 382
Body Worn Camera Grant	<u>44,836</u>	<u>\$ 44,836</u>	<u>-</u>
	<u>\$ 45,218</u>	<u>\$ 44,836</u>	<u>\$ 382</u>

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

Year	Balance, December 31,	2022	Senior Citizens' and Veterans' Deductions	Cash Collections		Senior Citizens' and Veterans' Deductions	Tax Appeal Judgement	Remitted, Abated or Cancelled	Balance, December 31,
	<u>2021</u>	<u>Levy</u>	<u>Disallowed</u>	<u>2021</u>	<u>2022</u>	<u>Allowed</u>	<u>Credits Applied</u>		<u>2022</u>
2021	\$ 201,539	-			\$ 201,443			\$ 96	
2022	<u>-</u>	<u>\$ 49,037,383</u>	<u>\$ 250</u>	<u>\$ 461,499</u>	<u>47,910,123</u>	<u>\$ 54,500</u>	<u>\$ 308,900</u>	<u>48,080</u>	<u>\$ 254,531</u>
	<u>\$ 201,539</u>	<u>\$ 49,037,383</u>	<u>\$ 250</u>	<u>\$ 461,499</u>	<u>\$ 48,111,566</u>	<u>\$ 54,500</u>	<u>\$ 308,900</u>	<u>\$ 48,176</u>	<u>\$ 254,531</u>

Analysis of 2022 Property Tax Levy

TAX YIELD

General Purpose Tax	\$ 48,693,351
Added and Omitted Taxes (54:4-63.10 et seq.)	<u>344,032</u>
	<u>\$ 49,037,383</u>

TAX LEVY

Local District School Taxes	\$ 32,097,370
County Taxes - General	\$ 4,410,364
County Open Space Preservation Tax	182,982
Due County for Added and Omitted Taxes (54:4-63.10 et seq.)	<u>32,535</u>
	4,625,881
Municipal Open Space Tax	110,344
Municipal Open Space Tax-Added Taxes	<u>780</u>
	111,124
Local Tax for Municipal Purposes	11,253,369
Minimum Library Tax	634,889
Add Additional Tax Levied	<u>314,750</u>
	<u>12,203,008</u>
	<u>\$ 49,037,383</u>

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

Balance, December 31, 2021	<u>\$ 100,650</u>
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Balance, December 31, 2022	<u><u>\$ 100,650</u></u>
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**BOROUGH OF PARK RIDGE
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE**

	Balance, December 31, <u>2021</u>	Accrued in <u>2022</u>	Collected in <u>2022</u>	Balance, December 31, <u>2022</u>
Borough Clerk				
Licenses				
Alcoholic Beverages		\$ 19,315	\$ 19,315	
Fire Code Department				
Fees and Permits		64,780	64,780	
Health Officer and Registrar				
Fees and Permits		26,714	26,714	
Municipal Court				
Fines and Costs	\$ 3,921	60,296	59,028	\$ 5,189
Interest and Cost on Taxes		69,345	69,345	
Interest on Investments		119,179	119,179	
Insurance Fund Dividends		25,000	25,000	
Hotel Tax		219,425	219,425	
Recycling Program		16,025	16,025	
Cable Television Franchise Fee		141,059	141,059	
Water Utility Rental Fees		105,000	105,000	
Electric Utility Rental Fees		30,000	30,000	
Pistol Range Fee		32,500	32,500	
Tri-Boro Safety Corps		56,342	56,342	
Tri-Boro Safety Corps. - Prior Year Balance		40,197	40,197	
Energy Receipts Tax		382,598	382,598	
Watershed Moratorium Offset Aid		1,598	1,598	
Uniform Construction Code Fees		248,326	248,326	
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		12,777	12,777	
Library Reimbursements		61,000	61,000	
Excess Sewer User Fees	\$ 15,013	63,086	74,830	3,269
Sprint Cell Tower Rent		104,653	104,653	
Park Ridge Transit - PILOT		398,569	398,569	
Police Outside Duty Fees	-	138,447	138,447	-
	<u>\$ 18,934</u>	<u>\$ 3,191,231</u>	<u>\$ 3,201,707</u>	<u>\$ 8,458</u>

Cash Receipts	\$ 3,127,327
Due from Animal Control Trust Fund	231
Due from Other Trust Fund	23,774
Due from General Capital Fund	21,788
Due from Electric Utility Operating Fund	28,458
Due from Public Assistance Fund	129
	<u>\$ 3,201,707</u>

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

Balance, December 31, 2021	\$ 21,588
Increased by:	
Cash Disbursements	<u>1,984</u>
	23,572
Decreased by:	
Cash Receipts	<u>19,081</u>
Balance, December 31, 2022	<u>\$ 4,491</u>

STATEMENT OF DEFERRED CHARGES

	Balance, December 31, <u>2021</u>	Amount Resulting from 2022	Amount Raised in <u>2022</u>	Balance, December 31, <u>2022</u>
Emergency Authorization	\$ 24,012		\$ 24,012	
Overexpenditure of Appropriations	1,268	\$ 33,990	1,268	\$ 33,990
Overexpenditure of Appropriation Reserves	<u>5,692</u>	<u>-</u>	<u>5,692</u>	<u>-</u>
	<u>\$ 30,972</u>	<u>\$ 33,990</u>	<u>\$ 30,972</u>	<u>\$ 33,990</u>

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

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	Net Amount <u>Authorized</u>	1/5 of Net Amount <u>Authorized</u>	Balance, December 31, <u>2021</u>	Raised in <u>2022 Budget</u>	Balance, December 31, <u>2022</u>
12/8/2020	COVID-19 Revenue Loss	\$ 260,000	\$ 52,000	<u>\$ 260,000</u>	<u>\$ 52,000</u>	<u>\$ 208,000</u>
				<u>\$ 260,000</u>	<u>\$ 52,000</u>	<u>\$ 208,000</u>

BOROUGH OF PARK RIDGE
STATEMENT OF 2021 APPROPRIATION RESERVES

	Balance, December 31, <u>2021</u>	Balance After <u>Modification</u>	<u>Expended</u>	Balance <u>Lapsed</u>
Salaries and Wages				
General Administration	\$ 548	\$ 548	\$ 548	
Municipal Clerk	1,893	1,893	1,893	
Financial Administration	6,781	6,781	6,781	
Revenue Administration	866	866	866	
Tax Assessment Administration	700	700	700	
Planning Board	229	229	229	
Zoning Board Adjustment	1,425	1,425	1,425	
Zoning Officer	31	31	31	
Housing Task Force	48	48	48	
Uniform Construction Code	711	711	191	\$ 520
Police	947	947	947	
Police Reserve	600	600		600
Emergency Management Services	6,000	6,000	6,000	
Fire Prevention/Uniform Fire Code	367	367		367
Road Repairs and Maintenance	7,561	7,561	7,561	
Sewer System	1,280	1,280	1,280	
Public Buildings & Grounds	569	569		569
Maintenance of Vehicles	601	601		601
Board of Health	10	10		10
Public Assistance	415	415		415
Recreation	161	161		161
Senior Citizen	165	165		165
Park Ridge Television	760	760	-	760
Total Salaries & Wages	<u>32,668</u>	<u>32,668</u>	<u>28,500</u>	<u>4,168</u>
Other Expenses				
General Administration	2,508	2,508	1,346	1,162
Municipal Clerk	297	297	297	
Mayor and Council	4,774	4,774	175	4,599
Financial Administration	5,136	5,136	5,084	52
Audit Services	46,500	46,500	23,045	23,455
Revenue Administration	5,806	5,806		5,806
Tax Assessment Administration	3,065	3,065		3,065
Legal Services & Costs	46,981	46,981	17,587	29,394
Engineering Services & Costs	15,236	15,236		15,236
Park Ridge Television	168	168		168
Planning Board	3,067	3,067		3,067
Zoning Board of Adjustment	1,709	1,709		1,709
Zoning Officer	1,069	1,069		1,069
Housing Task Force	137	137		137
Uniform Construction Code	325	1,060		1,060
Insurance				
General Liability	41,634	41,634	41,634	
Group Insurance for Employees	8,143	8,143	4,361	3,782
Group Insurance Waiver for Employees	1,933	1,933		1,933
Tri-Boro Ambulance	8,500	8,500		8,500
Police	34,242	34,242	4,307	29,935
Police Reserve	19,123	19,123		19,123
Pistol Range	4,450	4,929		4,929

BOROUGH OF PARK RIDGE
STATEMENT OF 2021 APPROPRIATION RESERVES

	Balance, December 31, 2021	Balance After Modification	Expended	Balance Lapsed
Emergency Management Services	\$ 58	\$ 58		\$ 58
Fire	597	6,644		6,644
Fire Hydrant Services	1,867	1,867		1,867
Tri Boro Safety Corps	20,385	20,385	\$ 5,955	14,430
Fire Prevention/Uniform Fire Codes	3,698	3,985		3,985
Municipal Court	39,636	39,636	27,150	12,486
Road Repairs and Maintenance	6,564	6,564	6,564	
Solid Waste Collection - Sanitation	4,033	4,033	4,033	
Solid Waste Collection - Recycling	1,282	1,282	954	328
Public Buildings & Grounds	37,162	37,162	37,162	
Maintenance of Vehicles	1,392	6,196		6,196
Board of Health	5,696	5,696		5,696
Public Assistance	1,300	1,300		1,300
Municipal Services Act	16,112	16,112		16,112
Celebration of Public Events	992	992		992
Recreation	10,374	10,374	1,361	9,013
Electric	13,415	13,415	3,698	9,717
Telephone/Communication	11,491	11,491		11,491
Water	2,291	2,291		2,291
Gas and Oil	2,369	2,369		2,369
Gasoline	2,524	2,524	2,524	
Sewer System	535	1,035		1,035
Shade Tree	2,221	2,221	500	1,721
Landfill/Solid Waste Disposal Costs				
Dumping Fees	36,440	36,440	18,200	18,240
Recycling Tax	11,000	11,000	1,665	9,335
Social Security System	5,864	5,864		5,864
Defined Contribution Retirement Plan	797	797		797
Police & Firemen Retirement System	9	9		9
Public Employees Retirement System	2	2		2
Bergen County Utilities Authority-Sewer Fees	163	163		163
Maintenance of Free Public Library	21,657	21,657	21,657	
Fire Department LOSAP	50,000	50,000	49,445	555
Tri-Borough Ambulance LOSAP	20,000	20,000	10,798	9,202
DDEF	800	800	800	
Body Armor Grant	1,666	1,666	1,666	-
Total Other Expenses	589,195	602,047	291,968	310,079
Total	\$ 621,863	\$ 634,715	\$ 320,468	\$ 314,247

Balance, December 31, 2021	\$ 621,863
Encumbrances Cancelled	12,852
Cash Disbursements	\$ 240,841
Transferred to Accounts Payable	1,215
Transferred to Other Trust Fund - Miscellaneous Reserves	
Accumulated Absences	30,000
Storm Recovery	48,327
Transferred to Appropriated Grant Reserves	- 85
	<u>\$ 634,715</u>
	<u>\$ 320,468</u>

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

Balance, December 31, 2021		\$	223,235
Increased by:			
Charges to 2022 Budget Appropriations			<u>262,350</u>
			485,585
Decreased by			
Payments	\$	209,668	
Cancellations Restored to Appropriation Reserves		12,852	
Cancellations Restored to Appropriated Grant Reserves		<u>715</u>	
			<u>223,235</u>
Balance, December 31, 2022		\$	<u><u>262,350</u></u>

EXHIBIT A-17

STATEMENT OF ACCOUNTS PAYABLE

Increased by:			
Transferred from 2021 Appropriation Reserves		\$	<u>1,215</u>
Balance, December 31, 2022		\$	<u><u>1,215</u></u>

EXHIBIT A-18

STATEMENT OF TAX OVERPAYMENTS

Balance, December 31, 2021		\$	2,465
Increased by:			
Overpayments in 2022			<u>23,031</u>
			25,496
Decreased by:			
Overpayments Refunded			<u>25,496</u>
Balance, December 31, 2022		\$	<u><u>-</u></u>

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

Balance, December 31, 2021	\$ 461,499
Increased by:	
Collection of 2023 Taxes	<u>302,901</u>
	764,400
Decreased by:	
Applied to 2022 Taxes Receivable	<u>461,499</u>
Balance, December 31, 2022	<u><u>\$ 302,901</u></u>

STATEMENT OF COUNTY TAXES PAYABLE

Balance, December 31, 2021	\$ 2,883
Increased by:	
2022 Levy	
General County	\$ 4,410,364
County Open Space Preservation	182,982
Added and Omitted Taxes (RS 54:4-63.1 et seq.)	<u>32,535</u>
	<u>4,625,881</u>
	4,628,764
Decreased by:	
Payments	<u>4,596,229</u>
Balance, December 31, 2022	<u><u>\$ 32,535</u></u>

STATEMENT OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Increased by:	
2022 Calendar Year Levy	\$ 32,097,370
Decreased by:	
Payments	<u><u>\$ 32,097,370</u></u>

BOROUGH OF PARK RIDGE
STATEMENT OF MUNICIPAL OPEN SPACE TAXES PAYABLE

Increased by:

2022 Levy	\$ 110,344	
Added and Omitted Taxes (RS 54:4-63.1 et seq.)	<u>780</u>	
		\$ 111,124

Decreased by:

Due to Open Space Preservation Trust Fund		<u>\$ 111,124</u>
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EXHIBIT A-23

STATEMENT OF PILOT OVERPAYMENTS

Balance, December 31, 2021	\$ 148,686
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Increased by:

Overpayments in 2022	<u>157,500</u>
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306,186

Decreased by:

Refunds	<u>148,686</u>
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Balance, December 31, 2022	<u>\$ 157,500</u>
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EXHIBIT A-24

STATEMENT OF COUNTY PILOT PAYABLE

Balance, December 31, 2021	\$ 9,245
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Increased by:

2022 PILOT Proceeds Due County	<u>20,647</u>
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Balance, December 31, 2022	<u>\$ 29,892</u>
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EXHIBIT A-25

STATEMENT OF FEES PAYABLE

	Balance, December 31, <u>2021</u>	Fees <u>Collected</u>	<u>Payments</u>	Balance, December 31, <u>2022</u>
Due State of New Jersey				
Marriage License Fees	\$ 100	\$ 575	\$ 675	
State Construction Code Fees	<u>22</u>	<u>10,907</u>	<u>8,533</u>	\$ 2,396
	<u>\$ 122</u>	<u>\$ 11,482</u>	<u>\$ 9,208</u>	<u>\$ 2,396</u>

BOROUGH OF PARK RIDGE
STATEMENT OF TAX APPEAL JUDGEMENTS PAYABLE

Balance, December 31, 2021	\$ 513,435
Increased by:	
Transferred from Reserve for Tax Appeals	<u>476,475</u>
	989,910
Decreased by:	
Applied to 2022 Taxes Receivable	<u>308,900</u>
Balance, December 31, 2022	<u><u>\$ 681,010</u></u>

STATEMENT OF RESERVE FOR TAX APPEALS

Increased by:		
Transferred from 2022 Tax Collections	\$ 100,000	
Transferred from 2022 Budget Appropriation	<u>485,000</u>	
		<u>\$ 585,000</u>
Decreased by:		
Tax Judgments Refunded	\$ 18,215	
Tax Judgements Transferred to Tax Appeal Judgements Payable	<u>476,475</u>	
		<u><u>494,690</u></u>
Balance, December 31, 2022		<u><u>\$ 90,310</u></u>

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

Balance, December 31, 2021	\$ <u>150,000</u>
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Balance, December 31, 2022	\$ <u>150,000</u>
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STATEMENT OF DUE TO ELECTRIC UTILITY CAPITAL FUND

Balance, December 31, 2021	\$ <u>5,000</u>
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Balance, December 31, 2021	\$ <u>5,000</u>
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STATEMENT OF DUE TO/FROM MUNICIPAL LIBRARY

Balance, December 31, 2021 (Due To)	\$ 4,744
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Decreased by:

Cancelled to Operations	\$ 4,744	
Cash Disbursements	<u>22,365</u>	
		<u>27,109</u>

Balance, December 31, 2022 (Due From)	\$ <u>22,365</u>
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Analysis of Balance Due:

2021 Overpayment	\$ 20,401	
2022 Overpayment	<u>1,964</u>	
		<u>\$ 22,365</u>

BOROUGH OF PARK RIDGE
STATEMENT OF RESERVE FOR APPROPRIATED GRANTS

	Balance, December 31, <u>2021</u>	Encumbrances Payable <u>Cancelled</u>	Transferred from 2021 Appropriation <u>Reserves</u>	Balance, December 31, <u>2022</u>
Occupant Protection Grant	\$ 4,402			\$ 4,402
Clean Communities Grant	277			277
Alcohol Education and Rehab.-DWI Court	3,404			3,404
Domestic Violence Grant	2,178			2,178
Federal Forestry Grant	3,000			3,000
Body Armor Replacement Fund	4,324			4,324
Bulletproof Vest Partnership Grant	382			382
Recycling Tonnage Grant	10,846			10,846
Drunk Driving Enforcement Fund	3,654	\$ 715	\$ 85	4,454
Bergen County Green Team Grant	26			26
JIF Safety Grant	576			576
Bergen County Mini Grant	700	-	-	700
	<u>\$ 33,769</u>	<u>\$ 715</u>	<u>\$ 85</u>	<u>\$ 34,569</u>

EXHIBIT A-32

STATEMENT OF RESERVE FOR GRANTS AND AID - UNAPPROPRIATED

	Balance, December 31, <u>2021</u>	<u>Received</u>	Realized in 2022 <u>Budget</u>	Balance, December 31, <u>2022</u>
Clean Communities Program	\$ 18,788	\$ 18,859	\$ 18,788	\$ 18,859
Recycling Tonnage Grant	15,296	11,189	15,296	11,189
Municipal Alliance Program	444		444	
American Rescue Plan	454,994	454,994	909,988	
Body Armor Grant		2,854		2,854
State Forestry Grant		6,500		6,500
Economic Redevelopment Growth Grant		10,000		10,000
JIF Safety Grant	1,000	-	1,000	-
Municipal Relief Fund	-	19,958	-	19,958
	<u>\$ 490,522</u>	<u>\$ 524,354</u>	<u>\$ 945,516</u>	<u>\$ 69,360</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, 2021 (Restated)	\$ 16,987	\$ 1,445,890	\$ 104,737	\$ 162,412	\$ 423,627
Increased by Receipts:					
Developers Escrow					
Unemployment - Employee Contributions		\$ 111,899	\$ 10,610		
Contributions Receivable					
Payroll Deposits		16,650,304			
Due to State of NJ - Registration Fees	\$ 578				
Dog License Fees	4,274				
Cat License Fees	416				
Police Outside Duty Receivable		668,600			
Miscellaneous Reserves and Deposits		511,651			
Interest on Deposits	231	23,774	1,466	\$ 1,371	\$ 5,602
Receipts from Current Fund				110,693	
Developers Fees	-	-	-	-	7,943
	<u>5,499</u>	<u>17,966,228</u>	<u>12,076</u>	<u>112,064</u>	<u>13,545</u>
	22,486	19,412,118	116,813	274,476	437,172
Decreased by Disbursements:					
Developers Escrow		124,158			
Payroll Payments		16,699,115			
Payments to Current Fund	176	21,252			
Payments to General Capital Fund					
Dog License Fees Paid to State of NJ	601				
Reserve for Animal Control Expenditures	2,483				
Due to State - Unemployment Claims			9,992		
Miscellaneous Reserves and Deposits		1,130,214			
Reserve for Open Space Expenditures				69,860	
Reserve for Affordable Housing Expenditures	-	-	-	-	4,327
	<u>3,260</u>	<u>17,974,739</u>	<u>9,992</u>	<u>69,860</u>	<u>4,327</u>
Balance, December 31, 2022	\$ <u>19,226</u>	\$ <u>1,437,379</u>	\$ <u>106,821</u>	\$ <u>204,616</u>	\$ <u>432,845</u>

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

Balance, December 31, 2021	\$ 138
Increased by:	
State Fees Collected	<u>578</u>
	716
Decreased by:	
Payments to State	<u>601</u>
Balance, December 31, 2022	<u>\$ 115</u>

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

Balance, December 31, 2021	\$ 5,076
Increased by:	
Interest on Deposits	\$ 231
Statutory Excess in Reserve	<u>4,518</u>
	<u>4,749</u>
	9,825
Decreased by:	
Payments to Current Fund	<u>176</u>
Balance, December 31, 2022	<u>\$ 9,649</u>

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

Balance, December 31, 2021	\$ 11,773
Increased by:	
Dog License Fees	\$ 4,274
Cat License Fees	<u>416</u>
	<u>4,690</u>
	16,463
Decreased by:	
Disbursements for Expenditures Under R.S. 4:19-15.11:	2,483
Statutory Excess Due to Current Fund	<u>4,518</u>
	<u>7,001</u>
Balance, December 31, 2022	<u>\$ 9,462</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF DUE FROM CURRENT FUND
OPEN SPACE PRESERVATION TRUST FUND**

Balance, December 31, 2021		\$ 110,693
Increased by:		
2022 Levy	\$ 110,344	
Added and Omitted Taxes	<u>780</u>	
		<u>111,124</u>
		221,817
Decreased by:		
Receipts from Current Fund		<u>110,693</u>
Balance, December 31, 2022		<u>\$ 111,124</u>

EXHIBIT B-8

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

Increased by:		
Unemployment Claims		\$ 11,736
Decreased by:		
Payments to State		<u>9,992</u>
Balance, December 31, 2022		<u>\$ 1,744</u>

EXHIBIT B-9

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

Balance, December 31, 2021		\$ 104,737
Increased by:		
Employee Contributions	\$ 10,610	
Interest on Deposits	<u>1,466</u>	
		<u>12,076</u>
		116,813
Decrease by:		
Unemployment Claims Due to State		<u>11,736</u>
Balance, December 31, 2022		<u>\$ 105,077</u>

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

Balance, December 31, 2021		\$ 265,771
Increased by:		
Municipal Open Space Tax Levy - Due from Current Fund	\$ 110,344	
Municipal Open Space Added Taxes - Due from Current Fund	<u>780</u>	
	\$ 111,124	
Interest on Deposits	<u>1,371</u>	
		<u>112,495</u>
		378,266
Decreased by:		
Disbursements for Open Space Expenditures	69,860	
Appropriated to Finance Improvement Authorization Due to General Capital Fund	<u>92,500</u>	
		<u>162,360</u>
Balance, December 31, 2022		<u>\$ 215,906</u>

EXHIBIT B-11

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

Balance, December 31, 2021		\$ 423,627
Increased by:		
Developers Fees	\$ 7,943	
Interest on Deposits	<u>5,602</u>	
		<u>13,545</u>
		437,172
Decreased by:		
Disbursements for Affordable Housing Expenditures		<u>4,327</u>
Balance, December 31, 2022		<u>\$ 432,845</u>

EXHIBIT B-12

**STATEMENT OF POLICE OUTSIDE DUTY RECEIVABLE
OTHER TRUST FUND**

Balance, December 31, 2021		\$ 53,767
Increased by:		
Police Outside Duty Billings		<u>707,878</u>
		761,645
Decreased by:		
Cash Receipts		<u>668,600</u>
Balance, December 31, 2022		<u>\$ 93,045</u>

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

Balance, December 31, 2021 (Restated)	\$ 689,631
Increased by:	
Cash Receipts	<u>111,899</u>
	801,530
Decreased by:	
Cash Disbursements	<u>124,158</u>
Balance, December 31, 2022	<u>\$ 677,372</u>

EXHIBIT B-14

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

Balance, December 31, 2021	\$ 80,192
Increased by:	
Payroll Deposits	<u>16,650,304</u>
	16,730,496
Decreased by:	
Payroll Disbursements	<u>16,699,115</u>
Balance, December 31, 2022	<u>\$ 31,381</u>

EXHIBIT B-15

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

Balance, December 31, 2021 (Due To)	\$ 3,032
Increased by:	
Interest Earned	<u>23,774</u>
	26,806
Decreased by:	
Transfer from Current Fund - 2021 Appropriation Reserves	
Miscellaneous Reserves and Deposits:	
Accumulated Absences	\$ 30,000
Storm Recovery	48,327
Payments to Current Fund	<u>21,252</u>
	<u>99,579</u>
Balance, December 31, 2022 (Due From)	<u>\$ 72,773</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF CONTRIBUTIONS RECEIVABLE
OPEN SPACE PRESERVATION TRUST FUND**

Balance, December 31, 2021	\$ <u>7,333</u>
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Balance, December 31, 2021	\$ <u>7,333</u>
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Analysis of Balance December 31, 2022

Park Ridge Athletic Association	\$ <u>7,333</u>
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**STATEMENT OF DUE FROM WATER UTILITY OPERATING FUND
OTHER TRUST FUND**

Increased by:

Transfer from 2021 Appropriation Reserves - Accumulated Absences Reserve	\$ <u>10,000</u>
--	------------------

Balance, December 31, 2022	\$ <u>10,000</u>
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**STATEMENT OF DUE FROM ELECTRIC UTILITY OPERATING FUND
OTHER TRUST FUND**

Increased by:

Transfer from 2021 Appropriation Reserves - Accumulated Absences Reserve	\$ <u>10,000</u>
--	------------------

Balance, December 31, 2022	\$ <u>10,000</u>
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**BOROUGH OF PARK RIDGE
STATEMENT OF MISCELLANEOUS RESERVES AND DEPOSITS
OTHER TRUST FUND**

	Balance, December 31, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2022</u>
Fire Prevention Penalty Fees	\$ 11,808	\$ 4,625		\$ 16,433
DARE Donations	24,427	7,459	\$ 17,584	14,302
Recreation Fees	116,472	115,549	98,092	133,929
Tax Sale Premiums	144,000	24,400	117,900	50,500
Fuel Depot Fees (Community Resale)	2,410	323,339	306,370	19,379
UCC Penalties	1,510			1,510
Outside Police Duty Fees	184,713	668,600	533,923	319,390
Storm Recovery	65,000	48,327		113,327
Accumulated Absences	50,048	50,000		100,048
Recreation Fees - Golden Age Club	9,058	7,737	5,480	11,315
Miscellaneous Fees and Deposits	<u>63,589</u>	<u>28,542</u>	<u>50,865</u>	<u>41,266</u>
	<u>\$ 673,035</u>	<u>\$ 1,278,578</u>	<u>\$ 1,130,214</u>	<u>\$ 821,399</u>

Cash Receipts	\$ 511,651	
Police Outside Duty Receivable-Collections	668,600	
Due from Current Fund	78,327	
Due from Water Utility Operating Fund	10,000	
Due from Electric Utility Operating Fund	10,000	
Cash Disbursements	<u>-</u>	<u>\$ 1,130,214</u>
	<u>\$ 1,278,578</u>	<u>\$ 1,130,214</u>

Analysis of Miscellaneous Fees and Deposits - December 31, 2022

Recreation Fees - Mayor's Golf Outing	\$ 20,200
DARE Donations - Junior Police Academy	24,791
Borough 125th Anniversary Donations	(3,856)
Park Ridge TV Donations	110
Other Deposits	<u>21</u>
	<u>\$ 41,266</u>

GENERAL CAPITAL

BOROUGH OF PARK RIDGE
STATEMENT OF GENERAL CAPITAL CASH AND INVESTMENTS

Balance, December 31, 2021		\$ 16,261
Increased by Receipts:		
Grants Receivable	\$ 81,656	
Interest Earned	21,788	
Bond Anticipation Notes Issued	2,422,488	
Premium on Bond Anticipation Notes Issued	46,451	
Receipts from Current Fund	500,000	
Receipts for Electric Utility Capital Fund	75,000	
Receipts for Water Utility Capital Fund	<u>245,000</u>	
		<u>3,392,383</u>
		3,408,644
Decreased by Disbursements:		
Improvement Authorizations	309,518	
Encumbrances Payable	839,577	
Bond Anticipation Notes	86,642	
Reserve for Preliminary Expenses	7,109	
Payments to Current Fund	<u>516,668</u>	
		<u>1,759,514</u>
Balance, December 31, 2022		<u>\$ 1,649,130</u>

BOROUGH OF PARK RIDGE
ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

	Balance, December 31, <u>2022</u>
Fund Balance	\$ 68,184
Reserve for Preliminary Expenses	7,371
Reserve for Community Center	508,675
Reserve for Sewer Improvements	208,260
Reserve for Payment of Debt	100
Encumbrances Payable	1,624,016
Capital Improvement Fund	345,000
Grants Receivable	(519,229)
Due to Current Fund	(455,939)
Due from Municipal Open Space Trust Fund	(107,167)
Due from Water Utility Capital Fund	226,250
Due from Electric Utility Capital Fund	56,250
Contributions Receivable	(14,000)
Excess Note Proceeds	216,174

Improvement Authorizations:

<u>Ord. No.</u>	<u>Description</u>	
07-07A	Improvements to Mill Pond Dam & Engineering Dredging	29,663
07-7B	Engineering & Design for Dredging Mill Pond	52,861
16-11	Various Improvements and Acq. Of Equipment	41,415
16-15	Various Improvements and Acq. Of Equipment	175,670
17-10	Various Capital Improvements and Acquisitions	3,547
18-16	Repair of the 55 Park Avenue Bridge	180,292
19-08	2019 Road, Curb, Drainage and Sidewalk Program	(2,249)
19-09	Improvements to Turf Field at Memorial Field	5,475
19-10	2019 Road, Curb, Drainage and Sidewalk Program	3,752
19-24	Various Capital Improvements and Acquisitions	539
20-04	Various Equipment Purchases	2,474
20-05	2020 Road, Curb, Drainage and Sidewalk Improvements	100,714
20-06	Acquisition of New Additional or Replacement Equipment	(8,877)
21-01	Improvement to North Fifth Street	164,093
21-03	Installation of New Playground Equipment at Memorial Field	108,337
21-06	Improvements to Sulak Field Dugouts	7,333
21-22	Various Public Improvements and Acquisitions	60,537
21-23	Acquisition of a New Rescue Fire Truck	(702,092)
21-26	Replacement of the Turf Field at Memorial Field	11,947
22-03	Acquisition of Real Property for Open Space Purposes	185,000
22-12	Various Public Improvements and Acquisition of Equipment	(952,338)
22-16	Acquisition of Real Property for Passive Recreation Purposes	17,092
		<u>\$ 1,649,130</u>

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

Ord. No.	Agency	Balance, December 31, 2021	2022 Awards	Cash Receipts	December 31, 2022	Balance Pledged To:	
						Improvement Authorization	Reserve
16-11	DEP - Woodcliff Lake Reservoir Walkway	\$ 24,000			\$ 24,000		\$ 24,000
16-15	DOT - Mill Road Improvements						
16-15	DOT - Park Avenue Improvements	220,000			220,000	\$ 220,000	
19-09	County of Bergen Open Space - Memorial Field Turf	81,656		\$ 81,656			
19-10	DOT - Quackenbush to Pascack Improvements	106,729			106,729	106,729	
20-05	DOT - 2020 Road Program	121,313			121,313		121,313
21-01	DOT - North Fifth Street Improvements	95,546			95,546		95,546
21-03	County of Bergen Open Space - Playground at Memorial Field	150,000			150,000		150,000
21-22	County of Bergen - Tri-Boro Dispatch Center	100,000			100,000	100,000	
22-03	County of Bergen Open Space - Acquisition of Real Property	-	\$ 92,500	-	92,500	92,500	-
		<u>\$ 899,244</u>	<u>\$ 92,500</u>	<u>\$ 81,656</u>	<u>\$ 910,088</u>	<u>\$ 519,229</u>	<u>\$ 390,859</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF CONTRIBUTIONS RECEIVABLE**

Balance, December 31, 2021	\$ 28,000
Decreased by:	
Receipts Deposited in Current Fund	<u>14,000</u>
Balance, December 31, 2022	<u><u>\$ 14,000</u></u>
Borough of Woodcliff Lake	<u><u>\$ 14,000</u></u>

STATEMENT OF DUE FROM OPEN SPACE PRESERVATION TRUST FUND

Balance, December 31, 2021	\$ 14,667
Increased by:	
Open Space Funds Appropriated to Finance Improvement Authorizations	<u>92,500</u>
Balance, December 31, 2022	<u><u>\$ 107,167</u></u>

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2021	\$ 7,709,305
Decreased by:	
2022 Budget Appropriations	
General Serial Bonds	\$1,595,000
Green Trust Loan	<u>95,311</u>
	<u>1,690,311</u>
Balance, December 31, 2022	<u><u>\$ 6,018,994</u></u>

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

Balance, December 31, 2021		\$ 1,313,395
Increased by:		
Charges to Improvement Authorizations		<u>1,170,362</u>
		2,483,757
Decreased by:		
Cash Disbursements	\$ 839,577	
Cancellations Restored to Improvement Authorizations	<u>20,164</u>	
		<u>859,741</u>
Balance, December 31, 2022		<u>\$ 1,624,016</u>

STATEMENT OF DUE TO/FROM CURRENT FUND

Balance, December 31, 2021 (Due To)		\$ 8,737
Increased by:		
Interest Earned	\$ 21,788	
General Capital Expenditures Paid by Current Fund	24,868	
Receipts from Current Fund	<u>500,000</u>	
		<u>546,656</u>
		555,393
Decreased by:		
Budget Appropriation:		
Capital Improvement Fund	453,000	
Contribution Receivable Received in Current Fund	14,000	
Contributions from Participating Municipalities - Deferred Charges Unfunded	27,664	
Payments to Current Fund	<u>516,668</u>	
		<u>1,011,332</u>
Balance, December 31, 2022 (Due From)		<u>\$ 455,939</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ord. No.	Improvement Description	Ordinance Amount	Balance, December 31, 2021		Deferred Charges Unfunded	2022 Authorizations					Balance, December 31, 2022		
			Funded	Unfunded		Grant Awards	Capital Improvement Fund	Municipal Open Space Trust	Encumbrances Payable Canceled	Paid or Charged	Funded	Unfunded	
07-7A-08-8F	Repairs of Mill Pond Dam	\$ 1,293,800	\$ 29,663									\$ 29,663	
07-7B	Engineering & Design for Dredging Mill Pond	200,000	52,861									52,861	
16-11	Various Improvements and Acq. Of Equipment	253,737	41,415									41,415	
16-15	Various Improvements and Acq. Of Equipment	461,567	175,670									175,670	
17-10	Various Capital Improvements and Acquisitions	82,881	3,547									3,547	
18-16	Repair of the 55 Park Avenue Bridge	325,000	11,579	\$ 157,703					\$ 18,713			30,292	\$ 157,703
19-08	2019 Road, Curb, Drainage and Sidewalk Program	846,000							1,451				1,451
19-09	Improvements to Turf Field at Memorial Field	868,000		18,893						\$ 13,418			5,475
19-10	2019 Road, Curb, Drainage and Sidewalk Program	540,000		3,752									3,752
19-24	Various Capital Improvements and Acquisitions	171,200	539									539	
20-04	Various Equipment Purchases	35,653	2,474									2,474	
20-05	2020 Road, Curb, Drainage and Sidewalk Improvements	700,000		109,664							8,950		100,714
20-06	Acquisition of New Additional or Replacement Equipment	225,634		35,339							29,863		5,476
21-01	Improvement to North Fifth Street	490,000		277,025							112,932		164,093
21-03	Installation of New Playground Equipment at Memorial Field	300,000		108,337									108,337
21-06	Improvements to Sulak Field Dugouts	22,000	7,333									7,333	
21-22	Various Public Improvements and Acquisitions	549,000		308,714							248,177		60,537
21-23	Acquisition of a New Rescue Fire Truck	765,000		25,408									25,408
21-26	Replacement of the Turf Field at Memorial Field	590,000		60,109							48,162		11,947
22-03	Acquisition of Real Property for Open Space Purposes	185,000				\$ 92,500		\$ 92,500				185,000	
22-12	Various Public Improvements and Acquisition of Equipment	1,725,000		\$ 1,642,000			\$ 83,000				1,035,338		689,662
22-16	Acquisition of Real Property for Passive Recreation Purposes	515,000	-	-	490,000	-	25,000	-	-		7,908	17,092	490,000
			\$ 325,081	\$ 1,104,944	\$ 2,132,000	\$ 92,500	\$ 108,000	\$ 92,500	\$ 20,164	\$ 1,504,748	\$ 545,886	\$ 1,824,555	
							Cash Disbursed			\$ 309,518			
							Due to Current Fund			24,868			
							Contracts Payable			1,170,362			
										\$ 1,504,748			

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

Ord. No.	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate		Balance, December 31, 2021	Increased	Decreased	Balance, December 31, 2022
18-09	Acquisition of New Additional or Replacement Equipment	5/1/19	5/1/2020 4/29/2022	4/30/2021 4/28/2023	1.19 3.25	% \$	350,000	\$ 308,278	\$ 350,000	\$ 308,278
18-10	Refurbishment of Police Pistol Range	4/26/22	4/29/2022	4/28/2023	3.25			8,369		8,369
18-12	Acquisition of Police SUV	4/29/22	4/29/2022	4/28/2023	3.25			34,806		34,806
18-14	Acquisition of Hydraulic Lift Trailer	4/29/22	4/29/2022	4/28/2023	3.25			14,200		14,200
18-16	Repair of the 55 Park Avenue Bridge	4/29/22	4/30/2021 4/29/2022	4/29/2022 4/28/2023	1.00 3.25		150,000	150,000	150,000	150,000
19-08	2019 Road, Curb, Drainage and Sidewalk Imprvt Program	5/1/19	5/1/2020 4/29/2022	4/30/2021 4/28/2023	1.19 3.25		800,000	757,894	800,000	757,894
19-09	Replacement and Expansion of Turf at Memorial Field	5/1/19	5/1/2020 4/29/2022	4/30/2021 4/28/2023	1.19 3.25		820,000	776,842	820,000	776,842
19-10	2019 Road, Curb, Drainage and Sidewalk Improvements	4/30/21	4/30/2021 4/29/2022	4/29/2022 4/28/2023	1.00 3.25		150,000	90,880	150,000	90,880
19-15	Acquisition of New Additional or Replacement Equipment	4/30/21	4/30/2021 4/29/2022	4/29/2022 4/28/2023	1.00 3.25		130,000	123,464	130,000	123,464
20-05	2020 Road, Curb, Drainage and Sidewalk Improvements	4/30/21	4/30/2021 4/29/2022	4/29/2022 4/28/2023	1.00 3.25		70,000	571,313	70,000	571,313
20-06	Acquisition of New Additional or Replacement Equipment	4/30/21	4/30/2021 4/29/2022	4/29/2022 4/28/2023	1.00 3.25		200,000	200,000	200,000	200,000
2021-01	Improvement to North Fifth Street	4/29/22	4/29/2022	4/28/2023	3.25			490,000		490,000
2021-03	Installation of Playground at Memorial Field	4/29/22	4/29/2022	4/28/2023	3.25			150,000		150,000
2021-22	Various Improvements and Acquisitions	4/29/22	4/29/2022	4/28/2023	3.25			400,000		400,000
2021-26	Replacement of Turf Field at Memorial Field	4/29/22	4/29/2022	4/28/2023	3.25			561,900		561,900
2021-27	2021 Road Program	4/29/22	4/29/2022	4/28/2023	3.25		-	261,900	-	261,900
							<u>\$ 2,670,000</u>	<u>\$ 4,899,846</u>	<u>\$ 2,670,000</u>	<u>\$ 4,899,846</u>
								\$ 2,422,488		
									\$ 86,642	
									106,000	
								2,477,358	2,477,358	
							<u>\$ 4,899,846</u>	<u>\$ 2,670,000</u>		

Issued for Cash
Paid with Capital Cash
Paid by Budget Appropriation
Renewals

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

Purpose	Date of Issue	Amount of Original Issue	Maturity of Bonds Outstanding at <u>December 31, 2022</u>		Interest Rate	Balance, December 31,		Balance, December 31,
			<u>Date</u>	<u>Amount</u>		<u>2021</u>	<u>Decreased</u>	
General Improvements	10/15/2007	\$ 4,827,000	2023	\$ 327,000	4.000 %	\$ 677,000	\$ 350,000	\$ 327,000
General Improvements	8/15/2012	3,215,000	2023-2026	300,000	2.000	1,450,000	250,000	1,200,000
General Refunding	2/15/2013	3,035,000				340,000	340,000	
General Improvements	8/15/2013	2,207,000	2023	277,000	3.000	557,000	280,000	277,000
General Improvements	5/15/2018	4,880,000	2023	610,000	2.500			
			2024	700,000	2.500			
			2025-26	700,000	3.000			
			2027	695,000	3.000	<u>3,780,000</u>	<u>375,000</u>	<u>3,405,000</u>
						<u>\$ 6,804,000</u>	<u>\$ 1,595,000</u>	<u>\$ 5,209,000</u>
Paid by Budget Appropriation							\$ 1,595,000	

**BOROUGH OF PARK RIDGE
STATEMENT OF GREEN TRUST LOANS**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturity of Loans Outstanding at December 31 2022</u>		<u>Interest Rate</u>		<u>Balance, December 31, 2021</u>		<u>Decreased</u>	<u>Balance, December 31, 2022</u>	
			<u>Date</u>	<u>Amount</u>							
Memorial Field Improvements	10/20/2008	\$ 500,000	2023	\$ 31,559	2.00	%					
			2024	32,193	2.00						
			2025	32,840	2.00						
			2026	33,500	2.00						
							\$ 161,029		\$ 30,937	\$ 130,092	
Mill Pond Dam Improvements	7/9/2012	1,156,000	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						
							744,276		64,374	679,902	
							<u>\$ 905,305</u>		<u>\$ 95,311</u>	<u>\$ 809,994</u>	
Paid by Budget Appropriation									<u>\$ 95,311</u>		

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

Increased by:	
2022 Budget Appropriation - Due from Current Fund	\$ 453,000
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>108,000</u>
Balance, December 31, 2022	<u>\$ 345,000</u>

STATEMENT OF RESERVE FOR PRELIMINARY EXPENSES

<u>Purpose</u>	<u>Balance December 31, 2021</u>	<u>Paid or Charged</u>	<u>Balance December 31, 2022</u>
Community Center Project	<u>\$ 14,480</u>	<u>\$ 7,109</u>	<u>\$ 7,371</u>

STATEMENT OF RESERVE FOR COMMUNITY CENTER

Balance, December 31, 2021	\$ 508,675
Balance, December 31, 2022	<u>\$ 508,675</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF RESERVE FOR SEWER IMPROVEMENTS**

Balance, December 31, 2021	<u>\$ 208,260</u>
Balance, December 31, 2022	<u>\$ 208,260</u>

STATEMENT OF RESERVE FOR PAYMENT OF DEBT

Balance, December 31, 2021	<u>\$ 100</u>
Balance, December 31, 2022	<u>\$ 100</u>

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

<u>Ord.</u> <u>No.</u>	<u>Description</u>	Balance December 31, <u>2021</u>	2022 <u>Authorizations</u>	Grants <u>Receipts</u>	Bond Anticipation Notes <u>Issued</u>	Balance December 31, <u>2022</u>
18-10	Refurbishment of the Police Pistol Range	\$ 8,369			\$ 8,369	
18-12	Acquisition of an SUV for Police Depart.	34,806			34,806	
18-14	Acquisition of a Hydraulic Lift Trailer	14,200			14,200	
18-16	Repair of the 55 Park Avenue Bridge	7,703				\$ 7,703
19-08	2019 Road, Curb, Drainage and Sidewalk Imprvts	3,700				3,700
19-09	Improvements to Turf Field at Memorial Field	4,600		\$ 4,600		
20-05	2020 Road, Curb, Drainage and Sidewalk Improvements	501,313			501,313	
20-06	Acquisition of New Additional or Replacement Equipment	14,353				14,353
21-01	Improvement to North Fifth Street	378,546			378,546	
21-03	Installation of New Playground Equipment at Memorial Field	150,000			150,000	
21-22	Various Public Improvements and Acquisitions	400,000			400,000	
21-23	Acquisition of a New Rescue Fire Truck	727,500				727,500
21-26	Replacement of the Turf Field at Memorial Field	561,900			561,900	
21-27	2021 Road, Curb, Drainage and Sidewalk Program	261,900			261,900	
22-12	Various Public Improvements and Acquisition of Equipment		\$ 1,642,000			1,642,000
22-16	Acquisition of Real Property for Passive Recreation Purposes	-	490,000	-	-	490,000
		<u>\$ 3,068,890</u>	<u>\$ 2,132,000</u>	<u>\$ 4,600</u>	<u>\$ 2,311,034</u>	<u>\$ 2,885,256</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, 2021	\$ 2,994,638	\$ 777,769
Increased by Receipts:		
Water Usage Charges Receivable	\$ 3,665,258	
Other Charges Receivable	122,338	
Mobile Antenna Rent	189,676	
Non-Budget Revenue	38,317	
Interest Earned	51,152	21,494
Bond Anticipation Notes Issued		\$ 2,616,054
Premium on Bond Anticipation Notes Issued		31,886
Overpayments	32,514	
Woodcliff Lake Surcharge Receivable	103,024	
Received from Water Utility Capital Fund	14,377	
Received for Water Utility Capital Fund	190,000	
Receipts for Electric Utility Capital Fund		12,973
Received From Utility Trust Fund	<u>724</u>	<u>-</u>
	<u>4,407,380</u>	<u>2,682,407</u>
	7,402,018	3,460,176
Decreased by Disbursements:		
2022 Budget Appropriations	3,129,621	
2021 Appropriation Reserves	29,660	
Encumbrances Payable	463,049	27,506
Improvement Authorizations		1,180,177
Interest on Bonds and Notes	51,943	
Payments to Current Fund	51,716	
Payments made to Electric Utility Operating Fund	5,501	
Payments made to Water Utility Operating Fund	<u>-</u>	<u>14,377</u>
	<u>3,731,490</u>	<u>1,222,060</u>
Balance, December 31, 2022	<u>\$ 3,670,528</u>	<u>\$ 2,238,116</u>

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

	Balance, December 31, <u>2022</u>
Fund Balance	\$ 75,600
Capital Improvement Fund	226,919
Encumbrances Payable	466,597
Reserve for Capital Improvements	190,000
Due from Water Utility Operating Fund	(108,839)
Due from General Capital Fund	(226,250)
Due from Current Fund	(150,000)
Due to Electric Utility Capital Fund	12,973

Improvement

Authorizations: Description

Ord.		
<u>No.</u>		
2012-09	Various Public Improvements/Acquisitions	81,664
2014-15	Various Public Improvements/Acquisitions	169,133
2014-21	Installation of New Well and Pumping Station	314,709
2017-17	Replacement of Water Main at Glen Road	210,935
2019-06	Acquisition of Water Distribution Equipment and Machinery	12
2019-17	Various Improvements	16,379
2019-22	Acquisition of Technology Upgrades	18,903
2020-07	Acquisition of Water Distribution Equipment and Machinery	82,883
2021-25	Decommission of Well #5 and Well #6	2,500
2022-07	Acq and Installation of Water Treatment Systems	976,428
2022-13	Engineering Services for Water Treatment at Wells	(122,430)
		<u>\$ 2,238,116</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF WATER USAGE CHARGES RECEIVABLE
WATER UTILITY OPERATING FUND**

Balance, December 31, 2021		\$ 346,261
Increased by:		
Water Usage Charges Levied		<u>3,752,677</u>
		4,098,938
Decreased by:		
Water Usage Charges Collected:		
Cash Receipts	\$ 3,665,258	
Receipts in Electric Utility Operating Fund	30,897	
Receipts in Utility Trust Fund	697	
Overpayments Applied	<u>29,246</u>	
		<u>3,726,098</u>
Balance, December 31, 2022		<u>\$ 372,840</u>

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

Balance, December 31, 2021		\$ 85,708
Increased by:		
Other Water Charges Levied		
Fire Sprinklers	\$ 87,909	
Hydrants	<u>43,544</u>	
		<u>131,453</u>
		217,161
Decreased by:		
Other Water Charges Collected:		
Fire Sprinklers	79,210	
Hydrants	<u>43,128</u>	
		<u>122,338</u>
Balance, December 31, 2022		<u>\$ 94,823</u>

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

Balance, December 31, 2021	\$ 53,963
Increased by:	
Surcharges Levied	<u>105,863</u>
	159,826
Decreased by:	
Surcharges Collected	<u>103,024</u>
Balance, December 31, 2022	<u>\$ 56,802</u>

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

Balance, December 31, 2021 (Due To)	\$ 5,501
Increased by:	
Water Operating Utility Fund Receipts Deposited in Electric Utility Operating Fund	<u>30,897</u>
	36,398
Decreased by:	
Cash Disbursements	<u>5,501</u>
Balance, December 31, 2022 (Due From)	<u>\$ 30,897</u>

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

Balance, December 31, 2021 (Due To)	\$ 18,750
Decreased by:	
Bond Anticipation Notes Deposited in General Capital Fund	<u>245,000</u>
Balance, December 31, 2022 (Due From)	<u>\$ 226,250</u>

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

Balance, December 31, 2021 (Due To)		\$ 124,044
Increased by:		
Interest Earned		<u>21,494</u>
		145,538
Decreased by:		
2022 Budget Appropriation - Capital Improvement Fund	\$ 50,000	
Reserve for Capital Improvements Deposited in Water Utility Operating Fund	190,000	
Payments to Water Utility Operating Fund	<u>14,377</u>	
		<u>254,377</u>
Balance, December 31, 2022 (Due From)		<u>\$ 108,839</u>

EXHIBIT D-13

**STATEMENT OF DEFERRED CHARGES
WATER UTILITY OPERATING FUND**

<u>Description</u>	Balance, December 31, <u>2021</u>	Amount Resulting in <u>2022</u>	Balance, December 31, <u>2022</u>
Overexpenditure of Appropriations	\$ -	\$ 56,764	\$ 56,764
	<u>\$ -</u>	<u>\$ 56,764</u>	<u>\$ 56,764</u>

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

		<u>Additions by</u>		
	Balance, December 31, <u>2021</u>	Budget Capital <u>Outlay</u>	<u>Ordinance</u>	Balance, December 31, <u>2022</u>
Source of Supply Plant:				
Structures and Improvements	\$ 339,859			\$ 339,859
Wells and Springs	5,147,898	\$ 52,714	\$ 27,500	5,228,112
Water Diversion Rights	551			551
Pumping Plant:				
Land and Land Rights	12,887			12,887
Structures and Improvements	568,810			568,810
Electric Pumping Equipment	1,053,614			1,053,614
Water Treatment Plant - Water				
Treatment Equipment	1,259,043			1,259,043
Computer Hardware/Software-Equipment	111,245			111,245
Transmission and Distribution Plant:				
Structures and Improvements	675,363	7,500		682,863
Distribution Reservoirs and Standpipes	908,591			908,591
Transmission and Distribution Mains	2,065,501		(412)	2,065,089
Services	236,634			236,634
Meters	1,055,062			1,055,062
Hydrants	446,934	7,150		454,084
Well Communication System-Equipment	35,472			35,472
General Plant:				
Structures and Improvements	193,300			193,300
Improvements to Utility Garage	102,218			102,218
Office Furniture and Equipment	209,803			209,803
Transportation Equipment	356,788			356,788
Other General Equipment	311,672			311,672
Tools-Equipment	170,555			170,555
Other Utility Assets:				
Other Tangible Property-Equipment	242,936			242,936
Meter Reading System	6,763			6,763
Pickup Trucks	236,602	5,100		241,702
Dump Trucks	170,332			170,332
Vacuum Excavator	89,530			89,530
Trailer Mounted Generator	79,580			79,580
New Hybrid Vehicles	37,456			37,456
Backhoe Loader	86,031			86,031
Valve Box Vacuum	20,441	-	-	20,441
	<u>\$ 16,231,471</u>	<u>\$ 72,464</u>	<u>\$ 27,088</u>	<u>\$ 16,331,023</u>

2022 Budget Appropriation	\$ 67,364
2021 Appropriation Reserves	<u>5,100</u>
	<u>\$ 72,464</u>

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

<u>Ord. No.</u>	<u>Improvement Description</u>	Balance, December 31, <u>2021</u>	<u>2022 Authorizations</u>		Costs (To) From <u>Fixed Capital</u>	Balance, December 31, <u>2022</u>
			<u>Deferred</u> <u>Reserve for</u> <u>Amortization</u>	<u>Deferred Charges</u> <u>to Future Revenue</u>		
2012-9	Various Public Improvements & Acq.	\$ 81,664				\$ 81,664
2014-15	Various Public Improvements & Acq.	169,133				169,133
2014-21	Installation of New Well and Pumping Station	900,000				900,000
2017-17	Replacement of Water Main on Glen Road	212,169			\$ 412	212,581
2019-06	Acquisition of Water Distribution Equipment	12				12
2019-17	Various Improvements	16,379				16,379
2019-22	Acquisition of Technology Upgrades	20,000				20,000
2020-07	Acq of Water Distribution Equipment and Machinery	146,990				146,990
2021-25	Decommission of Well #5 and Well #6	30,000			(27,500)	2,500
2022-07	Acq and Installation of Water Treatment Systems		105,000	\$ 2,095,000		2,200,000
2022-13	Engineering Services for Water Treatment at Wells	-	16,000	304,000	-	320,000
		<u>\$ 1,576,347</u>	<u>\$ 121,000</u>	<u>\$ 2,399,000</u>	<u>\$ (27,088)</u>	<u>\$ 4,069,259</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF 2021 APPROPRIATION RESERVES
WATER UTILITY OPERATING FUND**

	Balance, December 31, <u>2021</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING				
Salaries and Wages	\$ 61,572	\$ 61,572	\$ 10,470	\$ 51,102
Other Expenses	<u>100,876</u>	<u>100,876</u>	<u>20,360</u>	<u>80,516</u>
Total Operating	<u>162,448</u>	<u>162,448</u>	<u>30,830</u>	<u>131,618</u>
CAPITAL IMPROVEMENTS				
Capital Outlay	<u>18,433</u>	<u>18,433</u>	<u>5,100</u>	<u>13,333</u>
Total Capital Improvements	<u>18,433</u>	<u>18,433</u>	<u>5,100</u>	<u>13,333</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES				
Statutory Expenditures				
Contribution to				
Public Employees Retirement System	12,581	12,581		12,581
Defined Contribution Retirement Program	567	567		567
Social Security System (O.A.S.I.)	<u>8,796</u>	<u>8,796</u>	<u>3,730</u>	<u>5,066</u>
Total Deferred Charges and Statutory Expenditures	<u>21,944</u>	<u>21,944</u>	<u>3,730</u>	<u>18,214</u>
	<u>\$ 202,825</u>	<u>\$ 202,825</u>	<u>\$ 39,660</u>	<u>\$ 163,165</u>
Cash Disbursements			\$ 29,660	
Transfer to Other Trust Fund - Accumulated Absences Reserve			<u>10,000</u>	
			<u>\$ 39,660</u>	

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

Balance, December 31, 2021	\$ 463,049
Increased by:	
Charges to 2022 Budget Appropriations	<u>180,526</u>
	643,575
Decreased by:	
Cash Disbursements	<u>463,049</u>
Balance, December 31, 2022	<u>\$ 180,526</u>

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

Balance, December 31, 2021	\$ 134,750
Increased by:	
Charges to Improvement Authorizations	<u>378,668</u>
	513,418
Decreased by:	
Cancellations Restored to Improvement Authorizations	\$ 19,315
Cash Disbursements	<u>27,506</u>
	<u>46,821</u>
Balance, December 31, 2022	<u>\$ 466,597</u>

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

Balance, December 31, 2021	\$ 29,246
Increased by:	
Overpayments Received	<u>32,514</u>
	61,760
Decreased by:	
Overpayments Applied to Water Usage Charges Receivable	<u>29,246</u>
Balance, December 31, 2022	<u>\$ 32,514</u>

EXHIBIT D-20

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

Balance, December 31, 2021	\$ 15,887
Increased by:	
Budget Appropriation for Interest on Bonds and Notes	<u>111,978</u>
	127,865
Decreased by:	
Interest Paid	<u>51,943</u>
Balance, December 31, 2022	<u>\$ 75,922</u>

EXHIBIT D-21

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

Balance, December 31, 2021	\$ 62,966
Decreased by:	
Payments to Current Fund	<u>51,716</u>
Balance, December 31, 2022	<u>\$ 11,250</u>

EXHIBIT D-22

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

Increased by:	
Premium on Bond Anticipation Note Issued Deposited in Water Utility Capital Fund	<u>\$ 12,973</u>
Balance, December 31, 2022	<u>\$ 12,973</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, 2022</u>			<u>Balance, December 31, 2021</u>	<u>Decreased</u>	<u>Balance, December 31, 2022</u>
			<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>			
Water Utility Bonds	8/16/2012	\$ 1,250,000	2023-25	90,000	2.00%			
			2026	95,000	2.10%			
			2027	95,000	2.20%	\$ 545,000	\$ 85,000	\$ 460,000
Water Utility Bonds	8/15/2013	582,000	2023	45,000	3.00%			
			2024	45,000	3.25%			
			2025	45,000	3.50%			
			2026	45,000	4.00%			
			2027	47,000	4.00%	272,000	45,000	227,000
Water Utility Bonds	5/15/2018	790,000	2023	55,000	2.50%			
			2024	60,000	2.50%			
			2025-26	60,000	3.00%			
			2027-28	65,000	3.00%			
			2029-30	70,000	3.00%			
			2031	75,000	3.00%	635,000	55,000	580,000
						<u>\$ 1,452,000</u>	<u>\$ 185,000</u>	<u>\$ 1,267,000</u>
Paid by Budget Appropriation							\$ 185,000	

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

Ord. No.	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, 2021	Increased	Decreased	Balance, December 31, 2022
14-21	Installation of New Well and Pumping Facility - Woodcliff Lake	10/8/2015	4/30/2021	4/29/2022	1.00 %	\$ 94,800		\$ 94,800	
			4/29/2022	4/28/2023	3.25		\$ 93,508		\$ 93,508
		4/30/2021	4/30/2021	4/29/2022	1.00	800,000		800,000	
			4/29/2022	4/28/2023	3.25		800,000		800,000
17-17	Replacement of Water Main Glen Road - Woodcliff Lake	5/1/2018	4/30/2021	4/29/2022	1.00	491,900		491,900	
			4/29/2022	4/28/2023	3.25		575,646		575,646
		9/28/2022	9/28/2022	4/28/2023	4.50		210,000		210,000
19-17	Various Improvements	4/29/2022	4/29/2022	4/28/2023	3.25		196,000		196,000
14-15	Various Public Improvements and Acquisitions	9/28/2022	9/28/2022	4/28/2023	4.50		270,000		270,000
22-07	Acq and Installation of Water Treatment Systems	9/28/2022	9/28/2022	4/28/2023	4.50	-	2,095,000	-	2,095,000
						<u>\$ 1,386,700</u>	<u>\$ 4,240,154</u>	<u>\$ 1,386,700</u>	<u>\$ 4,240,154</u>
							\$ 2,616,054		
							245,000		
								\$ 7,600	
							<u>1,379,100</u>	<u>1,379,100</u>	
							<u>\$ 4,240,154</u>	<u>\$ 1,386,700</u>	

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

Balance, December 31, 2021	\$ 297,919
Increased by:	
2022 Budget Appropriation - Due from Water Utility Operating Fund	<u>50,000</u>
	347,919
Decreased by:	
Appropriation to Finance General Capital Improvement Authorizations	<u>121,000</u>
Balance, December 31, 2022	<u>\$ 226,919</u>

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

Increased by:	
Water Connection Fees Due from Water Utility Operating Fund	<u>\$ 190,000</u>
Balance, December 31, 2022	<u>\$ 190,000</u>

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

Balance, December 31, 2021	\$ 14,004,416
Increased by:	
Serial Bonds Paid by Operating Budget	\$ 185,000
Bond Anticipation Notes Paid by Budget	7,600
Capital Outlay Operating Budgets:	
2022 Budget Appropriations	67,364
2021 Budget Appropriations	5,100
Transfer from Deferred Reserve for Amortization	<u>27,500</u>
	<u>292,564</u>
Balance, December 31, 2022	<u>\$ 14,296,980</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF DEFERRED RESERVE FOR AMORTIZATION
WATER UTILITY CAPITAL FUND**

<u>Ord. No.</u>	<u>Improvement Description</u>	Balance, December 31, <u>2021</u>	Fixed Capital <u>Authorized</u>	To Reserve for Amortization <u>Fixed Capital</u>	Balance, December 31, <u>2022</u>
2019-06	Acq. Of Water Distribution Equipment and Machinery	\$ 12			\$ 12
2019-22	Acquisition of Technology Upgrades	20,000			20,000
2020-07	Acq. Of Water Distribution Equipment and Machinery	146,990			146,990
2021-25	Decommission of Well #5 and Well #6	30,000		27,500	2,500
2022-07	Acq and Installation of Water Treatment Systems		\$ 105,000		105,000
2022-13	Engineering Services for Water Treatment at Wells	-	16,000	-	16,000
		<u>\$ 197,002</u>	<u>\$ 121,000</u>	<u>\$ 27,500</u>	<u>\$ 290,502</u>

Water Utility Capital Improvement Fund \$ 121,000

EXHIBIT D-30

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

	Balance, December 31, <u>2021</u>	<u>Increased</u>	Realized in 2022 <u>Budget</u>	Balance, December 31, <u>2022</u>
Payment of Water Tank	\$ 9,201			\$ 9,201
Construction of Water Line	1,500			1,500
Woodcliff Lake Improvements	627,436	\$ 103,024	\$ 59,130	671,330
Handy Harmon Settlement	956,068	-	-	956,068
	<u>\$ 1,594,205</u>	<u>\$ 103,024</u>	<u>\$ 59,130</u>	<u>\$ 1,638,099</u>

EXHIBIT D-31

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

<u>Ord. No.</u>	<u>Purpose</u>	Balance, December 31, <u>2021</u>	2022 <u>Authorizations</u>	Notes <u>Issued</u>	Balance, December 31, <u>2022</u>
2014-15	Various Public Improvements & Acq.	\$ 270,000		\$ 270,000	
2017-17	Replacement of Water Main Glen Road - WCL	301,700		300,054	\$ 1,646
2019-17	Various Improvements	196,000		196,000	
2022-07	Acq and Installation of Water Treatment Systems		\$ 2,095,000	2,095,000	
2022-13	Engineering Services for Water Treatment at Wells	-	304,000	-	304,000
		<u>\$ 767,700</u>	<u>\$ 2,399,000</u>	<u>\$ 2,861,054</u>	<u>\$ 305,646</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, 2021	\$ 2,316,229	\$ 164,801
Increased by Receipts:		
Light and Power Charges Receivable	\$ 9,669,755	
Other Charges Receivable	17,888	
Interest on Deposits	50,315	\$ 17,937
Non-Budget Revenue	89,986	
Petty Cash	300	
Overpayments	24,775	
Bond Anticipation Notes Issued		2,151,000
Premium on Bond Anticipation Notes Issued		1,431
Receipts for Current Fund	28,458	
Receipts from Water Utility Operating Fund	5,501	
Receipts for Water Utility Operating Fund	30,897	
Receipts for Electric Utility Operating Fund		18,183
Receipts from Electric Utility Capital Fund	30,143	
Receipts from Utility Trust Fund	345	-
	<u>9,948,363</u>	<u>2,188,551</u>
	12,264,592	2,353,352
Decreased by Disbursements:		
2022 Appropriations	7,390,679	
2021 Appropriation Reserves	9,406	
Petty Cash	300	
Encumbrances Payable	428,558	55,055
Improvement Authorizations		483,892
Interest on Bonds	11,976	
Payments to Current Fund	67,166	
Payments to Electric Utility Operating Fund	-	30,143
	<u>7,908,085</u>	<u>569,090</u>
Balance, December 31, 2022	<u>\$ 4,356,507</u>	<u>\$ 1,784,262</u>

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

Balance,
December 31,
2022

Fund Balance	\$ 16,014
Capital Improvement Fund	27,750
Encumbrances Payable	1,527,929
Reserve for Capital Improvements	12,500
Due from General Capital Fund	(56,250)
Due from Water Utility Capital Fund	(12,973)
Due from Electric Utility Operating Fund	(43,985)
Due from Current Fund	(5,000)

Improvement Authorizations:

Ord.

<u>No.</u>	<u>Description</u>	
2019-16	Various Capital Improvements	8,885
2019-23	Technology Update	12,878
2019-26	Acquisition of Bucket Truck and Electric Distribution System Infrastructure Materials	31,938
2019-27	Acquisition of Electric Metering Equipment and Related Expenses	8,045
2020-08	Acquisition of Electric Distribution Infrastructure Equipment and Machinery	32,127
2022-11	Various Capital Improvements and the Acq. of Vehicles and Equipment	<u>224,404</u>
		<u>\$ 1,784,262</u>

EXHIBIT E-7

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

Balance, December 31, 2021	\$ <u>75</u>
Balance, December 31, 2022	\$ <u>75</u>

EXHIBIT E-8

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

Increased by:	
Receipts from Treasurer	\$ 300
Decreased by:	
Returned to Treasurer	\$ <u>300</u>

EXHIBIT E-9

**STATEMENT OF DEFERRED CHARGES
ELECTRIC UTILITY OPERATING FUND**

<u>Description</u>	Balance, December 31, <u>2021</u>	Amount Resulting in <u>2022</u>	Balance, December 31, <u>2022</u>
Overexpenditure of Appropriations	\$ -	\$ 27,735	\$ 27,735
	<u>\$ -</u>	<u>\$ 27,735</u>	<u>\$ 27,735</u>

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

Balance, December 31, 2021		\$ 606,237
Increased by:		
Light and Power Charges Levied		<u>9,681,185</u>
		10,287,422
Decreased by:		
Light and Power Charges Collected	\$ 9,669,755	
Due from Electric Utility Capital Fund	18,183	
Due from Utility Trust Fund	1,027	
Overpayments Applied	<u>22,388</u>	
		<u>9,711,353</u>
Balance, December 31, 2022		<u>\$ 576,069</u>

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

Balance, December 31, 2021		\$ 19,000
Increased by:		
Other Electric Charges Levied - Dusk to Dawn		<u>17,607</u>
		36,607
Decreased by:		
Other Electric Charges Collected - Dusk to Dawn		<u>17,888</u>
Balance, December 31, 2022		<u>\$ 18,719</u>

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

	Balance, December 31, <u>2021</u>	Balance, December 31, <u>2022</u>
Structures and Improvements	\$ 1,537,615	\$ 1,537,615
Electric Wire Storage Shed	320,326	320,326
Regulating Station	28,287	28,287
Hydro Generator-Equipment	7,732	7,732
Mill Road Substation Improvements	1,010,886	1,010,886
Brae Boulevard Substation	1,691,727	1,691,727
Poles, Towers and Fixtures	597,123	597,123
Cable & Wires	1,196,281	1,196,281
Underground Conduit	128,992	128,992
Underground Conductors & Devices	204,226	204,226
Line Transformers	811,503	811,503
Installation of Customers' Services	8,817	8,817
Office Furniture, Etc.-Equipment	231,542	231,542
Vehicles/Equipment	1,135,274	1,135,274
Meters & Current Transformers	465,763	465,763
Street Lighting & Signal System	394,210	394,210
Tools, Shop & Garage Equipment	292,485	292,485
Computer Hardware/Software-Equipment	254,645	254,645
Meter Reading System-Equipment	12,660	12,660
Smoke Detectors-Equipment	149,897	149,897
Municipal Improvement	75,000	75,000
Holiday Decorations-Equipment	67,416	67,416
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	349,865	349,865
Recreational Lighting-Equipment	13,113	13,113
Scada System	117,028	117,028
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 Trucks	790,942	790,942
Mini Excavator and Trailer	65,105	65,105
Generators - Equipment	<u>71,542</u>	<u>71,542</u>
	<u>\$ 14,013,495</u>	<u>\$ 14,013,495</u>

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

Ord. No.	Improvement Description	Balance, December 31, 2021	2022 Authorizations		Balance, December 31, 2022
			Deferred Reserve for Amortization	Deferred Charges to Future Revenue	
2019-07	Purchase of Electric Distribution Infrastructure Materials and Capital Improvements				
2019-16	Various Capital Improvements	\$ 76,285			\$ 76,285
2019-23	Technology Update	12,878			12,878
2019-26	Acquisition of Bucket Truck and Electric Distribution System Infrastructure Materials	31,938			31,938
2019-27	Acquisition of Electric Metering Equipment and Related Expenses	8,045			8,045
2020-08	Acquisition of Electric Distribution Infrastructure Equipment and Machinery	162,500			162,500
2022-11	Various Capital Improvements and the Acq. of Vehicles and Equipment	-	\$ 151,000	\$ 3,019,000	3,170,000
		<u>\$ 291,646</u>	<u>\$ 151,000</u>	<u>\$ 3,019,000</u>	<u>\$ 3,461,646</u>

EXHIBIT E-14

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

Balance, December 31, 2021 (Due To)	\$ 38
Increased by:	
Interest Earned	\$ 17,937
Electric Utility Operating Fund Receipts Deposited in Electric Utility Capital Fund	18,183
Anticipated Revenue in Operating Budget - Capital Fund Balance	<u>40,000</u>
	<u>76,120</u>
	76,158
Decreased by:	
2022 Budget Appropriation - Capital Improvement Fund	90,000
Payments to Electric Utility Operating Fund	<u>30,143</u>
	<u>120,143</u>
Balance, December 31, 2021 (Due From)	<u>\$ 43,985</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF 2021 APPROPRIATION RESERVES
ELECTRIC UTILITY OPERATING FUND**

	Balance, December 31, <u>2021</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING				
Salaries and Wages	\$ 240,075	\$ 240,075	\$ 10,000	\$ 230,075
Other Expenses	208,242	208,242	9,406	198,836
Purchase of Electric Current	<u>403,698</u>	<u>403,698</u>	<u>-</u>	<u>403,698</u>
Total Operating	<u>852,015</u>	<u>852,015</u>	<u>19,406</u>	<u>832,609</u>
CAPITAL IMPROVEMENTS				
Capital Outlay	<u>26,322</u>	<u>30,872</u>	<u>-</u>	<u>30,872</u>
Total Capital Improvements	<u>26,322</u>	<u>30,872</u>	<u>-</u>	<u>30,872</u>
DEFERRED CHARGES AND STATUTORY				
Statutory Expenditures				
Contribution to				
Social Security System (O.A.S.I.)	25,319	25,319		25,319
Defined Contribution Retirement Program	<u>698</u>	<u>698</u>	<u>-</u>	<u>698</u>
Total Deferred Charges and Statutory				
Expenditures	<u>26,017</u>	<u>26,017</u>	<u>-</u>	<u>26,017</u>
	<u>\$ 904,354</u>	<u>\$ 908,904</u>	<u>\$ 19,406</u>	<u>\$ 889,498</u>
Balances, December 31, 2021		\$ 904,354		
Encumbrances Cancelled		4,550		
Cash Disbursements			\$ 9,406	
Transfer to Other Trust Fund:				
Accumulated Absences Reserve		<u>-</u>	<u>10,000</u>	
		<u>\$ 908,904</u>	<u>\$ 19,406</u>	

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

Balance, December 31, 2021	\$ 433,108
Increased by:	
Charges to 2022 Budget Appropriations	<u>330,716</u>
	763,824
Decreased by:	
Cash Disbursements	\$ 428,558
Restored to 2021 Appropriation Reserves	<u>4,550</u>
	<u>433,108</u>
Balance, December 31, 2022	<u>\$ 330,716</u>

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

Balance, December 31, 2021	\$ 59,226
Increased by:	
Charges to Improvement Authorizations	<u>1,524,208</u>
	1,583,434
Decreased by:	
Cancellations Restored to Improvement Authorizations	\$ 450
Cash Disbursements	<u>55,055</u>
	<u>55,505</u>
Balance, December 31, 2022	<u>\$ 1,527,929</u>

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

Balance, December 31, 2021	\$ 1,591
Increased by:	
Budget Appropriation for Interest on Bonds	<u>39,523</u>
	41,114
Decreased by:	
Interest Paid	<u>11,976</u>
Balance, December 31, 2022	<u>\$ 29,138</u>

**STATEMENT OF OVERPAYMENTS
ELECTRIC UTILITY OPERATING FUND**

Balance, December 31, 2021	\$ 22,388
Increased by:	
Overpayments Received	<u>24,775</u>
	47,163
Decreased by:	
Overpayments Applied to Light and Power Charges Receivable	<u>22,388</u>
Balance, December 31, 2022	<u>\$ 24,775</u>

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

Balance, December 31, 2022 (Due To)	\$ 18,750
Decrease by:	
Bond Anticipation Note Deposited in General Capital Fund	<u>75,000</u>
Balance, December 31, 2022 (Due From)	<u>\$ 56,250</u>

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

Ord. No.	Improvement Description	Ordinance Amount	Balance, December 31, 2021		2022 Authorizations		Encumbrances Payable Cancelled	Paid or Charged	Balance, December 31, 2022	
			Funded	Unfunded	Deferred Charges to Future Revenue	Capital Improvement Fund			Funded	Unfunded
2019-16	Various Capital Improvements	226,000		\$ 76,285				\$ 67,400		\$ 8,885
2019-23	Technology Update	19,000	\$ 12,428				\$ 450		\$ 12,878	
2019-26	Acquisition of Bucket Truck and Electric Distribution System Infrastructure Materials	262,000	31,938						31,938	
2019-27	Acquisition of Electric Metering Equipment and Related Expenses	68,868	8,045						8,045	
2020-08	Acquisition of Electric Distribution Infrastructure Equipment and Machinery	162,500	46,231					14,104	32,127	
2022-11	Various Capital Improvements and the Acq. of Vehicles and Equipment	3,170,000	-	-	\$ 3,019,000	\$ 151,000	-	1,926,596	-	1,243,404
			<u>\$ 98,642</u>	<u>\$ 76,285</u>	<u>\$ 3,019,000</u>	<u>\$ 151,000</u>	<u>\$ 450</u>	<u>\$ 2,008,100</u>	<u>\$ 84,988</u>	<u>\$ 1,252,289</u>
						Cash Disbursements		\$ 483,892		
						Encumbrances Payable		1,524,208		
								<u>\$ 2,008,100</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, 2022</u>		<u>Interest Rate</u>	<u>Balance,</u>		<u>Balance,</u>
			<u>Date</u>	<u>Amount</u>		<u>December 31,</u>	<u>Decreased</u>	<u>December 31,</u>
						<u>2021</u>		<u>2022</u>
Electric Utility Bonds	5/16/2018	\$ 600,000	2023	\$ 60,000	2.50%			
			2024	65,000	2.50%			
			2025	65,000	3.00%			
			2026	65,000	3.00%			
			2027	70,000	3.00%			
			2028	70,000	3.00%			
						<u>\$ 455,000</u>	<u>\$ 60,000</u>	<u>\$ 395,000</u>
						<u>\$ 455,000</u>	<u>\$ 60,000</u>	<u>\$ 395,000</u>
Paid by Budget Appropriation							<u>\$ 60,000</u>	

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

<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, 2021</u>	<u>Increased</u>	<u>Balance, December 31, 2022</u>
2019-16	Various Capital Improvements	4/29/2022	4/29/2022	4/28/2023	3.25		\$ 151,000	\$ 151,000
2019-16	Various Capital Improvements	9/28/2022	9/28/2022	4/28/2023	4.50		75,000	75,000
2022-11	Various Capital Improvements and Acq of Equipment	9/28/2022	9/28/2022	4/28/2023	4.50	<u>-</u>	<u>2,000,000</u>	<u>2,000,000</u>
						<u>\$ -</u>	<u>\$ 2,226,000</u>	<u>\$ 2,226,000</u>
							Cash Receipts	\$ 2,151,000
							Due from General Capital Fund	<u>75,000</u>
								<u>\$ 2,226,000</u>

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

Balance, December 31, 2021	\$ 88,750
Increased by:	
2022 Budget Appropriation - Due from Electric Utility Operating Fund	<u>90,000</u>
	178,750
Decreased by:	
Appropriation to Finance General Capital Improvement Authorization	<u>151,000</u>
Balance, December 31, 2022	<u>\$ 27,750</u>

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

Balance, December 31, 2021	<u>\$ 12,500</u>
Balance, December 31, 2022	<u>\$ 12,500</u>

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

Balance, December 31, 2021	\$ 13,408,780
Increased by:	
Serial Bonds Paid by Operating Budget	<u>\$ 60,000</u>
	<u>60,000</u>
Balance, December 31, 2022	<u>\$ 13,468,780</u>

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

Balance, December 31, 2021	\$ 7,445
Decreased by:	
Cancelled to Operations	<u>7,445</u>

**STATEMENT OF OTHER LIABILITIES (UNALLOCATED RECEIPTS)
ELECTRIC UTILITY OPERATING FUND**

Balance, December 31, 2021	<u>\$ 121,263</u>
Balance, December 31, 2022	<u>\$ 121,263</u>

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

Balance, December 31, 2021	\$ 48,091
Increased by:	
Current Fund Receipts Deposited in Electric Utility Operating Fund	<u>28,458</u>
	76,549
Decreased by:	
Cash Disbursements	<u>67,166</u>
Balance, December 31, 2022	<u>\$ 9,383</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF DEFERRED RESERVE FOR AMORTIZATION
ELECTRIC UTILITY CAPITAL FUND**

<u>Ord. No.</u>	<u>Improvement Description</u>	Balance, December 31, <u>2021</u>	Fixed Capital Authorized and <u>Uncompleted</u>	Balance, December 31, <u>2022</u>
2019-23	Technology Update	\$ 12,878		\$ 12,878
2019-26	Acq. of Bucket Truck and Electric Materials	31,938		31,938
2019-27	Acq. of Metering Equipment	8,045		8,045
2020-08	Acq. of Electric Distribution Equipment	162,500		162,500
2022-11	Various Capital Improvements and Acq of Equipment	<u>-</u>	<u>\$ 151,000</u>	<u>151,000</u>
		<u>\$ 215,361</u>	<u>\$ 151,000</u>	<u>\$ 366,361</u>

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

<u>Ord. No.</u>	<u>Purpose</u>	Balance, December 31, <u>2021</u>	2022 <u>Authorizations</u>	Bond Anticipation Notes Issued	Balance, December 31, <u>2022</u>
2019-16	Various Capital Improvements	\$ 226,000		\$ 226,000	
2022-11	Various Capital Improvements and Acq of Equipment	<u>-</u>	<u>\$ 3,019,000</u>	<u>2,000,000</u>	<u>\$ 1,019,000</u>
		<u>\$ 226,000</u>	<u>\$ 3,019,000</u>	<u>\$ 2,226,000</u>	<u>\$ 1,019,000</u>

UTILITY TRUST FUND

BOROUGH OF PARK RIDGE
STATEMENT OF CASH - UTILITY TRUST FUND

Balance, December 31, 2021		\$ 968,173
Increased by Receipts:		
Interest Earned	\$ 13,166	
Water Utility Operating Fund Receipts	697	
Electric Utility Operating Fund Receipts	1,027	
Water and Electric Utility Deposit Payable	<u>106,150</u>	
		<u>121,040</u>
		1,089,213
Decreased by Disbursements:		
Deposits Payable	68,585	
Payments to Water Utility Operating Fund	724	
Payments to Electric Utility Operating Fund	<u>345</u>	
		<u>69,654</u>
Balance, December 31, 2022		<u>\$ 1,019,559</u>

STATEMENT OF DEPOSIT PAYABLE
UTILITY TRUST FUND

	Balance, December 31, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2022</u>
Water Utility Customers	\$ 571,139	\$ 57,200	\$ 33,606	\$ 594,733
Electric Utility Customers	<u>394,663</u>	<u>48,950</u>	<u>34,979</u>	<u>408,634</u>
	<u>\$ 965,802</u>	<u>\$ 106,150</u>	<u>\$ 68,585</u>	<u>\$ 1,003,367</u>
Cash Receipts		\$ 106,150		
Cash Disbursements		<u>-</u>	<u>\$ 68,585</u>	
		<u>\$ 106,150</u>	<u>\$ 68,585</u>	

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

Balance, December 31, 2021		\$ 1,459
Increased by:		
Interest on Deposits	\$ 7,804	
Water Utility Operating Fund Receipts Collected	<u>697</u>	
		<u>8,501</u>
		9,960
Decreased by:		
Payments to Water Utility Operating Fund		<u>724</u>
Balance, December 31, 2022		<u>\$ 9,236</u>

EXHIBIT F-4

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

Balance, December 31, 2021		\$ 912
Increased by:		
Interest on Deposits	\$ 5,362	
Electric Utility Operating Fund Receipts Collected	<u>1,027</u>	
		<u>6,389</u>
		7,301
Decreased by:		
Payments to Electric Utility Operating Fund		<u>345</u>
Balance, December 31, 2022		<u>\$ 6,956</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, 2021	\$ 324,218	\$ 35,623
Increased by Receipts:		
Membership Fees	\$ 315,973	
Miscellaneous Revenue	63,061	
Interest Earned	4,245	\$ 464
Non-Budget Revenue	70	
Receipts from Swim Pool Utility Capital Fund	<u>361</u>	<u>-</u>
	<u>383,710</u>	<u>464</u>
	707,928	36,087
Decreased by Disbursements:		
2022 Budget Appropriations	308,133	
2021 Appropriation Reserves	3,657	
Encumbrances	4,765	
Payments to Swim Pool Utility Operating Fund	<u>-</u>	<u>361</u>
	<u>316,555</u>	<u>361</u>
Balance, December 31, 2022	<u><u>\$ 391,373</u></u>	<u><u>\$ 35,726</u></u>

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

	Balance, December 31, <u>2022</u>
Fund Balance	\$ 19,615
Due to Swim Pool Utility Operating Fund	111
Capital Improvement Fund	<u>16,000</u>
	<u><u>\$ 35,726</u></u>

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

Balance, December 31, 2021	\$ 8
Increased by:	
Interest Earned	464
	472
Decreased by:	
Payments to Swim Pool Utility Operating Fund	361
Balance, December 31, 2022	<u>\$ 111</u>

STATEMENT OF DEFERRED CHARGES - SPECIAL EMERGENCY AUTHORIZATION (40A:4-53)
SWIM POOL UTILITY OPERATING FUND

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Net</u> <u>Amount</u> <u>Authorized</u>	<u>1/5 of Net</u> <u>Amount</u> <u>Authorized</u>	<u>Balance,</u> <u>December 31,</u> <u>2021</u>	<u>Raised in</u> <u>2022 Budget</u>	<u>Balance,</u> <u>December 31,</u> <u>2022</u>
12/8/2020	COVID-19 Revenue Loss	\$ 205,000	\$ 41,000	\$ 205,000	\$ 41,000	\$ 164,000
				<u>\$ 205,000</u>	<u>\$ 41,000</u>	<u>\$ 164,000</u>

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

	Balance, December 31, <u>2021</u>	Balance, December 31, <u>2022</u>
Municipal Pool	\$ 857,312	\$ 857,312
Swim Pool Slide	48,900	48,900
Sanitary Sewer Reconstruction	5,075	5,075
Painting & Sandblasting	49,900	49,900
Handicapped Improvements	87,238	87,238
Snack Bar Improvements	1,110	1,110
Bridge	8,260	8,260
Electrical Work	4,520	4,520
Furniture	31,768	31,768
Recreation Equipment	5,023	5,023
Other Equipment	36,577	36,577
Landscaping Improvements	5,223	5,223
Land Improvements	18,379	18,379
Lawn Sprinklers	8,785	8,785
Parking Lot Improvements	21,726	21,726
Canopy/Awning - Equipment	29,386	29,386
Security Lock - Equipment	750	750
Small Tools	1,146	1,146
	<hr/>	<hr/>
	\$ 1,221,078	\$ 1,221,078
	<hr/>	<hr/>

**BOROUGH OF PARK RIDGE
STATEMENT OF 2021 APPROPRIATION RESERVES
SWIM POOL UTILITY OPERATING FUND**

	Balance, December 31, <u>2021</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING				
Salaries and Wages	\$ 24,093	\$ 24,093		\$ 24,093
Other Expenses	<u>17,556</u>	<u>17,556</u>	\$ 3,657	<u>13,899</u>
Total Operating	<u>41,649</u>	<u>41,649</u>	<u>3,657</u>	<u>37,992</u>
STATUTORY EXPENDITURES				
Contribution to Social Security System (O.A.S.I.)	<u>1,890</u>	<u>1,890</u>	-	<u>1,890</u>
Total Statutory Expenditures	<u>1,890</u>	<u>1,890</u>	-	<u>1,890</u>
	<u><u>\$ 43,539</u></u>	<u><u>\$ 43,539</u></u>	<u><u>\$ 3,657</u></u>	<u><u>\$ 39,882</u></u>

EXHIBIT G-11

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

Balance, December 31, 2021	<u>\$ 16,000</u>
Balance, December 31, 2022	<u><u>\$ 16,000</u></u>

EXHIBIT G-12

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

Balance, December 31, 2021	\$ 4,765
Increased by:	
Charges to 2022 Budget Appropriations	<u>769</u>
	5,534
Decreased by:	
Cash Disbursement	<u>4,765</u>
Balance, December 31, 2022	<u><u>\$ 769</u></u>

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

Balance, December 31, 2021	<u>\$ 1,221,078</u>
Balance, December 31, 2022	<u>\$ 1,221,078</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, 2021	\$ 13,620	\$ 2,007	\$ 11,613
Increased by:			
Receipts from Current Fund	28,700		28,700
Interest on Investments	<u>156</u>	<u>27</u>	<u>129</u>
	42,476	2,034	40,442
Decreased by:			
Public Assistance Expenditures Eligible for State Aid	24,130		24,130
Payments to Current Fund	<u>106</u>	<u>-</u>	<u>106</u>
Balance, December 31, 2022	<u>\$ 18,240</u>	<u>\$ 2,034</u>	<u>\$ 16,206</u>

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

Balance, December 31, 2021 (Due From)		\$ 5,798
Increased by:		
State Aid Deposited in Current Fund	\$ 22,900	
Payments to Current Fund	<u>106</u>	
		<u>23,006</u>
		\$ 28,804
Decreased by:		
Payments from Current Fund	28,700	
Interest on Investments	<u>129</u>	
		<u>28,829</u>
Balance, December 31, 2022 (Due To)		<u>\$ 25</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, 2021	\$ 19,418	\$ 2,007	\$ 17,411
Increased by:			
Revenues	<u>22,927</u>	<u>27</u>	<u>22,900</u>
	42,345	2,034	40,311
Decreased by:			
Expenditures	<u>24,130</u>	<u>-</u>	<u>24,130</u>
Balance, December 31, 2022	<u>\$ 18,215</u>	<u>\$ 2,034</u>	<u>\$ 16,181</u>

EXHIBIT H-4

STATEMENT OF PUBLIC ASSISTANCE REVENUES

	<u>Total</u>	<u>Account #1</u>	<u>Account #2</u>
State Aid Payments:	\$ 22,900		\$ 22,900
Interest on Investments	<u>27</u>	<u>\$ 27</u>	<u>-</u>
Total Revenues	22,927	27	22,900
Interest on Investments - Due to Current Fund	\$ 129		\$ 129
Due from Current Fund	28,700		28,700
State Aid - Due from Current Fund	<u>(22,900)</u>	<u>-</u>	<u>(22,900)</u>
Total Receipts	<u>\$ 28,856</u>	<u>\$ 27</u>	<u>\$ 28,829</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	\$ 7,550		\$ 7,550
Temporary Rental Assistance	<u>16,580</u>	<u>-</u>	<u>16,580</u>
Total Expenditures	\$ 24,130	\$ -	\$ 24,130
Due to Current Fund	<u>106</u>	<u>-</u>	<u>106</u>
Total Disbursements	<u>\$ 24,236</u>	<u>\$ -</u>	<u>\$ 24,236</u>

BOROUGH OF PARK RIDGE
BERGEN COUNTY, NEW JERSEY
PART II

GOVERNMENT AUDITING STANDARDS
YEAR ENDED DECEMBER 31, 2022



DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
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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, 2022, and the related notes to the financial statements, and have issued our report thereon dated September 12, 2023. 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.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Borough of Park Ridge's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Park Ridge's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

Report on 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 financial statement. 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 prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which is described in the accompanying schedule of findings and responses as item 2022-001.

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


Government Auditing Standards requires the auditor to perform limited procedures on the Borough of Park Ridge's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Borough of Park Ridge's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 & Bliss, LLP

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


Jeffery C. Bliss
Registered Municipal Accountant
RMA Number CR00427

Fair Lawn, New Jersey
September 12, 2023



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY U.S. UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Borough of Park Ridge's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the Borough of Park Ridge's major federal programs for the year ended December 31, 2022. The Borough of Park Ridge's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Borough of Park Ridge complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance 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; audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and U.S. Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Borough of Park Ridge and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Borough of Park Ridge's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulation, rules, and provisions of contracts or grant agreements applicable to the Borough of Park Ridge's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Borough of Park Ridge's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and U.S. Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Borough of Park Ridge's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and U.S. Uniform Guidance we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Borough of Park Ridge's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Borough of Park Ridge's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance but not for the purpose of expressing an opinion on the effectiveness of the Borough of Park Ridge's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by U.S. Uniform Guidance

We have audited the financial statements - regulatory basis of the Borough of Park Ridge as of and for the year ended December 31, 2022, and the related notes to the financial statements and have issued our report thereon dated September 12, 2023, which contained an unmodified opinion on those financial statements prepared in accordance with the regulatory basis of accounting and also contained a modified opinion on those financial statements because they were not prepared in accordance with accounting principles generally accepted in the United States of America. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by U.S. Uniform Guidance is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Lerch, Vinci & Bliss, LLP

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



Jeffery C. Bliss
Registered Municipal Accountant
RMA Number CR00427

Fair Lawn, New Jersey
September 12, 2023

**BOROUGH OF PARK RIDGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Federal Program</u>	<u>State Account Number</u>	<u>CFDA Number</u>	<u>Grant Year</u>	<u>Award Amount</u>	<u>2022 Grant Receipts</u>	<u>Balance January 1, 2022</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Balance December 31, 2022</u>	<u>Cumulative Expended</u>
U.S. Department of Transportation (Passed through State Department of Law and Public Safety)										
Impaired Driving Countermeasure	066-1160-100-157	20.616	2020	\$ 6,182		\$ 3,654			\$ 3,654	\$ 2,528
Impaired Driving Countermeasure	066-1160-100-157	20.616	2021	800		800			800	
Occupant Protection	066-1160-100-155	20.616	2016	4,402		4,402			4,402	
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		19,815			19,815	4,185
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.S. Department of Homeland Security (Passed through State Department of Law and Public Safety)										
Public Assistance Grant - Tropical Storm Isaias	066-1200-100-C73	97.036	2022	167,655			\$ 167,655	\$ 167,655		167,655
Public Assistance Grant - Coronavirus Pandemic	066-1200-100-C50	97.036	2022	16,784			16,784	16,784		16,784
U.S. Department of Treasury (Passed through State Department of Community Affairs)										
American Rescue Plan Act	022-8030-100-687	21.027	2022	909,988	\$ 454,994	-	909,988	909,988	-	909,988
						<u>\$ 31,671</u>	<u>\$ 1,094,427</u>	<u>\$ 1,094,427</u>	<u>\$ 31,671</u>	

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, 2022

<u>State Grant Program</u>	<u>Account Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2022 Grant Receipts</u>	<u>Balance, January 1, 2022</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Balance, December 31, 2022</u>	<u>Cumulative Expended</u>
Drug and Alcohol Municipal Alliance (Passed through Bergen County)	N/A	2022	\$ 444			\$ 444		\$ 444	
Clean Communities Grant Program	042-4900-765-004	2022	18,859	\$ 18,859					
		2021	18,788			18,788	\$ 18,527	261	\$ 18,527
		2019	19,586		\$ 277			277	19,309
Bulletproof Vest Partnership Grant		2019	382		382			382	
Alcohol Education and Rehabilitation	098-9735-760-001	2019	161		161			161	
		2018	586		586			586	
		2017	165		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	2022	2,854	2,854					
		2021	1,666		1,666		1,666		1,666
		2018	4,324		4,324			4,324	
State Forestry Grant	042-4870-100-074	2022	6,500	6,500					
Economic Redevelopment Growth Grant	082-201-71D-022	2022	10,000	10,000					

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, 2022

		Grant	Grant	2022	Balance,	Revenue		Balance,	Cumulative
<u>State Grant Program</u>	<u>Account Number</u>	<u>Year</u>	<u>Award</u>	<u>Grant</u>	<u>January 1,</u>	<u>Realized</u>	<u>Expended</u>	<u>December 31,</u>	<u>Expended</u>
				<u>Receipts</u>	<u>2022</u>			<u>2022</u>	
Recycling Tonnage Grant	042-4900-752-001	2019	\$ 13,554		\$ 10,846			\$ 10,846	\$ 2,708
		2021	15,296			\$ 15,296	\$ 440	14,856	440
		2022	11,189	\$ 11,189					
Body Worn Camera Grant	N/A	2021	44,836	44,836				-	44,836
Department of Transportation									
Park Avenue Improvements (Ord. 16-15)	078-6320-480-XXX	2016	220,000		220,000			220,000	
Quackenbush to Pascack Imprvts (Ord. 19-10)	078-6320-480-AM2	2019	138,800		106,729			106,729	32,071
2020 Road Program (Ord. 20-05)	078-6320-480-XXX	2020	215,000		121,313			121,313	93,687
2021 North Fifth St Improvements (Ord. 21-01)	078-6320-480-XXX	2021	207,000		95,546			95,546	111,454
Department of Human Services									
General Assistance	054-7550-100-250	2022	22,900	22,900	17,411	22,900	24,130	16,181	24,130
					<u>\$ 584,076</u>	<u>\$ 57,428</u>	<u>\$ 44,763</u>	<u>\$ 596,741</u>	

Note: The State Financial Assistance programs were not subject to an 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, 2022**

NOTE 1 REPORTING ENTITY

The Borough of Park Ridge (the “Borough”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Borough is the reporting entity for these programs. The Borough is defined in Note 1 (A) to the Borough’s Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the Borough. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Borough conform to the accounting principles and practices prescribed 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 federal awards and state financial assistances through separate funds and accounts which differ from those required by accounting principles generally accepted in the United States of America. The Borough’s summary of significant accounting policies are described in Note 1 to the Borough’s Financial Statements.

NOTE 4 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	\$ 1,094,427	\$ 34,528	\$ 1,128,955
Public Assistance Fund	<u>-</u>	<u>22,900</u>	<u>22,900</u>
	<u>\$ 1,094,427</u>	<u>\$ 57,428</u>	<u>\$ 1,151,855</u>

BOROUGH OF PARK RIDGE
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2022

NOTE 5 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.

NOTE 6 STATE LOANS OUTSTANDING

Certain state loans at the beginning of the year and loans made during the year are included in The Schedules, while others are not required to be included in The Schedules. The Borough's state loans outstanding at December 31, 2022, which are not required to be reported on the schedule of expenditures of state financial assistance, are as follows:

<u>Loan Program</u>	<u>State Account Number</u>	<u>Total</u>
Green Trust Loan Program -	042-4800-533-02	
Memorial Field Improvements		\$ 130,092
Mill Pond Dam Improvements		<u>679,902</u>
		<u>\$ 809,994</u>

NOTE 7 INDIRECT COST RATE

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

**BOROUGH OF PARK RIDGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

_____ yes X no

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

 X yes _____ none reported

Noncompliance material to the financial
statements noted?

_____ yes X no

State Awards Section

Not Applicable

Part I – Summary of Auditor’s Results

Dollar threshold used to determine Type A programs: \$ 750,000

Auditee qualified as low-risk auditee? yes X no

Type of auditors' report on compliance for major program Unmodified

Internal Control over compliance:

1) Significant Deficiencies identified? yes X no

2) Were significant deficiencies identified that were
not considered to be material weaknesses? yes X no

Any audit findings disclosed that are required to be reported
in accordance with Uniform Guidance? yes X no

<u>AL Number</u>	<u>Name of Federal Program</u>
21.027	American Rescue Plan Fiscal Recovery Funds

**BOROUGH OF PARK RIDGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2022**

Part 2 – Schedule of Financial Statement Findings

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 2022-001

Our audit revealed purchase orders were not issued and encumbered in the Borough's accounting records for certain contracts awarded and when expenditures were incurred during the year.

Criteria or Specific Requirements

Division of Local Government Services Technical Accounting Directive No. 1 Encumbrance Accounting System
NJAC 5:30-5.2 Encumbrance System

Condition

The Borough did not always comply with the requirements of maintaining an encumbrance accounting system. Contracts approved by the Borough Council were not recorded as encumbrances in a timely manner. Additionally, certain expenditures were not encumbered by purchase order when incurred during the year.

Cause

Purchase orders were not issued when expenditures were incurred but rather after invoices were received from the respective vendor.

Effect

Expenditures and encumbrances payable maybe understated in the respective funds.

Recommendation

Procedures over purchasing be reviewed and revised to ensure purchase orders are issued and encumbered when contract awards are approved and expenditures are incurred during the year.

Response

Management will review purchasing procedures to comply with all regulatory requirements.

**BOROUGH OF PARK RIDGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

There are none.

CURRENT YEAR STATE AWARDS

Not Applicable.

**BOROUGH OF PARK RIDGE
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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 2021-001

Our audit revealed purchase orders were not issued and encumbered in the Borough's accounting records for certain contracts awarded during the year. In addition, we noted certain contract awards were not accompanied by a certification of availability of funds.

Current Status

See Finding 2022-001.

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

PART III

**SUPPLEMENTARY DATA
LETTER OF COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2022**

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	<u>Year 2022</u>			<u>Year 2021</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 1,300,000	2.36 %	\$	1,500,000	2.86 %
Miscellaneous - From Other Than Local					
Property Tax Levies	4,645,467	8.43		2,955,330	5.64
Collection of Delinquent Taxes and Tax Title Liens	201,443	0.36		237,890	0.45
Collection of Current Tax Levy	48,634,772	88.23		47,319,658	90.30
Other Credits to Income	<u>342,799</u>	<u>0.62</u>		<u>392,694</u>	<u>0.75</u>
Total Income	<u>55,124,481</u>	<u>100.00 %</u>		<u>52,405,572</u>	<u>100.00 %</u>
EXPENDITURES					
Budget Expenditures					
Municipal Purposes	16,580,324	31.02 %		15,380,664	29.70 %
County Taxes	4,625,881	8.66		4,637,363	8.96
Local District School Tax	32,097,370	60.06		31,493,033	60.82
Municipal Open Space Taxes	111,124	0.21		110,693	0.21
Other Debits	<u>26,963</u>	<u>0.05</u>		<u>158,181</u>	<u>0.31</u>
Total Expenditures	<u>53,441,662</u>	<u>100.00 %</u>		<u>51,779,934</u>	<u>100.00 %</u>
Excess in Revenue	1,682,819			625,638	
Adjustments to Income before Fund Balance:					
Expenditures to be Raised by Future Taxes	<u>33,990</u>			<u>297,308</u>	
Statutory Excess to Fund Balance	1,716,809			922,946	
Fund Balance, January 1	<u>2,141,521</u>			<u>2,718,575</u>	
	3,858,330			3,641,521	
Less Utilization as Anticipated Revenue	<u>1,300,000</u>			<u>1,500,000</u>	
Fund Balance, December 31	<u>\$ 2,558,330</u>			<u>\$ 2,141,521</u>	

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	<u>Year 2022</u>			<u>Year 2021</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 350,000	7.40 %	\$	400,000	9.35 %
Water Usage Charges	3,726,098	78.79		3,294,914	77.02
Miscellaneous Charges and Fees	312,014	6.60		295,598	6.91
Reserve for Woodcliff Lake Improvements	59,130	1.25		54,683	1.28
Non-Budget Revenue	118,767	2.51		23,540	0.55
Other Credits to Income	<u>163,165</u>	<u>3.45</u>		<u>209,092</u>	<u>4.89</u>
Total Income	<u>4,729,174</u>	<u>100.00</u> %		<u>4,277,827</u>	<u>100.00</u> %
EXPENDITURES					
Operating	3,349,900	79.66 %		3,296,860	80.22 %
Capital Improvements	290,000	6.90		320,000	7.79
Debt Service	304,578	7.24		236,957	5.77
Deferred Charges and Statutory Expenditures	<u>260,500</u>	<u>6.20</u>		<u>255,810</u>	<u>6.22</u>
Total Expenditures	<u>4,204,978</u>	<u>100.00</u> %		<u>4,109,627</u>	<u>100.00</u> %
Excess in Revenue	524,196			168,200	
Adjustments to Income before Fund Balance:					
Expenditures Included Above Which are by Statute					
Deferred Charges to Budget of Succeeding Year	<u>56,764</u>			<u>-</u>	
Statutory Excess to Fund Balance	580,960			168,200	
Fund Balance, January 1	<u>746,462</u>			<u>978,262</u>	
	1,327,422			1,146,462	
Less Utilization as Anticipated Revenue	<u>350,000</u>			<u>400,000</u>	
Fund Balance, December 31	<u>\$ 977,422</u>			<u>\$ 746,462</u>	

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	<u>Year 2022</u>			<u>Year 2021</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 604,000	5.28 %	\$	704,000	6.97 %
Light and Power Charges	9,711,353	84.94		8,878,477	87.95
Miscellaneous Charges and Fees	17,888	0.16		17,226	0.17
Electric Capital Fund Balance	40,000	0.35			
Non-Budget Revenue	163,600	1.43		42,721	0.42
Other Credits to Income	<u>896,943</u>	<u>7.84</u>		<u>452,736</u>	<u>4.49</u>
Total Income	<u>11,433,784</u>	<u>100.00 %</u>		<u>10,095,160</u>	<u>100.00 %</u>
EXPENDITURES					
Operating	9,454,000	94.60 %		9,084,560	95.81 %
Capital Improvements	190,000	1.90		90,000	0.95
Debt Service	99,523	1.00		73,288	0.77
Deferred Charges and Statutory Expenditures	<u>250,200</u>	<u>2.50</u>		<u>234,102</u>	<u>2.47</u>
Total Expenditures	<u>9,993,723</u>	<u>100.00 %</u>		<u>9,481,950</u>	<u>100.00 %</u>
Excess in Revenue	1,440,061			613,210	
Adjustments to Income before Fund Balance:					
Expenditures Included Above Which are by Statute					
Deferred Charges to Budget of Succeeding Year	<u>27,735</u>			<u>-</u>	
Statutory Excess to Fund Balance	1,467,796			613,210	
Fund Balance, January 1	<u>784,515</u>			<u>875,305</u>	
	2,252,311			1,488,515	
Less Utilization as Anticipated Revenue	<u>604,000</u>			<u>704,000</u>	
Fund Balance, December 31	<u>\$ 1,648,311</u>			<u>\$ 784,515</u>	

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	<u>Year 2022</u>			<u>Year 2021</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 65,000	13.30 %	\$	82,000	16.78 %
Membership Fees	315,973	64.66		309,236	63.28
Miscellaneous Fees	67,770	13.87		56,288	11.53
Non-Budget Revenue	70	0.01			
Other Credits to Income	<u>39,882</u>	<u>8.16</u>		<u>95</u>	<u>0.02</u>
Total Income	<u>488,695</u>	<u>100.00 %</u>		<u>447,619</u>	<u>91.60 %</u>
EXPENDITURES					
Operating	325,000	81.80 %		290,000	72.99 %
Capital Improvements	19,000	4.78		-	
Deferred Charges and Statutory Expenditures	<u>53,300</u>	<u>13.42</u>		<u>11,900</u>	<u>3.00</u>
Total Expenditures	<u>397,300</u>	<u>100.00 %</u>		<u>301,900</u>	<u>75.99 %</u>
Excess in Revenue	91,395			145,719	
Fund Balance, January 1	<u>480,922</u>			<u>417,203</u>	
	572,317			562,922	
Less Utilization as Anticipated Revenue	<u>65,000</u>			<u>82,000</u>	
Fund Balance, December 31	<u>\$ 507,317</u>			<u>\$ 480,922</u>	

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Tax Rate</u>	<u>\$3.089</u>	<u>\$3.020</u>	<u>\$2.926</u>

Apportionment of Tax Rate

Municipal	.713	.687	.670
Library	.040	.039	.039
Municipal Open Space	.007	.007	.007
County	.280	.282	.277
County – Open Space	.012	.012	.011
Local District School	2.037	1.993	1.922

Assessed Valuation

2022	<u>\$1,576,346,720</u>	
2021		<u>\$1,580,349,198</u>
2020		<u>\$1,601,066,677</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>
2022	\$ 49,037,383	\$ 48,734,772	99.38%
2021	47,756,079	47,369,658	99.19%
2020	46,881,615	46,581,533	99.35%

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

Delinquent Taxes and Tax Title Liens

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

<u>December 31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2022	-	\$ 254,531	\$ 254,531	0.52%
2021	-	201,539	201,539	0.42%
2020	-	244,740	244,740	0.52%

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>
2022	\$100,650
2021	100,650
2020	100,650

Comparison of Water Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(*)</u>	<u>Percentage of Collection</u>
2022	\$3,752,677	\$3,726,098	99.29%
2021	3,380,752	3,294,914	97.46%
2020	3,521,580	3,491,458	99.14%

Comparison of Electric Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(*)</u>	<u>Percentage of Collection</u>
2022	\$9,681,185	\$9,711,353	100.31%
2021	9,106,101	8,878,477	97.50%
2020	8,581,216	8,763,261	102.00%

*Includes collection of prior year receivables.

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

Comparative Schedule of Fund Balances

	<u>Year</u>	<u>Balance, December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2022	\$2,558,330	\$1,830,000
	2021	2,141,521	1,300,000
	2020	2,718,575	1,500,000
	2019	1,931,707	1,125,000
	2018	2,064,141	1,000,000
Water Utility Fund	2022	\$977,422	\$500,000
	2021	746,462	350,000
	2020	978,262	400,000
	2019	547,752	260,000
	2018	630,156	351,328
Electric Utility Operating Fund	2022	\$1,648,311	\$500,000
	2021	784,515	604,000
	2020	875,305	704,000
	2019	697,782	512,000
	2018	686,624	434,480
Swim Pool Utility Operating Fund	2022	\$507,317	\$100,000
	2021	480,922	65,000
	2020	417,203	82,000
	2019	376,029	45,000
	2018	280,093	30,312

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

OFFICIALS IN OFFICE AND SURETY BONDS

<u>Name</u>	<u>Title</u>
Keith Misciagna	Mayor
Kelly Epstein	Council President
Matthew Capilli	Councilman
John M. Cozzi	Councilman
William R. Fenwick	Councilman
John Ferguson	Councilman
Robert Metzdorf	Councilman
Julie Falkenstern	Borough Administrator
Magdalena Giandomenico	Borough Clerk
Consuelo Carpenter	Chief Financial Officer
Jessica Mazzarella	Tax Collector/Treasurer
Paul Longo	Director of Operations
John Schettino	Borough Attorney
Neglia Engineering Assoc.	Borough Engineer
Maser	Borough Planner
Rogut McCarthy, LLC	Borough Bond Counsel
Joseph Madden	Police Chief
Thomas Lepore	Fire Chief
Tonya Tardibuono	Zoning Officer
Keith Dalton	Construction Code Official
Robert Campora	Tax Assessor
Peter Wayne	Superintendent of Public Works
Christopher O'Leary	Supervisor of Water
James Leichtnam	Supervisor of Electric
Chris O'Leary	Supervisor of Water and Sewer
Mauro A. Finamore	Electric Sub-Code Official
Everisto Silva	Plumbing Sub-Code Official
Keith Dalton	Fire Subcode Official
Katherine Bowen	Director of Welfare

There is a statutory bond limit in the Municipal Excess Liability Joint Insurance Fund that covers the Treasurer, Tax Collector, Magistrates, Court Administrators and Court Clerk up to \$1,000,000 with a member deductible of \$1,000. All other employees are covered for up to \$50,000 under the Municipal Joint Insurance Fund and up to \$950,000 under the Municipal Excess Liability Joint Insurance Fund.

BOROUGH OF PARK RIDGE LETTER OF COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

Prior Year Findings Unresolved

Finance

- **Finding** – Our audit revealed the balance reported in the Other Trust Fund for developer escrow deposits is not in agreement with the individual developer account balances per the subsidiary records as of December 31, 2022. Additionally, old inactive developer escrow deposits be reviewed and cleared of record.

Recommendation –Developer escrow deposit balances reported in the Other Trust Fund be reconciled to and in agreement with subsidiary record balances. In addition, old inactive balances of developer escrow deposits be reviewed and cleared of record.

- **Finding** – Our audit of the Affordable Housing Trust Fund revealed the annual financial report was not updated and available for audit for the year ended December 31, 2022.

Recommendation – The annual financial report for the Affordable Housing Trust Fund be updated and made available for audit.

Purchasing

- **Finding** – Our audit revealed purchase orders were not issued and encumbered in the Borough's accounting records for certain contracts awarded and when expenditures were incurred during the year.

Recommendation – Procedures over purchasing be reviewed and revised to ensure purchase orders are issued and encumbered when contract awards are approved and expenditures are incurred during the year.

Current Year Findings

Finance

- **Finding** – Our audit revealed that certain budgetary line items in the 2022 Current, Water Utility Operating and Electric Utility Operating Funds budget were overexpended at December 31, 2022. These overexpenditures were caused by audit adjustments therefore no recommendation is deemed warranted.

- **Finding** – Our audit of bank reconciliations in the various funds revealed numerous reconciling items including old and invalid deposits in transit, outstanding checks and wire transfers.

Recommendation – Reconciling items on all Borough bank accounts be reviewed for validity and invalid items be cleared of record.

- **Finding** – Our audit indicated that ordinances establishing new Water and Electric Utility usage rates were adopted on April 26, 2022 to be effective May 1, 2022. However, new rates were not billed to customers until August 2022.

Recommendation – Revised Water and Electric Utility usage rates be billed on their effective date in accordance with adopted Borough ordinances.

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

GENERAL COMMENTS (Continued)

Current Year Findings (Continued)

Purchasing

- **Finding** – Our audit of expenditures revealed the following:
 - Numerous purchase orders were not available for audit.
 - Numerous purchase orders were dated after goods or services were rendered (“confirming orders”).
 - Numerous purchase orders did not contain signatures for purchase order approval, receipt of goods and payment approval.

Recommendation – Purchasing procedures be reviewed and revised to ensure purchase orders are available for audit and are issued and approved in accordance with existing Borough procedures and related procurement regulations.

- **Finding** – We noted certain contract award documentation was not file and available for audit on purchases made through a State contract for the acquisition of a vehicle or a Cooperative Purchasing Program contract for turf replacement at Memorial Field.

Recommendation – State contract and Cooperative Purchasing Program contract award information be maintained on file and available for audit.

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 \$44,000 and has appointed the Borough Administrator 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:

Solid Waste and Recycling Collection/Disposal
Treatment of Wells #14 & #18
2021 Roadway Improvements
Improvements to North 5th Street – Colony Avenue – West Grand Avenue

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 the bid threshold "for the performance of any work, or the furnishing or hiring of any materials or supplies," where bids had not been previously sought by public advertisement or where a resolution had not 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 4, 2022 adopted the following resolution authorizing interest to be charged on delinquent taxes, water and electric utility 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, water and electric utility 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 15, 2022.

There have been no tax title liens receivable on December 31, of the last five years.

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

- Payment of unused sick and vacation days be reviewed by the Borough Attorney for compliance with State statutes.
- A review be made to determine if the Electric Utility Dusk to Dawn charges are in agreement with the adopted ordinance.
- Improvement authorizations in the General Capital, Water Utility Capital and Electric Utility Capital Funds be reviewed and old and inactive account balances be cleared of records.
- A review should be made to determine reason why beginning balances on the Utility Operating account status reports were not in agreement with prior year audit balances.
- Continued efforts be made to review prior year grant and other receivables in the General Capital Fund.

APPRECIATION

We desire to express our appreciation to the Administrator, Chief Financial Officer, Tax Collector 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. Developer escrow deposit balances reported in the Other Trust Fund be reconciled to and in agreement with subsidiary record balances. In addition, old inactive balances of developer escrow deposits be reviewed and cleared of record.
- * 2. The annual financial report for the Affordable Housing Trust Fund be updated and made available for audit.
- 3. Reconciling items on all Borough bank accounts be reviewed for validity and invalid items be cleared of record.
- 4. Revised Water and Electric Utility usage rates be billed on their effective date in accordance with adopted Borough ordinances.

Purchasing

- * 1. Procedures over purchasing be reviewed and revised to ensure purchase orders are issued and encumbered when contract awards are approved and expenditures are incurred during the year.
- 2. Purchasing procedures be reviewed and revised to ensure purchase orders are available for audit and are issued and approved in accordance with existing Borough procedures and related procurement regulations.
- 3. State contract and Cooperative Purchasing Program contract award information be maintained on file and available for audit.

* * * * *

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 & Bliss LLP

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


Jeffrey C. Bliss
Certified Public Accountant
RMA Number CR00429