

BOROUGH OF PARK RIDGE
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2018

BOROUGH OF PARK RIDGE

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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, 2018**



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Park Ridge, as of December 31, 2018 and 2017, 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, 2018, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Park Ridge as of December 31, 2018 and 2017, or changes in financial position, or, where applicable, cash flows for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 17 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the years ended December 31, 2018 and 2017. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 44.6 percent and 43.1 percent of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2018 and 2017.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the possible effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph above, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough of Park Ridge as of December 31, 2018 and 2017, 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, 2018 in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated August 20, 2019 on our consideration of the Borough of Park Ridge's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Park Ridge's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Park Ridge's internal control over financial reporting and compliance.

LERCH, VINCI & HIGGINS, LLP

LERCH, VINCI & HIGGINS, LLP

Certified Public Accountants

Registered Municipal Accountants



Jeffrey C. Bliss

Registered Municipal Accountant

RMA Number CR00429

Fair Lawn, New Jersey
August 20, 2019

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2018 AND 2017

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
ASSETS			
Cash	A-4	\$ 3,649,428	\$ 7,181,070
Cash - Change Funds	A-5	275	450
Cash - Petty Cash Fund	A-6		2,000
Due to State of New Jersey - Senior Citizens' and Veterans' Deductions	A-7	1,814	1,555
Grant Receivables	A-8	<u>9,876</u>	<u>192,141</u>
		<u>3,661,393</u>	<u>7,377,216</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-9	338,447	277,681
Property Acquired for Taxes - Assessed Valuation	A-10	100,650	100,650
Revenue Accounts Receivable	A-11	12,400	22,908
Due from Animal Control Fund	B-5	196	10,417
Due from Other Trust Fund	B-14	114,813	576,498
Due from Electric Utility Operating Fund	E-13	74,310	
Due from Public Assistance Fund	H-2	<u>2,200</u>	<u>5,010</u>
		<u>643,016</u>	<u>993,164</u>
Deferred Charges			
Emergency Authorizations	A-12		320,000
Special Emergency Authorizations	A-13	12,480	24,960
Overexpenditure of Appropriation Reserves	A-12	<u>-</u>	<u>33,330</u>
		<u>12,480</u>	<u>378,290</u>
Total Assets		<u>\$ 4,316,889</u>	<u>\$ 8,748,670</u>

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2018 AND 2017

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3,A-15	\$ 296,068	\$ 716,931
Encumbrances Payable	A-16	233,298	127,681
Accounts Payable	A-17	8,900	41,175
Tax Overpayments	A-18	57,456	30,320
Prepaid Taxes	A-19	265,693	3,832,224
County Taxes Payable	A-20	13,531	9,282
Fees Payable	A-24	3,082	7,005
Due to Municipal Library	A-14		3,752
Due to Outside Lienholder	A-23		13,435
Due to Affordable Housing Trust Fund	B-7		34,450
Due to Open Space Preservation Trust Fund	A-22	341	111,620
Due to General Capital Fund	C-6	207,841	285,004
Due to Water Utility Operating Fund	D-13	13,764	64,652
Due to Electric Utility Operating Fund	E-13		28,644
Due to Swim Pool Utility Operating Fund	G-11		547
Reserve for:			
Tax Appeals	A-25	458,081	408,081
Miscellaneous Reserves	A-26	6,250	6,250
Appropriated Grant Reserves	A-27	45,427	67,572
Unappropriated Grant Reserves	A-28	-	54,767
		1,609,732	5,843,392
Reserve for Receivables and Other Assets	A	643,016	993,164
Fund Balance	A-1	2,064,141	1,912,114
Total Liabilities, Reserves and Fund Balance		<u>\$ 4,316,889</u>	<u>\$ 8,748,670</u>

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 900,000	\$ 800,000
Miscellaneous Revenue Anticipated	A-2	2,983,914	3,391,695
Receipts from Delinquent Taxes	A-2	265,613	277,093
Receipts from Current Taxes	A-2	43,897,556	42,725,796
Non-Budget Revenue	A-2	275,889	323,123
Other Credits to Income			
Unexpended Balances of Appropriation Reserves	A-15	298,903	170,830
Accounts Payable Cancelled	A-17	75	323
Statutory Excess from Animal Control Trust Fund	A-1		10,276
Appropriated Grant Reserves Cancelled	A-27	39,099	
Due to Municipal Library Cancelled	A-14	3,752	
Interfunds Liquidated	A,A-2	75,406	-
Total Revenue		<u>48,740,207</u>	<u>47,699,136</u>
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries & Wages	A-3	4,737,334	4,624,160
Other Expenses	A-3	5,892,861	6,145,023
Capital Improvements	A-3	25,000	225,000
Debt Service	A-3	1,744,195	1,626,616
Deferred Charges and Statutory Expenditures	A-3	1,422,776	1,202,797
County Taxes	A-20	4,452,460	4,668,150
Local District School Tax	A-21	29,256,925	28,370,946
Municipal Open Space Tax	A-22	112,105	111,620
Overexpenditures of Appropriation Reserves	A-1		33,330
Prior Years Sr. Cit./Vets. Deduction Disallowed by State	A-7	3,250	
Grants Receivable Cancelled	A-8	39,099	
Change Fund/Petty Cash Adjustments	A-5,A-6	2,175	
Interfunds Created	A-1	-	220,781
Total Expenditures		<u>47,688,180</u>	<u>47,228,423</u>
Excess in Revenue		1,052,027	470,713
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-12	-	353,330
Statutory Excess to Fund Balance		1,052,027	824,043
FUND BALANCE, JANUARY 1	A	<u>1,912,114</u>	<u>1,888,071</u>
		2,964,141	2,712,114
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	<u>900,000</u>	<u>800,000</u>
FUND BALANCE, DECEMBER 31	A	<u>\$ 2,064,141</u>	<u>\$ 1,912,114</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, 2018

	<u>Reference</u>	<u>Budget</u>	<u>Added By:</u> <u>40A:4-87</u>	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
FUND BALANCE ANTICIPATED	A-1	\$ 900,000	-	\$ 900,000	-
MISCELLANEOUS REVENUES					
Licenses					
Alcoholic Beverages	A-11	15,000		19,315	\$ 4,315
Fees and Permits					
Fire Code Department	A-11	40,000		49,149	9,149
Board of Health/Registrar	A-11	17,000		17,941	941
Fines and Costs - Municipal Court	A-11	125,000		126,007	1,007
Interest and Costs on Taxes	A-11	60,000		64,393	4,393
Joint Insurance Fund Dividend	A-11	12,000		5,911	(6,089)
Hotel Tax	A-11	235,000		249,298	14,298
Recycling Program	A-11	20,000		20,535	535
Cable Television Franchise Fee	A-11	143,553		147,287	3,734
Water Utility Rental Fees	A-11	105,000		105,000	-
Electric Utility Rental Fees	A-11	30,000		30,000	-
Pistol Range Fee	A-11	10,000		20,000	10,000
Tri-Boro Safety Corps.	A-11	50,000		51,216	1,216
Consolidated Municipal Property Tax Relief Aid	A-11	16,161		16,161	-
Energy Receipts Tax	A-11	366,438		366,438	-
Watershed Moratorium Offset Aid	A-11	1,598		1,598	-
Uniform Construction Code Fees	A-11	300,000		297,055	(2,945)
Clean Communities Program	A-8,A-28	18,342	\$ 17,549	35,891	-
Recycling Tonnage Grant	A-28	28,049		28,049	-
Alcohol Education and Rehabilitation Fund	A-8,A-28	165	586	751	-
Green Team	A-28	400		400	-
Sustainable New Jersey	A-28	5,000		5,000	-
Mun. Alliance on Alc. and Drug Abuse	A-8,A-28	2,511	9,876	12,387	-
Bergen County Mini Grant	A-28		300	300	-
JIF Safety Award	A-8		1,000	1,000	-
Water Utility - Payments in Lieu of Taxes	A-11	100,000		100,000	-
Electric Utility - Payments in Lieu of Taxes	A-11	155,000		155,000	-
Electric Utility Payment in Lieu of Franchise and					
Gross Receipts Taxes	A-11	500,000		500,000	-
Life Hazard Use Fees	A-11	11,000		18,671	7,671
Library Reimbursements	A-11	61,000		61,000	-
Excess Sewer User Fees	A-11	110,000		51,251	(58,749)
Sprint Cell Tower Rent	A-11	90,500		101,910	11,410
Interfund - Due from Other Trust Fund	A-4	325,000	-	325,000	-
Total Miscellaneous Revenues	A-1	2,953,717	29,311	2,983,914	886
RECEIPTS FROM DELINQUENT TAXES	A-1,A-9	242,000	-	265,613	23,613
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET					
Local Tax For Municipal Purposes		9,765,741		10,132,830	367,089
Minimum Library Tax		600,836	-	600,836	-
Total Amount to be Raised by Taxes	A-2	10,366,577	-	10,733,666	367,089
	A-3	\$ 14,462,294	\$ 29,311	14,883,193	\$ 391,588
Non-Budget Revenue	A-1,A-2			275,889	
				\$ 15,159,082	

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, 2018**

	<u>Reference</u>	<u>Realized</u>
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenue from Collections	A-9	\$ 43,947,556
Less: Transferred to Reserve for Tax Appeals	A-25	<u>50,000</u>
Revenue Realized	A-1	43,897,556
Less Allocated to School, County and Municipal Open Space Taxes	A-20,A-21,A-22	<u>33,821,490</u>
		10,076,066
Add Appropriation Reserve for Uncollected Taxes	A-3	<u>657,600</u>
Amount for Support of Municipal Budget Appropriation	A-2	<u>\$ 10,733,666</u>
Analysis of Non-Budget Revenue		
Parking Permits		\$ 18,539
Police Fees		3,006
Senior Citizen and Veterans Administration Fees		1,360
Housing Registration		18,300
NJ State Monitoring Surveillance Enforcement		15,000
Parking Meters Broadway/RR		4,352
Payment in Lieu of Taxes		12,411
Reimbursements		960
Interest on Deposits		83,987
Insurance Dividend		75,886
Miscellaneous		<u>42,088</u>
	A-2	<u>\$ 275,889</u>
Cash Receipts	A-4	\$ 269,456
Due from Animal Control Fund	B-5	196
Due from Other Trust Fund	B-14	6,154
Due from Public Assistance Fund	H-2	<u>83</u>
		<u>\$ 275,889</u>

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<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>Modification</u>	<u>Charged</u>		<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
General Administration					
Salaries and Wages	\$ 108,813	\$ 106,813	\$ 106,272	\$ 541	
Other Expenses	31,900	23,300	23,296	4	
Mayor and Council					
Salaries and Wages	43,200	43,200	43,200		
Other Expenses	10,000	10,000	9,742	258	
Municipal Clerk					
Salaries and Wages	145,000	145,000	143,701	1,299	
Other Expenses	50,000	46,600	44,692	1,908	
Financial Administration					
Salaries and Wages	135,000	109,053	108,693	360	
Other Expenses	41,075	51,075	50,986	89	
Audit Services					
Other Expenses	45,000	45,000	45,000		
Revenue Administration					
Salaries and Wages	92,850	101,850	101,297	553	
Other Expenses	9,500	9,500	8,500	1,000	
Tax Assessment Administration					
Salaries and Wages	15,200	15,200	15,000	200	
Other Expenses	4,125	4,125	2,485	1,640	
Other Expenses - Property Appraisals	10,000	22,000	22,000		
Legal Services and Costs					
Other Expenses	300,000	457,700	457,658	42	
Engineering Services and Costs					
Other Expenses	50,000	37,500	36,448	1,052	
Grant Professional	30,000	32,500	32,500		
LAND USE ADMINISTRATION					
Planning Board					
Salaries and Wages	57,000	57,000	54,295	2,705	
Other Expenses	31,605	11,205	10,869	336	
Zoning Board of Adjustment					
Salaries and Wages	32,600	32,600	32,450	150	
Other Expenses	13,540	8,940	8,934	6	
Zoning Officer					
Salaries and Wages	14,750	14,750	14,160	590	
Other Expenses	3,670	3,670	2,287	1,383	
Housing Task Force					
Salaries and Wages	12,394	12,394	12,222	172	
Other Expenses	650	650	38	612	
INSURANCE					
General Liability	232,000	213,740	213,168	572	
Employee Group Health	1,366,000	1,340,930	1,340,544	386	
Employee Group Health Waiver	30,000	38,962	38,900	62	
Tri-Boro Ambulance	8,500	8,500		8,500	

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, 2018

	<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>Modification</u>	<u>Charged</u>		<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Continued)					
PUBLIC SAFETY FUNCTIONS					
Police					
Salaries and Wages	\$ 2,669,642	\$ 2,761,955	\$ 2,761,926	\$ 29	
Other Expenses	145,000	133,000	132,890	110	
Pistol Range					
Other Expenses	20,240	19,640	19,623	17	
Police Reserves/EMC					
Salaries and Wages	15,000	11,400	11,320	80	
Other Expenses	20,000	20,000	18,920	1,080	
Tri-Borough Safety Corps					
Other Expenses	280,500	280,500	279,885	615	
Emergency Management Services					
Salaries and Wages	3,213	3,213	3,213		
Other Expenses	6,110	6,110	6,108	2	
First Aid Organization					
Other Expenses - Contribution	20,000	20,000	20,000		
Fire Department					
Salaries and Wages	50,000	50,660	50,656	4	
Other Expenses	88,752	61,082	60,506	576	
Fire Hydrant Services	15,500	16,000	15,997	3	
Fire Prevention					
Salaries and Wages	42,950	41,446	38,600	2,846	
Other Expenses	8,725	8,725	4,702	4,023	
PUBLIC WORKS FUNCTION					
Streets and Road Maintenance					
Salaries and Wages	775,000	715,840	714,704	1,136	
Other Expenses	178,700	149,020	143,380	5,640	
Sewer System					
Salaries and Wages	52,000	47,000	46,573	427	
Other Expenses	12,400	12,400	6,971	5,429	
Shade Tree					
Other Expenses	15,680	15,680	7,999	7,681	
Solid Waste Collection					
Other Expenses - Sanitation	525,000	518,000	507,111	10,889	
Other Expenses - Recycling	142,250	119,750	119,750		
Building and Grounds					
Salaries and Wages	100,082	98,082	97,242	840	
Other Expenses	92,950	92,950	92,921	29	
Vehicle Maintenance					
Salaries and Wages	98,000	100,772	100,738	34	
Other Expenses	69,900	54,959	52,053	2,906	

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<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>Modification</u>	<u>Charged</u>		<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Cont'd)					
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries and Wages	\$ 16,000	\$ 12,000	\$ 11,200	\$ 800	
Other Expenses	55,604	49,604	48,970	634	
Administration of Public Assistance					
Salaries and Wages	10,303	10,363	10,352	11	
Other Expenses	1,300	1,180		1,180	
Aid to Mental Health					
Other Expenses	9,000	9,000	9,000		
PARKS AND RECREATION FUNCTIONS					
Recreation Services and Programs					
Salaries and Wages	30,000	30,000	780	29,220	
Other Expenses	22,000	17,635	16,524	1,111	
Senior Citizens					
Salaries and Wages	18,000	18,000	16,636	1,364	
Other Expenses	7,500	7,500	7,500		
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events	2,000	2,000	2,000		
Park Ridge Television					
Salaries and Wages	12,450	12,450	12,240	210	
Other Expenses	3,850	4,215	4,210	5	
Municipal Services Act					
Other Expenses	20,000	16,000	8,660	7,340	
UNIFORM CONSTRUCTION CODE					
APPROPRIATIONS OFFSET BY DEDICATED					
REVENUES (N.J.A.C. 5:23-4-17)					
Construction Code Official					
Salaries and Wages	164,061	173,906	173,875	31	
Other Expenses	12,475	6,475	5,551	924	
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	90,000	85,640	79,463	6,177	
Telephone	31,000	24,000	23,936	64	
Water	12,000	10,100	7,262	2,838	
Gas and Oil	19,000	19,000	19,000		
Gasoline	60,000	81,000	80,402	598	

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Cont'd)					
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Dumping Fees	\$ 75,000	\$ 46,000	\$ 45,475	\$ 525	
Total Operations Within "CAPS"	<u>9,043,509</u>	<u>8,998,009</u>	<u>8,876,161</u>	<u>121,848</u>	<u>-</u>
Contingent	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operations Including Contingent Within "CAPS"	<u>9,043,509</u>	<u>8,998,009</u>	<u>8,876,161</u>	<u>121,848</u>	<u>-</u>
Detail:					
Salaries and Wages	4,713,508	4,724,947	4,681,345	43,602	-
Other Expenses	<u>4,330,001</u>	<u>4,273,062</u>	<u>4,194,816</u>	<u>78,246</u>	<u>-</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Deferred Charges					
Overexpenditure of Budget Appropriations	33,330	33,330	33,330		
Statutory Expenditures					
Contribution to					
Social Security System	215,000	260,500	257,354	3,146	
Defined Contribution Retirement Plan	25,000	25,000	15,291	9,709	
Police & Firemen Retirement System	577,066	577,066	577,066		
Public Employees Retirement System	<u>194,400</u>	<u>194,400</u>	<u>194,336</u>	<u>64</u>	<u>-</u>
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>1,044,796</u>	<u>1,090,296</u>	<u>1,077,377</u>	<u>12,919</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>10,088,305</u>	<u>10,088,305</u>	<u>9,953,538</u>	<u>134,767</u>	<u>-</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Recycling Tax	11,000	11,000	10,582	418	
SEWERAGE PROCESSING AND DISPOSAL					
Bergen County Utilities Authority-Sewer Fees	739,077	739,077	739,077		
EDUCATION FUNCTIONS					
Maintenance of Free Public Library	600,836	600,836	579,723	21,113	

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<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>Modification</u>	<u>Charged</u>		<u>Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS" (Cont'd)					
PUBLIC SAFETY FUNCTION					
LOSAP					
Fire Department	\$ 50,000	\$ 50,000		\$ 50,000	
Tri-Borough Ambulance	20,000	20,000		20,000	
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS					
Municipal Court					
Other Expenses - Contractual	<u>127,495</u>	<u>127,495</u>	<u>\$ 124,796</u>	<u>2,699</u>	<u>-</u>
Total Other Operations Excluded from "CAPS"	<u>1,548,408</u>	<u>1,548,408</u>	<u>1,454,178</u>	<u>94,230</u>	<u>-</u>
PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES					
Municipal Drug Alliance Program					
Salaries & Wages	2,511	12,387		12,387	
Clean Communities Program	18,342	35,891	7,406	28,485	
Recycling Tonnage Grant	28,049	28,049	2,928	25,121	
Alcohol and Rehabilitation Fund	165	751		751	
Sustainable New Jersey	5,000	5,000	5,000		
Green Team	400	400	373	27	
Mini Grant - Bergen County		300		300	
JIF Safety Grant	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>-</u>
Total Public and Private Programs					
Offset by Revenues	<u>54,467</u>	<u>83,778</u>	<u>16,707</u>	<u>67,071</u>	<u>-</u>
Total Operations Excluded from "CAPS"	<u>1,602,875</u>	<u>1,632,186</u>	<u>1,470,885</u>	<u>161,301</u>	<u>-</u>
Detail:					
Salaries and Wages	2,511	12,387	-	12,387	-
Other Expenses	<u>1,600,364</u>	<u>1,619,799</u>	<u>1,470,885</u>	<u>148,914</u>	<u>-</u>
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>-</u>
Total Capital Improvements Excluded from "CAPS"	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>-</u>

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Balance</u> <u>Cancelled</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000		
Payment of Bond Anticipation Notes and Capital Notes	207,841	207,841	207,841		
Interest on Bonds	298,403	298,403	287,828		\$ 10,575
Interest on Notes	36,790	36,760	35,497		1,263
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	<u>113,000</u>	<u>113,030</u>	<u>113,029</u>	<u>-</u>	<u>1</u>
Total Municipal Debt Service Excluded from "CAPS"	<u>1,756,034</u>	<u>1,756,034</u>	<u>1,744,195</u>	<u>-</u>	<u>11,839</u>
DEFERRED CHARGES MUNICIPAL- EXCLUDED FROM "CAPS"					
DEFERRED CHARGES					
Emergency Authorizations	320,000	320,000	320,000		
Special Emergency Authorization - 5 Years	<u>12,480</u>	<u>12,480</u>	<u>12,480</u>	<u>-</u>	<u>-</u>
Total Deferred Charges Municipal Excluded from "CAPS"	<u>332,480</u>	<u>332,480</u>	<u>332,480</u>	<u>-</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>3,716,389</u>	<u>3,745,700</u>	<u>3,572,560</u>	<u>\$ 161,301</u>	<u>11,839</u>
Subtotal General Appropriations	13,804,694	13,834,005	13,526,098	296,068	11,839
Reserve for Uncollected Taxes	<u>657,600</u>	<u>657,600</u>	<u>657,600</u>	<u>-</u>	<u>-</u>
Total General Appropriations	<u>\$ 14,462,294</u>	<u>\$ 14,491,605</u>	<u>\$ 14,183,698</u>	<u>\$ 296,068</u>	<u>\$ 11,839</u>

	<u>Reference</u>	A-2	A-1	A, A-1
Budget	A-3	\$ 14,462,294		
Added by 40A:4-87	A-2	<u>29,311</u>		
		<u>\$ 14,491,605</u>		
Cash Disbursed	A-4		\$ 12,633,495	
Encumbrances Payable	A-16		233,298	
Due to General Capital Fund	C-6		207,841	
Due to Water Utility Operating Fund	D-13		85,654	
Deferred Charges				
Emergency Authorization	A-12		320,000	
Overexpenditure of Appropriation Reserves	A-12		33,330	
Special Emergency Authorization	A-13		12,480	
Reserve for Uncollected Taxes	A-2		<u>657,600</u>	
			<u>\$ 14,183,698</u>	

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2018 AND 2017

ASSETS	<u>Reference</u>	<u>2018</u>	<u>2017</u>
ANIMAL CONTROL TRUST FUND			
Cash	B-3	\$ 13,290	\$ 22,184
OTHER TRUST FUND			
Cash	B-3	1,441,545	1,540,989
Police Outside Duty Receivable	B-16	26,034	197,177
Due from Water Utility Operating Fund	D-16		71,397
Due from Electric Utility Operating Fund	E-15	-	29,940
		<u>1,467,579</u>	<u>1,839,503</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Cash	B-3	93,123	69,721
Due from Other Trust Fund	B-15	9,173	30,533
		<u>102,296</u>	<u>100,254</u>
OPEN SPACE PRESERVATION TRUST FUND			
Cash	B-3	258,042	63,059
Due from Current Fund	A-22	341	111,620
Due from General Capital Fund	C-7	21,547	-
		<u>279,930</u>	<u>174,679</u>
AFFORDABLE HOUSING TRUST FUND			
Cash	B-3	371,220	322,192
Due from Current Fund	B-7	-	34,450
		<u>371,220</u>	<u>356,642</u>
LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)			
Investments	B	1,738,960	1,811,246
Contributions Receivable	B	63,080	74,179
		<u>1,802,040</u>	<u>1,885,425</u>
Total Assets		<u>\$ 4,036,355</u>	<u>\$ 4,378,687</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, 2018 AND 2017

LIABILITIES AND RESERVES	Reference	2018	2017
ANIMAL CONTROL TRUST FUND			
Due to State of New Jersey	B-4	\$ 154	
Due to Current Fund	B-5	196	\$ 10,417
Reserve for Animal Control Expenditures	B-6	<u>12,940</u>	<u>11,767</u>
		<u>13,290</u>	<u>22,184</u>
OTHER TRUST FUND			
Due to Current Fund	B-14	114,813	576,498
Due to Unemployment Insurance Trust Fund	B-15	9,173	30,533
Developers Escrow Deposits	B-12	783,765	474,310
Payroll Deductions Payable	B-13	903	95,275
Miscellaneous Reserves & Deposits	B-17	532,891	465,710
Reserve for Police Outside Duty Receivable	B-16	<u>26,034</u>	<u>197,177</u>
		<u>1,467,579</u>	<u>1,839,503</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Due to State of New Jersey	B-8	387	172
Reserve for Unemployment Insurance Benefits	B-9	<u>101,909</u>	<u>100,082</u>
		<u>102,296</u>	<u>100,254</u>
OPEN SPACE PRESERVATION TRUST FUND			
Reserve for Open Space Expenditures	B-10	<u>279,930</u>	<u>174,679</u>
AFFORDABLE HOUSING TRUST FUND			
Reserve for Affordable Housing	B-11	<u>371,220</u>	<u>356,642</u>
LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)			
Reserve for LOSAP Benefits	B	<u>1,802,040</u>	<u>1,885,425</u>
Total Liabilities and Reserves		<u>\$ 4,036,355</u>	<u>\$ 4,378,687</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, 2018**

		<u>Anticipated (Memo)</u>			<u>Excess or</u>
	<u>Reference</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Realized</u>	<u>Deficit</u>
Amount to be Raised by Taxation	B-10	\$ 111,764	\$ 111,764	\$ 112,105	\$ 341
	B-2	\$ 111,764	\$ 111,764	112,105	\$ 341
Non-Budget Revenue					
Interest on Deposits	B-10			1,374	
				<u>\$ 113,479</u>	

EXHIBIT B-2

**STATEMENT OF APPROPRIATIONS-REGULATORY BASIS
OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<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		\$ 29,775	\$ 29,775	
Reserve for Future Use	\$ 111,764	81,989	-	\$ 81,989
	<u>\$ 111,764</u>	<u>\$ 111,764</u>	<u>\$ 29,775</u>	<u>\$ 81,989</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, 2018 AND 2017

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
ASSETS			
Cash	C-2,C-3	\$ 976,978	\$ 1,631,244
Grants Receivable	C-4	371,223	467,377
Other Accounts Receivable	C-5		17,377
Due from Current Fund	C-6	207,841	285,004
Due from Electric Utility Capital Fund	E-16	3,904	
Deferred Charges to Future Taxation			
Funded	C-8	12,564,117	8,872,135
Unfunded	C-9	<u>570,475</u>	<u>5,112,741</u>
Total Assets		<u>\$ 14,694,538</u>	<u>\$ 16,385,878</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Serial Bonds	C-14	\$ 11,384,000	\$ 7,604,000
Green Trust Loans	C-15	1,180,117	1,268,135
Bond Anticipation Notes	C-13		4,834,672
Encumbrances Payable	C-10	97,300	26,636
Improvement Authorizations			
Funded	C-12	925,748	514,859
Unfunded	C-12	184,419	857,014
Due to Open Space Preservation Trust Fund	C-7	21,547	
Due to Water Utility Capital Fund	D-17		696,725
Due to Electric Utility Capital Fund	E-16		340,263
Due to Swim Pool Utility Capital Fund	G-9		40,978
Capital Improvement Fund	C-11	954	8,584
Reserve for Park Avenue Bridge Improvements	C-16		167,297
Reserve for Municipal Building Improvements	C-17	2,252	2,252
Reserve for Preliminary Expenses	C-18	8,500	
Reserve for Community Center	C-19	250,000	
Reserve for Sewer Improvements	C-20	258,260	
Reserve for Payment of Debt	C-21	100	
Reserve for Grants Receivable	C-4	24,000	24,000
Fund Balance	C-1	<u>357,341</u>	<u>463</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 14,694,538</u>	<u>\$ 16,385,878</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2018 and 2017 of \$570,475 and \$278,169, respectively. (See Exhibit C-22)

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
Balance, January 1	C	\$ 463	\$ 36,565
Increased by:			
Premium on Serial Bonds Issued	C-2	29,905	
Funded Improvement Authorizations Cancelled	C-12	<u>326,973</u>	<u>41,779</u>
		357,341	78,344
Decreased by:			
Appropriation to Finance Improvement Authorizations	C-1		41,881
Anticipated as Current Fund Revenue	C-1	<u>-</u>	<u>36,000</u>
Balance, December 31	C	<u>\$ 357,341</u>	<u>\$ 463</u>

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2018 AND 2017

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
ASSETS			
OPERATING FUND			
Cash	D-5	\$ 2,832,700	\$ 2,031,583
Cash - Change Fund	D-7		25
Due from Current Fund	D-13	13,764	64,652
Due from Water Utility Capital Fund	D-15		757,444
Due from Electric Utility Operating Fund	D-14		8,893
Due from Utility Trust Fund	F-3	-	20,104
		<u>2,846,464</u>	<u>2,882,701</u>
Receivables With Full Reserves			
Water Usage Charges Receivable	D-8	176,194	291,980
Other Charges Receivable	D-9	73,763	66,388
Woodcliff Lake Surcharge Receivable	D-10	<u>39,653</u>	<u>43,682</u>
		<u>289,610</u>	<u>402,050</u>
Total Operating Fund		<u>3,136,074</u>	<u>3,284,751</u>
CAPITAL FUND			
Cash	D-5, D-6	114,562	960,303
Due from General Capital Fund	D-17		696,725
Due from Water Utility Operating Fund	D-15	562,111	
Fixed Capital	D-11	14,968,708	13,582,335
Fixed Capital Authorized and Uncompleted	D-12	<u>2,462,846</u>	<u>3,717,123</u>
Total Capital Fund		<u>18,108,227</u>	<u>18,956,486</u>
		<u>\$ 21,244,301</u>	<u>\$ 22,241,237</u>

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2018 AND 2017
(Continued)

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	D-4,D-18	\$ 57,715	\$ 112,103
Encumbrances Payable	D-19	174,822	134,058
Overpayments	D-21	24,782	23,022
Accrued Interest on Bonds and Notes	D-22	22,639	17,905
Due to Other Trust Fund	D-16		71,397
Due to Water Utility Capital Fund	D-15	562,111	
Due to Electric Utility Operating Fund	D-14	33,331	
Miscellaneous Reserves	D-29	<u>1,340,908</u>	<u>1,848,107</u>
		2,216,308	2,206,592
Reserve for Receivables	D	289,610	402,050
Fund Balance	D-1	<u>630,156</u>	<u>676,109</u>
Total Operating Fund		<u>3,136,074</u>	<u>3,284,751</u>
CAPITAL FUND			
Serial Bonds Payable	D-24	1,977,000	1,307,000
Bond Anticipation Notes	D-25	597,000	1,298,565
Encumbrances Payable	D-20	26,361	234,153
Improvement Authorization			
Funded	D-23	413,386	365,382
Unfunded	D-23	1,396,853	2,129,092
Due to Water Utility Operating Fund	D-15		757,444
Capital Improvement Fund	D-26	281,669	276,669
Reserve for Amortization	D-27	13,405,671	12,433,458
Deferred Reserve for Amortization	D-28	723	150,000
Fund Balance	D-2	<u>9,564</u>	<u>4,723</u>
Total Capital Fund		<u>18,108,227</u>	<u>18,956,486</u>
		<u>\$ 21,244,301</u>	<u>\$ 22,241,237</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2018 and 2017 of \$1,451,160 and \$2,110,435, respectively. (See Exhibit D-30)

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, 2018 AND 2017

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	D-3	\$ 528,355	\$ 604,542
Water Usage Charges	D-3	2,959,854	2,848,255
Miscellaneous Charges and Fees	D-3	319,120	246,694
Reserve for Woodcliff Lake Improvements - Reimbursements			
Installation of New Well & Pumping Station WCL - Debt Service	D-3	1,300	
Holly Court Water Tank - Debt Service	D-3	64,208	64,208
Reserve for Handy Harmon Settlement	D-3	550,000	
Non-Budget Revenue	D-3	120,350	118,100
Other Credits			
Appropriation Reserves Lapsed	D-18	118,747	163,265
Outstanding Checks Voided	D-5	63,844	-
Total Income		<u>4,725,778</u>	<u>4,045,064</u>
EXPENDITURES			
Operating	D-4	3,129,058	2,975,500
Capital Improvements	D-4	145,000	155,000
Debt Service	D-4	176,753	167,703
Deferred Charges and Statutory Expenditures	D-4	792,540	334,500
Change Fund Adjustment	D-7	25	-
Total Expenditures		<u>4,243,376</u>	<u>3,632,703</u>
Statutory Excess to Fund Balance		482,402	412,361
Fund Balance, January 1,	D	<u>676,109</u>	<u>868,290</u>
		1,158,511	1,280,651
Decreased by:			
Utilized as Anticipated Revenue	D-1,D-3	<u>528,355</u>	<u>604,542</u>
Balance, December 31,	D	<u>\$ 630,156</u>	<u>\$ 676,109</u>

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE- REGULATORY BASIS
WATER UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
Balance, January 1	D	\$ 4,723	\$ 4,723
Increased by:			
Premium on Serial Bonds Issued	D-17	<u>4,841</u>	<u>-</u>
Balance, December 31,	D	<u>\$ 9,564</u>	<u>\$ 4,723</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	D-1	\$ 528,355	\$ 528,355	
Water Usage Charges	D-1,D-8	2,930,990	2,959,854	\$ 28,864
Miscellaneous Charges and Fees	D-1,D-3	246,000	319,120	73,120
Reserve for Woodcliff Lake Improvements - Reimbursements				
Holly Court Water Tank - Debt Service	D-1, D-29	64,208	64,208	
Installation of New Well & Pumping Station WCL - Debt Service	D-1, D-29	1,300	1,300	
Reserve for Handy Harmon Settlement	D-1, D-29	<u>550,000</u>	<u>550,000</u>	<u>-</u>
	D-4	<u>\$ 4,320,853</u>	4,422,837	<u>\$ 101,984</u>
Non-Budget Revenue	D-1, D-3		<u>120,350</u>	
			<u>\$ 4,543,187</u>	
<u>Analysis of Realized Revenue</u>				
Miscellaneous Charges and Fees:				
Fire Sprinklers	D-9		\$ 68,730	
Hydrants	D-9		39,086	
Mobile Antenna Rents	D-5		<u>211,304</u>	
	D-3		<u>\$ 319,120</u>	
Non-Budget Revenue:				
Interest on Delinquent Accounts			\$ 7,616	
Interest on Investments			36,309	
JIF/BMED Dividend			20,639	
Miscellaneous			<u>55,786</u>	
	D-3,D-5		<u>\$ 120,350</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, 2018

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries and Wages	\$ 1,211,209	\$ 1,239,126	\$ 1,239,126		
Other Expenses	1,664,000	1,664,000	1,594,019	\$ 19,981	\$ 50,000
Group Health Insurance	303,849	275,932	260,601	15,331	-
Total Operating	<u>3,179,058</u>	<u>3,179,058</u>	<u>3,093,746</u>	<u>35,312</u>	<u>50,000</u>
CAPITAL IMPROVEMENTS					
Capital Improvement Fund	5,000	5,000	5,000		
Capital Outlay	150,000	150,000	132,096	7,904	10,000
Total Capital Improvements	<u>155,000</u>	<u>155,000</u>	<u>137,096</u>	<u>7,904</u>	<u>10,000</u>
DEBT SERVICE					
Payment of Bond Principal	120,000	120,000	120,000		
Payment of Bond Anticipation Note Principal	1,300	1,300	1,300		
Interest on Bonds	50,255	50,255	43,787	-	6,468
Interest on Notes	12,700	12,700	11,666	-	1,034
Total Debt Service	<u>184,255</u>	<u>184,255</u>	<u>176,753</u>	<u>-</u>	<u>7,502</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Deferred Charges					
Cost of Improvements -					
Ordinance No. 2004-07	19,540	19,540	19,540		
Ordinance No. 2016-21/2017-03	550,000	550,000	550,000		
Statutory Expenditures					
Contribution to					
Public Employees Retirement System	140,000	140,000	135,263	4,737	
Social Security System (O.A.S.I.)	93,000	93,000	73,238	9,762	10,000
Total Deferred Charges and Statutory Expenditures	<u>802,540</u>	<u>802,540</u>	<u>778,041</u>	<u>14,499</u>	<u>10,000</u>
	<u>\$ 4,320,853</u>	<u>\$ 4,320,853</u>	<u>\$ 4,185,636</u>	<u>\$ 57,715</u>	<u>\$ 77,502</u>

	<u>Reference</u>	D-3	D-1	D, D-1
Cash Disbursed	D-5		\$ 3,312,631	
Encumbrances Payable	D-19		174,822	
Due to Current Fund	D-13		71,890	
Due to Water Utility Capital Fund	D-15		570,840	
Accrued Interest on Bonds and Notes	D-22		55,453	
			<u>\$ 4,185,636</u>	

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
ELECTRIC UTILITY FUND
AS OF DECEMBER 31, 2018 AND 2017

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
ASSETS			
OPERATING FUND			
Cash	E-5	\$ 1,508,415	\$ 1,171,114
Cash - Change Fund	E-7	75	325
Cash - Petty Cash	E-8		1,150
Due from Current Fund	E-13		28,644
Due from Water Utility Operating Fund	D-14	33,331	
Due from Electric Utility Capital Fund	E-14		219,876
Due from Utility Trust Fund	F-4	<u>-</u>	<u>23,447</u>
		<u>1,541,821</u>	<u>1,444,556</u>
Receivables With Full Reserves			
Light and Power Charges Receivable	E-9	504,261	415,890
Other Charges Receivable	E-10	<u>18,580</u>	<u>18,755</u>
		<u>522,841</u>	<u>434,645</u>
Total Operating Fund		<u>2,064,662</u>	<u>1,879,201</u>
CAPITAL FUND			
Cash	E-5, E-6	951,466	786,693
Due from General Capital Fund	E-16		340,263
Due from Electric Utility Operating Fund	E-14	24,107	
Fixed Capital	E-11	12,949,771	12,342,713
Fixed Capital Authorized and Uncompleted	E-12	<u>271,222</u>	<u>858,151</u>
Total Capital Fund		<u>14,196,566</u>	<u>14,327,820</u>
		<u>\$ 16,261,228</u>	<u>\$ 16,207,021</u>

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
ELECTRIC UTILITY FUND
AS OF DECEMBER 31, 2018 AND 2017
(Continued)

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	E-4,E-17	\$ 238,211	\$ 164,522
Encumbrances Payable	E-18	496,040	514,074
Accrued Interest on Bonds and Notes	E-20	3,707	7,330
Prepaid Charges	E-28		24,756
Overpayments	E-29	18,822	15,266
Due to Current Fund	E-13	74,310	
Due to Other Trust Fund	E-15		29,940
Due to Water Utility Operating Fund	D-14		8,893
Due to Electric Utility Capital Fund	E-14	24,107	-
		855,197	764,781
Reserve for Receivables	E	522,841	434,645
Fund Balance	E-1	686,624	679,775
Total Operating Fund		2,064,662	1,879,201
CAPITAL FUND			
Serial Bonds	E-23	1,068,000	738,000
Bond Anticipation Notes	E-24		580,763
Encumbrances Payable	E-19	96,076	28,512
Improvement Authorizations			
Funded	E-22	41,497	183,844
Unfunded	E-22	35,000	52,649
Due to General Capital Fund	E-16	3,904	
Due to Electric Utility Operating Fund	E-14		219,876
Capital Improvement Fund	E-25	286,500	281,500
Reserve for Capital Improvements	E-21	437,000	437,000
Reserve for Redevelopment Project Improvements	E-30	105,000	
Reserve for Amortization	E-26	11,917,785	11,602,694
Deferred Reserve for Amortization	E-27	200,208	201,063
Fund Balance	E-2	5,596	1,919
Total Capital Fund		14,196,566	14,327,820
		<u>\$ 16,261,228</u>	<u>\$ 16,207,021</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2018 and 2017 of \$35,000 and \$78,344 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, 2018 AND 2017

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	E-3	\$ 436,296	\$ 528,350
Light and Power Charges	E-3	9,636,390	9,239,750
Miscellaneous Charges and Fees	E-3	37,754	40,863
Non-Budget Revenue	E-3	123,540	89,442
Other Credits to Income			
Appropriation Reserves Lapsed	E-17	212,284	277,761
Outstanding Checks Voided	E-5	<u>28,509</u>	<u>-</u>
Total Income		<u>10,474,773</u>	<u>10,176,166</u>
EXPENDITURES			
Operating	E-4	9,447,874	9,224,600
Capital Improvements	E-4	35,000	75,500
Debt Service	E-4	302,247	299,558
Deferred Charges and Statutory Expenditures	E-4	245,107	228,500
Change Fund/Petty Cash Adjustments	E-7,E-8	<u>1,400</u>	<u>-</u>
Total Expenditures		<u>10,031,628</u>	<u>9,828,158</u>
Excess in Revenue		443,145	348,008
Fund Balance, January 1,	E	<u>679,775</u>	<u>860,117</u>
		1,122,920	1,208,125
Decreased by:			
Utilized as Anticipated Revenue	E-1, E-3	<u>436,296</u>	<u>528,350</u>
Balance, December 31,	E	<u>\$ 686,624</u>	<u>\$ 679,775</u>

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE- REGULATORY BASIS
ELECTRIC UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
Balance, January 1	E	\$ 1,919	\$ 1,919
Increased by:			
Premium on Serial Bonds Issued	E-16	<u>3,677</u>	<u>-</u>
Balance, December 31,	E	<u>\$ 5,596</u>	<u>\$ 1,919</u>

BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
ELECTRIC UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	E-1	\$ 436,296	\$ 436,296	
Light and Power Charges	E-1,E-9	9,584,872	9,636,390	\$ 51,518
Miscellaneous Charges and Fees	E-1,E-3	<u>22,000</u>	<u>37,754</u>	<u>15,754</u>
	E-4	<u>\$ 10,043,168</u>	10,110,440	<u>\$ 67,272</u>
Non-Budget Revenue	E-1, E-3		<u>123,540</u>	
			<u>\$ 10,233,980</u>	
<u>Analysis of Realized Revenue</u>				
Miscellaneous: Charges and Fees				
Dusk to Dawn Charges	E-10		\$ 19,175	
Interest on Delinquent Accounts	E-5		<u>18,579</u>	
	E-3		<u>\$ 37,754</u>	
Non-Budget Revenue:				
Interest on Investments			\$ 27,179	
JIF Dividend			10,787	
Miscellaneous			<u>85,574</u>	
	E-3,E-5		<u>\$ 123,540</u>	

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
ELECTRIC UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries and Wages	\$ 1,149,371	\$ 1,159,371	\$ 1,155,925	\$ 3,446	
Other Expenses	674,000	664,000	555,111	108,889	
Group Health Insurance	238,829	238,829	216,045	22,784	
Purchase of Electric Current	6,730,674	6,730,674	6,652,458	78,216	
Franchise & Gross Receipts Taxes-Current Fund	500,000	500,000	500,000		
Payment in Lieu of Taxes - Current Fund	155,000	155,000	155,000	-	-
Total Operating	9,447,874	9,447,874	9,234,539	213,335	-
CAPITAL IMPROVEMENTS					
Capital Improvement Fund	5,000	5,000	5,000		
Capital Outlay	30,000	30,000	19,137	10,863	-
Total Capital Improvements	35,000	35,000	24,137	10,863	-
MUNICIPAL DEBT SERVICE -					
Payment of Bond Principal	270,000	270,000	270,000		
Interest on Bonds	36,687	36,687	29,855		\$ 6,832
Interest on Notes	8,500	8,500	2,392	-	6,108
Total Municipal Debt Service	315,187	315,187	302,247	-	12,940
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Deferred Charges					
Special Emergency Authorizations					
Cost of Improvements					
Ordinance No. 1996-05	24,107	24,107	24,107		
Statutory Expenditures					
Contribution to					
Public Employees Retirement System	135,000	135,000	134,221	779	
Social Security System (O.A.S.I.)	86,000	86,000	72,766	13,234	-
Total Deferred Charges and Statutory Expenditures	245,107	245,107	231,094	14,013	-
	<u>\$ 10,043,168</u>	<u>\$ 10,043,168</u>	<u>\$ 9,792,017</u>	<u>\$ 238,211</u>	<u>\$ 12,940</u>

	<u>Reference</u>	E-3	E-4	E-1	E, E-1
Cash Disbursed	E-5			\$ 9,239,623	
Encumbrances Payable	E-18			496,040	
Due to Electric Utility Capital Fund	E-14			24,107	
Accrued Interest on Bonds and Notes	E-20			32,247	
				<u>\$ 9,792,017</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, 2018 AND 2017**

ASSETS	<u>Reference</u>	<u>2018</u>	<u>2017</u>
Cash	F-1	\$ 784,554	\$ 980,502
		<u>\$ 784,554</u>	<u>\$ 980,502</u>
LIABILITIES AND RESERVES			
Deposits Payable			
Water Customers	F-2	\$ 526,002	\$ 543,440
Electric Customers	F-2	258,552	393,511
Due to Water Utility Operating Fund	F-3		20,104
Due to Electric Utility Operating Fund	F-4	<u>-</u>	<u>23,447</u>
Total Liabilities and Reserves		<u>\$ 784,554</u>	<u>\$ 980,502</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SWIM POOL UTILITY FUND
AS OF DECEMBER 31, 2018 AND 2017**

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
ASSETS			
OPERATING FUND			
Cash	G-5	\$ 390,278	\$ 353,701
Due from Current Fund	G-11	<u>-</u>	<u>547</u>
Total Operating Fund		<u>390,278</u>	<u>354,248</u>
CAPITAL FUND			
Cash	G-5, G-6	28,153	
Grants Receivable	G-8		23,801
Due from General Capital Fund	G-9		40,978
Due from Swimming Pool Utility Operating Fund	G-10	12,825	
Fixed Capital	G-12	1,120,498	1,120,498
Fixed Capital Authorized and Uncompleted	G-13	<u>-</u>	<u>48,418</u>
Total Capital Fund		<u>1,161,476</u>	<u>1,233,695</u>
		<u>\$ 1,551,754</u>	<u>\$ 1,587,943</u>

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SWIM POOL UTILITY FUND
AS OF DECEMBER 31, 2018 AND 2017
(Continued)

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	G-4,G-14	\$ 67,457	\$ 88,763
Encumbrances Payable	G-15	29,705	82
Accounts Payable	G-16		300
Accrued Interest on Notes	G-18	198	68
Due to Swim Pool Utility Capital Fund	G-10	<u>12,825</u>	<u>-</u>
		110,185	89,213
Fund Balance	G-1	<u>280,093</u>	<u>265,035</u>
Total Operating Fund		<u>390,278</u>	<u>354,248</u>
CAPITAL FUND			
Bond Anticipation Notes	G-22	13,000	26,000
Improvement Authorizations			
Funded	G-17		43,055
Unfunded	G-17		5,363
Capital Improvement Fund	G-19	16,000	16,000
Reserve for Amortization	G-20	1,112,861	1,099,861
Deferred Reserve for Amortization	G-21		43,055
Fund Balance	G-2	<u>19,615</u>	<u>361</u>
Total Capital Fund		<u>1,161,476</u>	<u>1,233,695</u>
		<u>\$ 1,551,754</u>	<u>\$ 1,587,943</u>

There were no Bonds and Notes Authorized But Not Issued on December 31, 2018 and 2017.

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, 2018 AND 2017

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	G-3	\$ 78,660	\$ 39,000
Membership Fees	G-3	224,150	233,835
Miscellaneous Fees	G-3	49,047	47,610
Other Credits			
Appropriation Reserves Lapsed	G-14	85,221	40,389
Accounts Payable Cancelled	G-16	<u>300</u>	<u>-</u>
Total Income		<u>437,378</u>	<u>360,834</u>
EXPENDITURES			
Operating	G-4	250,744	296,050
Capital Improvements	G-4	70,000	
Debt Service	G-4	13,305	13,653
Deferred Charges and Statutory Expenditures	G-4	<u>9,611</u>	<u>8,950</u>
Total Expenditures		<u>343,660</u>	<u>318,653</u>
Excess in Revenue		93,718	42,181
Fund Balance, January 1,	G	<u>265,035</u>	<u>261,854</u>
		358,753	304,035
Decreased by:			
Utilized as Anticipated Revenue	G-1, G-3	<u>78,660</u>	<u>39,000</u>
Balance, December 31,	G	<u>\$ 280,093</u>	<u>\$ 265,035</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, 2018 AND 2017

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
Balance, January 1	G	\$ 361	\$ 361
Increased by:			
Improvement Authorizations Cancelled	G-17	<u>24,440</u>	<u>-</u>
		24,801	361
Decreased by:			
Grants Receivable Cancelled	G-8	<u>5,186</u>	<u>-</u>
Balance, December 31,	G	<u>\$ 19,615</u>	<u>\$ 361</u>

BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
SWIM POOL UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Utilized	G-1	\$ 78,660	\$ 78,660	
Membership Fees	G-1,G-5	220,000	224,150	\$ 4,150
Miscellaneous	G-1,G-3	<u>45,000</u>	<u>49,047</u>	<u>4,047</u>
	G-4	<u>\$ 343,660</u>	<u>\$ 351,857</u>	<u>\$ 8,197</u>

Analysis of Realized Revenue

Miscellaneous

Guest Fees	\$ 23,626
Swim Lessons	6,516
Fines	3,720
Snack Bar Concession Fee	3,700
Pictures	210
Interest on Deposits	4,446
Other Receipts and Fees	<u>6,829</u>
G-3,G-5	<u>\$ 49,047</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SWIM POOL UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<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	\$ 117,000	\$ 118,700	\$ 118,688	\$ 12
Other Expenses	<u>134,500</u>	<u>132,044</u>	<u>94,699</u>	<u>37,345</u>
Total Operating	<u>251,500</u>	<u>250,744</u>	<u>213,387</u>	<u>37,357</u>
CAPITAL IMPROVEMENTS				
Capital Outlay	<u>70,000</u>	<u>70,000</u>	<u>39,900</u>	<u>30,100</u>
Total Debt Service	<u>70,000</u>	<u>70,000</u>	<u>39,900</u>	<u>30,100</u>
DEBT SERVICE				
Payment of Bond Anticipation Note	13,000	13,000	13,000	
Interest on Notes	<u>210</u>	<u>305</u>	<u>305</u>	<u>-</u>
Total Debt Service	<u>13,210</u>	<u>13,305</u>	<u>13,305</u>	<u>-</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES				
Statutory Expenditures				
Contribution to Social Security System (O.A.S.I.)	<u>8,950</u>	<u>9,611</u>	<u>9,611</u>	<u>-</u>
Total Deferred Charges and Statutory Expenditures	<u>8,950</u>	<u>9,611</u>	<u>9,611</u>	<u>-</u>
	<u>\$ 343,660</u>	<u>\$ 343,660</u>	<u>\$ 276,203</u>	<u>\$ 67,457</u>
<u>Reference</u>	G-3	G-4	G-1	G,G-1
	<u>Reference</u>			
Cash Disbursed	G-5		\$ 233,193	
Encumbrances Payable	G-15		29,705	
Accrued Interest on Notes	G-18		305	
Due to Swim Pool Utility Capital Fund	G-10		<u>13,000</u>	
			<u>\$ 276,203</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, 2018 AND 2017**

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
ASSETS			
Cash	H-1	\$ 10,592	\$ 13,423
		<u>\$ 10,592</u>	<u>\$ 13,423</u>
LIABILITIES AND RESERVES			
Due to Current Fund	H-2	\$ 2,200	\$ 5,010
Reserve for Public Assistance	H-3	<u>8,392</u>	<u>8,413</u>
		<u>\$ 10,592</u>	<u>\$ 13,423</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
Land	\$ 14,623,192	\$ 14,623,192
Buildings and Building Improvements	5,593,227	5,593,227
Machinery and Equipment	<u>6,422,302</u>	<u>6,663,345</u>
	<u>\$ 26,638,721</u>	<u>\$ 26,879,764</u>
Investment in Fixed Assets	<u>\$ 26,638,721</u>	<u>\$ 26,879,764</u>

NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

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, 2018 AND 2017

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, 2018 AND 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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

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

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

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

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

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

Financial Statements – Regulatory Basis

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

D. Measurement Focus and Basis of Accounting

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

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

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

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, 2018 AND 2017

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, 2018 AND 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

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

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

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

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

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

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

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

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

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

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2018 and 2017 the Borough Council increased the original Current Fund budget by \$29,311 and \$484,027, respectively. The 2018 increase was funded by additional aid allotted to the Borough. The 2017 increase was attributable to an emergency appropriation of \$320,000 for legal services and costs and \$164,027 of additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2018 and 2017.

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>2018</u>	<u>Modified</u> <u>Budget</u>	<u>Actual</u>	<u>Unfavorable</u> <u>Variance</u>
NONE			

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Excess Expenditures Over Appropriations (Continued)

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

In accordance with the regulatory basis of accounting, the above variance or overexpenditure was recorded as a deferred charge on the balance sheet of the respective fund at year end and is required to be funded in the succeeding year's budget. GAAP does not permit the deferral of overexpenditures at year end.

NOTE 3 CASH DEPOSITS AND INVESTMENTS

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

A. Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2018 and 2017, the book value of the Borough's deposits were \$13,424,696 and \$17,131,728 and bank and brokerage firm balances of the Borough's deposits amounted to \$14,375,562 and \$17,583,173, 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>2018</u>	<u>2017</u>
Insured	<u>\$ 14,375,562</u>	<u>\$ 17,583,133</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2018 and 2017, none of the Borough's bank balances were exposed to custodial credit risk.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

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, 2018 and 2017, the Borough had the following investments:

	<u>2018</u>	<u>2017</u>
	Fair Value	Fair Value
	(LOSAP Only)	(LOSAP Only)
Investment:		
Lincoln Financial Group		
LOSAP Investment Plans (Unaudited)	\$ 1,738,960	\$ 1,811,246

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial risk. As of December 31, 2018 and 2017, \$1,738,960 and \$1,811,246 of the Borough's investments was exposed to custodial credit risk as follows:

	<u>2018</u>	<u>2017</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Borough's name:		
Fair Value (LOSAP Only - Unaudited)	\$ 1,738,960	\$ 1,811,246

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

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Credit Risk – 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, 2018 and 2017, the Borough's investment in Lincoln Financial Group, a subsidiary of Lincoln National Corporation, was rated Baa1 by Moody's Investor Service.

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

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

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

NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE

Receivables at December 31, 2018 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Electric Utility</u>	<u>Total</u>
<u>2018</u>				
Property Taxes	\$ 338,447			\$ 338,447
Utility Charges and Fees	-	\$ 289,610	\$ 522,841	812,451
	<u>\$ 338,447</u>	<u>\$ 289,610</u>	<u>\$ 522,841</u>	<u>\$ 1,150,898</u>

In 2018, the Borough collected \$265,613, \$402,050 and \$434,645 from delinquent taxes, water utility and electric utility charges and fees, respectively which represented 96%, 100% and 100% of the delinquent tax, water and electric charges receivable at December 31, 2017.

Receivables at December 31, 2017 consisted of the following:

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

In 2017, the Borough collected \$277,093, \$279,637 and \$414,339 from delinquent taxes, water utility 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, 2016.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

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>2018</u>		<u>2017</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	\$ 191,519	\$ 221,946	\$ 591,925	\$ 524,917
Trust Fund:				
Animal Control		196		10,417
Other Trust		123,986	101,337	607,031
Unemployment Insurance	9,173		30,533	
Open Space Preservation	21,888		111,620	
Affordable Housing			34,450	
General Capital Fund	211,745	21,547	285,004	1,077,966
Water Utility:				
Operating	13,764	595,442	851,093	71,397
Capital	562,111		696,725	757,444
Electric Utility:				
Operating	33,331	98,417	271,967	38,833
Capital	24,107	3,904	340,263	219,876
Utility Trust Fund				43,551
Swim Pool Utility:				
Operating		12,825	547	
Capital	12,825		40,978	
Public Assistance Fund	-	2,200	-	5,010
 Total	 <u>\$ 1,080,463</u>	 <u>\$ 1,080,463</u>	 <u>\$ 3,356,442</u>	 <u>\$ 3,356,442</u>

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

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

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

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>2018</u>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	\$ 12,480	\$ 12,480	
<u>2017</u>			
Current Fund			
Emergency Authorization	\$ 320,000	\$ 320,000	
Special Emergency Authorizations (40A:4-55)	24,960	12,480	\$ 12,480
Overexpenditure of 2016 Appropriation Reserves	33,330	33,330	

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

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:

	2018		2017	
	<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	\$ 2,039,971	\$ 1,000,000	\$ 1,340,128	\$ 900,000
Non-Cash Surplus	<u>24,170</u>	<u>-</u>	<u>571,986</u>	<u>-</u>
	<u>\$ 2,064,141</u>	<u>\$ 1,000,000</u>	<u>\$ 1,912,114</u>	<u>\$ 900,000</u>
Water Utility Operating Fund				
Cash Surplus	\$ 630,156	\$ 351,328	\$ 676,109	\$ 528,355
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 630,156</u>	<u>\$ 351,328</u>	<u>\$ 676,109</u>	<u>\$ 528,355</u>
Electric Utility Operating Fund				
Cash Surplus	\$ 686,624	\$ 434,480	\$ 679,775	\$ 436,296
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 686,624</u>	<u>\$ 434,480</u>	<u>\$ 679,775</u>	<u>\$ 436,296</u>
Swim Pool Utility Operating Fund				
Cash Surplus	\$ 280,093	\$ 30,312	\$ 265,035	\$ 78,660
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 280,093</u>	<u>\$ 30,312</u>	<u>\$ 265,035</u>	<u>\$ 78,660</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

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, 2018 and 2017.

	Balance, December 31, <u>2017</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2018</u>
<u>2018</u>				
Land	\$ 14,623,192			\$ 14,623,192
Buildings and Building Improvements	5,593,227			5,593,227
Machinery and Equipment	<u>6,663,345</u>	<u>\$ 482,445</u>	<u>\$ 723,488</u>	<u>6,422,302</u>
	<u>\$ 26,879,764</u>	<u>\$ 482,445</u>	<u>\$ 723,488</u>	<u>\$ 26,638,721</u>
	Balance, December 31, <u>2016</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2017</u>
<u>2017</u>				
Land	\$ 14,623,192			\$ 14,623,192
Buildings and Building Improvements	5,585,000	\$ 8,227		5,593,227
Machinery and Equipment	<u>6,277,969</u>	<u>385,376</u>	<u>\$ -</u>	<u>6,663,345</u>
	<u>\$ 26,486,161</u>	<u>\$ 393,603</u>	<u>\$ -</u>	<u>\$ 26,879,764</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

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, 2018 and 2017.

<u>Water Utility Fund</u>	Balance December 31, <u>2017</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2018</u>
<u>2018</u>				
Fixed Capital				
Land and Land Rights	\$ 12,887			\$ 12,887
Structures and System Improvements	9,894,992	\$ 1,078,089		10,973,081
Vehicles and Equipment	3,674,456	308,284	-	3,982,740
	<u>\$ 13,582,335</u>	<u>\$ 1,386,373</u>	<u>\$ -</u>	<u>\$ 14,968,708</u>
	Balance December 31, <u>2016</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2017</u>
<u>2017</u>				
Fixed Capital				
Land and Land Rights	\$ 12,887			\$ 12,887
Structures and System Improvements	9,816,732	\$ 78,260		9,894,992
Vehicles and Equipment	3,536,136	138,320	-	3,674,456
	<u>\$ 13,365,755</u>	<u>\$ 216,580</u>	<u>\$ -</u>	<u>\$ 13,582,335</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 8 FIXED ASSETS (Continued)

B. Utility Funds Fixed Assets (Continued)

<u>Electric Utility Fund</u>	Balance December 31, <u>2017</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2018</u>
<u>2018</u>				
Fixed Capital				
Structures and System Improvements	\$ 9,698,823	\$ 296,133		\$ 9,994,956
Vehicles and Equipment	2,643,890	310,925	-	2,954,815
	<u>\$ 12,342,713</u>	<u>\$ 607,058</u>	<u>\$ -</u>	<u>\$ 12,949,771</u>
	Balance December 31, <u>2016</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2017</u>
<u>2017</u>				
Fixed Capital				
Structures and System Improvements	\$ 9,649,390	\$ 49,433		\$ 9,698,823
Vehicles and Equipment	2,632,725	11,165	-	2,643,890
	<u>\$ 12,282,115</u>	<u>\$ 60,598</u>	<u>\$ -</u>	<u>\$ 12,342,713</u>
	Balance December 31, <u>2017</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2018</u>
<u>2018</u>				
Fixed Capital				
Land and Land Improvements	\$ 54,113			\$ 54,113
Pool Facilities and Improvements	1,005,989			1,005,989
Furniture & Equipment	60,396	-	-	60,396
	<u>\$ 1,120,498</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,120,498</u>
	Balance December 31, <u>2016</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2017</u>
<u>2017</u>				
Fixed Capital				
Land and Land Improvements	\$ 54,113			\$ 54,113
Pool Facilities and Improvements	1,005,989			1,005,989
Furniture & Equipment	60,396	-	-	60,396
	<u>\$ 1,120,498</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,120,498</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 9 MUNICIPAL DEBT

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

The Borough's debt is summarized as follows:

	<u>2018</u>	<u>2017</u>
Issued		
General		
Bonds, Notes and Loans	\$ 12,564,117	\$ 13,706,807
Water Utility		
Bonds and Notes	2,574,000	2,605,565
Electric Utility		
Bonds and Notes	1,068,000	1,318,763
Swim Pool Utility		
Notes	<u>13,000</u>	<u>26,000</u>
	16,219,117	17,657,135
Less Funds Temporarily Held to Pay Bonds, Notes and Loans	<u>100</u>	<u>100</u>
Net Debt Issued	16,219,017	17,657,035
Authorized But Not Issued		
General		
Bonds and Notes	570,475	278,169
Water Utility		
Bonds and Notes	1,451,160	2,110,435
Electric Utility		
Bonds and Notes	<u>35,000</u>	<u>78,344</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 18,275,652</u>	<u>\$ 20,123,983</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 9 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of .718% and .762% at December 31, 2018 and 2017, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2018</u>			
General Debt	\$ 13,134,592	\$ 100	\$ 13,134,492
School Debt	11,685,179	11,685,179	-
Utility Debt	<u>5,141,160</u>	<u>5,141,160</u>	<u>-</u>
Total	<u>\$ 29,960,931</u>	<u>\$ 16,826,439</u>	<u>\$ 13,134,492</u>

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

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>2018</u>	<u>2017</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 64,027,228	\$ 64,260,704
Less: Net Debt	<u>13,134,492</u>	<u>13,984,876</u>
Remaining Borrowing Power	<u>\$ 50,892,736</u>	<u>\$ 50,275,828</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

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>2018</u>	<u>2017</u>
\$4,827,000, 2007 Bonds, due in annual installments of \$325,000 to \$350,000 through October, 2023, interest at 3.875 to 4.00%	\$ 1,652,000	\$ 1,977,000
\$3,215,000, 2012 Bonds, due in annual installments of \$210,000 to \$300,000 through August 2026, interest at 2.00%	2,135,000	2,345,000
\$3,035,000, 2013 Refunding Bonds, due in annual installments of \$325,000 to \$350,000 through February 2022, interest at 3.00% to 4.00%	1,390,000	1,715,000
\$2,207,000, 2013 Bonds, due in annual installments of \$240,000 to \$280,000 through August 2023, interest at 2.00% to 3.00%	1,327,000	1,567,000
\$4,880,000, 2018 Bonds, due in annual installments of \$350,000 to \$700,000 through May 2027, interest at 2.00% to 3.00%	4,880,000	-
	<u>\$ 11,384,000</u>	<u>\$ 7,604,000</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>2018</u>	<u>2017</u>
\$500,000, 2008 Loan, due in semi - annual installments of \$14,214 to \$16,834 through July, 2026, interest at 2.00%	\$ 250,231	\$ 278,801
\$1,156,000, 2012 Loan, due in semi - annual installments of \$29,576 to \$39,079 through April, 2032, interest at 2.00%	929,886	989,334
	<u>\$ 1,180,117</u>	<u>\$ 1,268,135</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

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>2018</u>	<u>2017</u>
\$1,250,000, 2012 Bonds, due in annual installments of \$80,000 to \$95,000 through August, 2027, interest at 2.00% to 2.20%	\$ 795,000	\$ 875,000
\$582,000, 2013 Bonds, due in annual installments of \$40,000 to \$47,000 through August, 2027, interest at 2.00% to 4.00%	392,000	432,000
\$790,000, 2018 Bonds, due in annual installments of \$50,000 to \$75,000 through May, 2031, interest at 2.00% to 3.00%	<u>790,000</u>	<u>-</u>
	<u>\$ 1,977,000</u>	<u>\$ 1,307,000</u>

Electric Utility

\$1,693,000, 2007 Bonds, due in annual installments of \$150,000 to \$175,000 through October, 2020, interest at 3.875 to 4.00%	\$ 343,000	\$ 493,000
\$695,000, 2012 Bonds, due in annual installments of \$100,000 to \$105,000 through August, 2019, interest at 2.00%	105,000	205,000
\$100,000, 2013 Bonds, due in annual installments of \$20,000 through August, 2019, interest at 2.00%	20,000	40,000
\$600,000, 2018 Bonds, due in annual installments of \$35,000 to \$70,000 through May, 2028, interest at 2.00% to 3.00%	<u>600,000</u>	<u>-</u>
	<u>\$ 1,068,000</u>	<u>\$ 738,000</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

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

Calendar Year	General		Water Utility		Electric Utility		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2019	\$ 1,564,788	\$ 340,189	\$ 170,000	\$ 49,878	\$ 335,000	\$ 31,366	\$ 2,491,221
2020	1,626,592	297,291	175,000	46,478	218,000	21,235	2,384,596
2021	1,663,432	248,119	180,000	42,390	60,000	13,475	2,207,416
2022	1,690,311	197,372	185,000	38,115	60,000	11,975	2,182,773
2023	1,611,227	149,381	190,000	33,690	60,000	10,475	2,054,773
2024-2028	4,142,209	252,122	862,000	93,078	335,000	25,413	5,709,822
2029-2033	265,558	10,730	215,000	9,825	-	-	501,113
	<u>\$ 12,564,117</u>	<u>\$ 1,495,204</u>	<u>\$ 1,977,000</u>	<u>\$ 313,454</u>	<u>\$ 1,068,000</u>	<u>\$ 113,939</u>	<u>\$ 17,531,714</u>

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years ended December 31, 2018 and 2017 were as follows:

	Balance, December 31, <u>2017</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2018</u>	Due Within One Year
<u>2018</u>					
<u>General Capital Fund</u>					
Bonds Payable	\$ 7,604,000	\$ 4,880,000	\$ 1,100,000	\$ 11,384,000	\$ 1,475,000
Intergovernmental Loans Payable	1,268,135	-	88,018	1,180,117	89,788
General Capital Fund Long-Term Liabilities	<u>\$ 8,872,135</u>	<u>\$ 4,880,000</u>	<u>\$ 1,188,018</u>	<u>\$ 12,564,117</u>	<u>\$ 1,564,788</u>
<u>Water Capital Fund</u>					
Bonds Payable	\$ 1,307,000	\$ 790,000	\$ 120,000	\$ 1,977,000	\$ 170,000
Water Capital Fund Long-Term Liabilities	<u>\$ 1,307,000</u>	<u>\$ 790,000</u>	<u>\$ 120,000</u>	<u>\$ 1,977,000</u>	<u>\$ 170,000</u>
<u>Electric Capital Fund</u>					
Bonds Payable	\$ 738,000	\$ 600,000	\$ 270,000	\$ 1,068,000	\$ 335,000
Electric Capital Fund Long-Term Liabilities	<u>\$ 738,000</u>	<u>\$ 600,000</u>	<u>\$ 270,000</u>	<u>\$ 1,068,000</u>	<u>\$ 335,000</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt (Continued)

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

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2018 and 2017 was as follows:

Bond Anticipation Notes

<u>Purpose</u>	<u>Rate</u> <u>(%)</u>	<u>Maturity</u> <u>Date</u>	Balance January 1, <u>2018</u>	<u>Renewed/</u> <u>Issued</u>	<u>Retired/</u> <u>Redeemed</u>	Balance, December 31, <u>2018</u>
<u>2018</u>						
<u>General Capital Fund</u>						
Impvts. to Roads, Curbs and Sidewalks			\$ 655,776		\$ 655,776	
Various Impvts. & Acq. of Equip.			3,601,396		3,601,396	
Improvements to Borough Hall			380,500		380,500	
Acquisition of a Garbage Truck			197,000	-	197,000	-
Total General Capital Fund			<u>\$ 4,834,672</u>	<u>\$ -</u>	<u>\$ 4,834,672</u>	<u>\$ -</u>

Water Utility Capital Fund

Various Impvts. & Acq. of Equip.			\$ 491,840		\$ 491,840	
Installation of New Well and Pumping Station	2.25%	5/1/2019	100,000	\$ 98,700	100,000	\$ 98,700
Acquisition of a Dump Truck			170,332		170,332	
Replacement of Water Main - Glen Road	2.25%	5/1/2019		498,300		498,300
Imprvts to Well #7 and #17 Treatment Fac			536,393	-	536,393	-
Total Water Utility Capital Fund			<u>\$ 1,298,565</u>	<u>\$ 597,000</u>	<u>\$ 1,298,565</u>	<u>\$ 597,000</u>

Electric Utility Capital Fund

Acquisition of Mini-Excavator and Installation of Circuit Breakers at Mill Road Substation			\$ 355,330		\$ 355,330	
Acquisition of Aerial Bucket Truck			225,433	-	225,433	-
Total Electric Utility Capital Fund			<u>\$ 580,763</u>	<u>\$ -</u>	<u>\$ 580,763</u>	<u>\$ -</u>

Swim Pool Utility Capital Fund

Installation of Slide and Volleyball Court at Municipal Pool	2.25%	5/1/2019	\$ 26,000	\$ 13,000	\$ 26,000	\$ 13,000
Total Swim Pool Utility Capital Fund			<u>\$ 26,000</u>	<u>\$ 13,000</u>	<u>\$ 26,000</u>	<u>\$ 13,000</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

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

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

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

NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

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

<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
<u>2018</u>		
Installation of Berm Trap	\$66,577	2019
Electric Substation Diagnostic Testing and Maintenance	40,507	2019
Electric Distribution Tree Trimming	89,484	2019
Well Drilling	157,720	2019
Water Maintenance Service	80,580	2019
Replacement of Generator at Police Department	60,800	2019
<u>2017</u>		
Rehabilitation of Well #7	\$84,600	2018
Photocatalytic Oxidation Treatment for Well #17	97,171	2018
Rehabilitation of Well #10	51,215	2018

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 11 OTHER LONG-TERM LIABILITIES

A. Compensated Absences

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

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$470,237 and \$778,741 at December 31, 2018 and 2017, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2018 and 2017, the Borough has reserved in the Other Trust Fund \$50,048 to fund compensated absences in accordance with NJSA 40A:4-39.

Changes in Other Long-Term Liabilities

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

The Borough's changes in other long-term liabilities for the years ended December 31, 2018 and 2017 were as follows:

	Balance, January 1 2018	Additions	Reductions	Balance, December 31, 2018	Due Within One Year
2018					
Compensated Absences	\$ 778,741		\$ 308,504	\$ 470,237	\$ 50,000
Net Pension Liability - PERS	12,331,110		1,617,275	10,713,835	
Net Pension Liability - PFRS	10,066,212		844,693	9,221,519	
Net OPEB Liability	<u>34,776,890</u>	<u>\$ 1,828,278</u>	<u>865,059</u>	<u>35,740,109</u>	<u>-</u>
Total	<u>\$ 57,952,953</u>	<u>\$ 1,828,278</u>	<u>\$ 3,635,531</u>	<u>\$ 56,145,700</u>	<u>\$ 50,000</u>

	Balance, January 1 2017	Additions	Reductions	Prior Period Adjustment (A)	Balance, December 31, 2017	Due Within One Year
2017						
Compensated Absences	\$ 763,442	\$ 37,345	\$ 22,046		\$ 778,741	\$ 50,000
Net Pension Liability - PERS	14,401,245		2,070,135		12,331,110	
Net Pension Liability - PFRS	11,155,696		1,089,484		10,066,212	
Net OPEB Liability	<u>-</u>	<u>1,049,802</u>	<u>490,630</u>	<u>\$ 34,217,718</u>	<u>34,776,890</u>	<u>-</u>
Total	<u>\$ 26,320,383</u>	<u>\$ 1,087,147</u>	<u>\$ 3,672,295</u>	<u>\$ 34,217,718</u>	<u>\$ 57,952,953</u>	<u>\$ 50,000</u>

(A) The prior period adjustment reflects the amount of the Net OPEB liability as of December 31, 2017 resulting from the implementation of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, during the year ended December 31, 2018.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

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) Comprehensive Annual Financial Report (CAFR) 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) Comprehensive Annual Financial Report (CAFR) 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, except for medical benefits, which, if applicable, vest after 25 years of service or under the disability provisions of PERS.

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, 2018 AND 2017

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 PFRS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours 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 PFRS and PERS are funded directly by each of the respective systems, but are currently suspended as a result of reform legislation.

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

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

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, 2018 AND 2017**

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 PERS at June 30, 2018 and 2017 is \$43.4 billion and \$48.9 billion, respectively, and the plan fiduciary net position as a percentage of the total pension liability is 40.45% and 36.78%, respectively. The collective net pension liability of the participating employers for PFRS at June 30, 2018 and 2017 is \$19.7 billion and \$21.6 billion, respectively and the plan fiduciary net position as a percentage of total pension liability is 57.91% and 54.52%, respectively.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2017 and 2016 which were rolled forward to June 30, 2018 and 2017, respectively.

Actuarial Methods and Assumptions

In the July 1, 2017 and 2016 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 2018 and 2017 based on 10.0% for PFRS, 7.50% (effective July 1, 2018) and 7.34% (effective July 1, 2017) for PERS and 5.50% for DCRP of employee's annual compensation.

For the years ended December 31, 2018 and 2017 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 2018, 2017 and 2016 were equal to the required contributions.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions (Continued)

During the years ended December 31, 2018, 2017 and 2016, 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>
2018	\$ 577,066	\$ 490,732	\$ 15,291
2017	476,159	433,893	None
2016	533,470	441,776	None

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

In addition for the years ended December 31, 2018 and 2017 the Borough contributed for long-term disability insurance premiums (LTDI) \$7,178 and \$1,918, 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. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS and PFRS during the fiscal years ended June 30, 2018 and 2017. Employer allocation percentages have been rounded for presentation purposes.

Public Employees Retirement System (PERS)

At December 31, 2018 and 2017, the Borough reported a liability of \$10,713,835 and \$12,331,110, respectively, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018 and 2017, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 and 2016, respectively. The Borough's proportionate share of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. As of the measurement date of June 30, 2018, the Borough's proportionate share was .05441 percent, which was an increase of .00144 percent from its proportionate share measured as of June 30, 2017 of .05297 percent.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

For the years ended December 31, 2018 and 2017, the pension system has determined the Borough's pension expense to be \$997,630 and \$1,235,374, respectively, for PERS based on the actuarial valuations which are more than the actual contributions reported in the Borough's financial statements of \$490,732 and \$433,893, respectively. At December 31, 2018 and 2017, 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:

	<u>2018</u>		<u>2017</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	\$ 204,314	\$ 55,244	\$ 290,355	
Changes of Assumptions	1,765,463	3,425,715	2,484,294	\$ 2,475,186
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		100,496	83,967	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>1,310,056</u>	<u>252,999</u>	<u>1,487,054</u>	<u>351,443</u>
Total	<u>\$ 3,279,833</u>	<u>\$ 3,834,454</u>	<u>\$ 4,345,670</u>	<u>\$ 2,826,629</u>

At December 31, 2018 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2019	\$ 434,437
2020	177,627
2021	(526,355)
2022	(469,630)
2023	<u>(170,700)</u>
	<u>\$ (554,621)</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

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, 2018 was based on the June 30, 2018 measurement date as determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The total pension liability reported for the year ended December 31, 2017 was based on the June 30, 2017 measurement date as determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<u>PERS</u>	<u>2018</u>	<u>2017</u>
Inflation Rate	2.25%	2.25%
Salary Increases:		
Through 2026	1.65-4.15%	1.65-4.15%
	Based on Age	Based on Age
Thereafter	2.65%-5.15%	2.65-5.15%
	Based on Age	Based on Age
Investment Rate of Return	7.00%	7.00%
Mortality Rate Table	RP-2000	RP-2000

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

The actuarial assumptions used in the July 1, 2017 and 2016 valuations were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014, respectively.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2018 and 2017, as reported for the years ended December 31, 2018 and 2017, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>2018</u>		<u>2017</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%	5.00%	5.51%
Cash Equivalents	5.50%	1.00%	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%	10.00%	3.78%
US Equity	30.00%	8.19%	30.00%	8.19%
Non-US Developed Markets Equity	11.50%	9.00%	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%	6.50%	11.64%
High Yield	2.50%	6.82%	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%	1.00%	6.61%
Private Real Asset	2.50%	11.83%	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%	6.25%	9.23%
Buyouts/Venture Capital	8.25%	13.08%	8.25%	13.08%

Discount Rate

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

<u>Calendar</u>		
<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2018	5.66%
2017	June 30, 2017	5.00%

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

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

	<u>2018</u>	<u>2017</u>
Period of Projected Benefit		
Payments for which the Following		
Rates were Applied:		
Long-Term Expected Rate of Return	Through June 30, 2046	Through June 30, 2040
Municipal Bond Rate *	From July 1, 2046 and Thereafter	From July 1, 2040 and Thereafter

* The municipal bond return rate used is 3.87% and 3.58% as of the measurement dates of June 30, 2018 and 2017, respectively. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the Borough's proportionate share of the PERS net pension liability as of December 31, 2018 and 2017 calculated using the discount rate of 5.66% and 5.00%, respectively, as well as what the Borough's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 4.66% and 4.00%, respectively or 1-percentage-point higher 6.66% and 6.00%, respectively than the current rate:

	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
<u>2018</u>			
Borough's Proportionate Share of the PERS Net Pension Liability	\$ 13,471,413	\$ 10,713,835	\$ 8,400,403
	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
<u>2017</u>			
Borough's Proportionate Share of the PERS Net Pension Liability	\$ 15,297,579	\$ 12,331,110	\$ 9,859,674

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2018 and 2017. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Pension Plan Fiduciary Net Position

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

Police and Firemen's Retirement System (PFRS)

At December 31, 2018 and 2017, the Borough reported a liability of \$9,221,519 and \$10,066,212, respectively, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2018 and 2017, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 and 2016, respectively. The Borough's proportionate share of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. As of the measurement date of June 30, 2018, the Borough's proportionate share was .06815 percent, which was an increase of .00295 percent from its proportionate share measured as of June 30, 2017 of .06520 percent.

For the years ended December 31, 2018 and 2017, the pension system has determined the Borough pension expense to be \$950,596 and \$1,067,346, respectively, for PFRS based on the actuarial valuations which are more than the actual contributions reported in the Borough's financial statements of \$577,066 and \$476,159, respectively. At December 31, 2018 and 2017, 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:

	2018		2017	
	<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	\$ 93,817	\$ 38,161	\$ 65,304	\$ 59,080
Changes of Assumptions	791,543	2,363,316	1,241,276	1,648,551
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		50,450	192,087	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>1,263,552</u>	<u>468,470</u>	<u>1,216,582</u>	<u>650,048</u>
Total	<u>\$ 2,148,912</u>	<u>\$ 2,920,397</u>	<u>\$ 2,715,249</u>	<u>\$ 2,357,679</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

At December 31, 2018 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense as follows:

<u>Year</u> <u>Ending</u> <u>December 31,</u>	<u>Total</u>
2019	\$ 158,779
2020	(62,366)
2021	(517,381)
2022	(252,463)
2023	<u>(98,054)</u>
	<u>\$ (771,485)</u>

Actuarial Assumptions

The Borough's total pension liability reported for the year ended December 31, 2018 was based on the June 30, 2018 measurement date as determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The total pension liability reported for the year ended December 31, 2017 was based on the June 30, 2017 measurement date as determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<u>PFRS</u>	<u>2018</u>	<u>2017</u>
Inflation Rate	2.25%	2.25%
Salary Increases:		
Through 2026	2.10%-8.98%	2.10-8.98%
	Based on Age	Based on Age
Thereafter	3.10%-9.98%	3.10-9.98%
	Based on Age	Based on Age
Investment Rate of Return	7.00%	7.00%
Mortality Rate Table	RP-2000	RP-2000

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

The actuarial assumptions used in the July 1, 2017 and July 1, 2016 valuations were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2018 and 2017, as reported for the years ended December 31, 2018 and 2017, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>2018</u>		<u>2017</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%	5.00%	5.51%
Cash	5.50%	1.00%	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%	3.00%	1.87%
Investment Grade Credit	10.00%	3.87%	10.00%	3.78%
US Equity	30.00%	8.19%	30.00%	8.19%
Non-US Developed Markets Equity	11.50%	9.00%	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%	6.50%	11.64%
High Yield	2.50%	6.82%	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%	1.00%	6.61%
Private Real Asset	2.50%	11.83%	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%	6.25%	9.23%
Buyouts/Venture Capital	8.25%	13.08%	8.25%	13.08%

Discount Rate

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

<u>Calendar</u>		
<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2018	6.51%
2017	June 30, 2017	6.14%

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

Discount Rate (Continued)

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

	<u>2018</u>	<u>2017</u>
Period of Projected Benefit Payments for which the Following Rates were Applied:		
Long-Term Expected Rate of Return	Through June 30, 2062	Through June 30, 2057
Municipal Bond Rate *	From July 1, 2062 and Thereafter	From July 1, 2057 and Thereafter

* The municipal bond return rate used is 3.87% and 3.58% as of the measurement dates of June 30, 2018 and 2017, respectively. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the Borough's proportionate share of the PFRS net pension liability as of December 31, 2018 and 2017 calculated using the discount rate of 6.51% and 6.14%, respectively, as well as what the Borough's proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 5.51% and 5.14%, respectively or 1-percentage-point higher 7.51% and 7.14%, respectively than the current rate:

	<u>1% Decrease (5.51%)</u>	<u>Current Discount Rate (6.51%)</u>	<u>1% Increase (7.51%)</u>
<u>2018</u>			
Borough's Proportionate Share of the PFRS Net Pension Liability	\$ <u>12,341,859</u>	\$ <u>9,221,519</u>	\$ <u>6,647,807</u>
	<u>1% Decrease (5.14%)</u>	<u>Current Discount Rate (6.14%)</u>	<u>1% Increase (7.14%)</u>
<u>2017</u>			
Borough's Proportionate Share of the PFRS Net Pension Liability	\$ <u>13,263,063</u>	\$ <u>10,066,212</u>	\$ <u>7,439,635</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2018 and 2017. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

Special Funding Situation – PFRS

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

At December 31, 2018 and 2017, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,252,591 and \$1,127,501, respectively. For the years ended December 31, 2018 and 2017, 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 \$148,367 and \$137,919, respectively, which are more than the actual contributions the State made on behalf of the Borough of \$74,184 and \$56,380, respectively. At December 31, 2018 (measurement date June 30, 2018) the State's share of the PFRS net pension liability attributable to the Borough was .06815 percent, which was an/a increase/decrease of .00295 percent from its proportionate share measured as of December 31, 2017 (measurement date June 30, 2017) of .06520 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, 2018 AND 2017

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 with the Borough at the time of retirement are eligible for employer provided post-retirement health coverage. Non uniformed employees who have retired and reached the age of 62 years or older with at least fifteen (15) years of service with the Borough at the time of retirement are eligible for employer provided post-retirement health coverage.

Employees Covered by Postemployment Benefits

At December 31, 2018, the following employees were covered by postemployment health care benefits:

Active Employees	60
Inactive Employees or Beneficiaries Currently Receiving Benefits	82
	<u>142</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, 2018 AND 2017

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

At December 31, 2018 and 2017, the Borough's total OPEB liabilities were \$35,740,109 and \$34,776,890, respectively. Net OPEB liability was measured as of December 31, 2018, respectively, and the OPEB liability was determined by an actuarial valuation as of this date.

For the year ended December 31, 2018, the Borough has determined it's OPEB expense to be \$1,828,278 based on the actuarial valuations which was more than the actual contributions reported in the Borough's financial statements of \$865,059. At December 31, 2018 and 2017, the Borough had no deferred outflows of resources or deferred inflows of resources related to the OPEB plan.

2018		2017	
<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
None	None	None	None

Actuarial Assumptions

The Borough's total OPEB liability reported for the year ended December 31, 2018 was based on the December 31, 2018 measurement date as determined by an actuarial valuation as of December 31, 2018. The total OPEB liability reported for the year ended December 31, 2017 was based on the December 31, 2018 measurement date as determined by an actuarial valuation as of December 31, 2018 which was rolled back to December 31, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<i>Mortality</i>	<i>RP 2000 Combined Healthy Male Mortality Rates Set Forward Three Years</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>4.10% Based on the Bond Buyer 20 Index December 31, 2018</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: 5.8% in 2018, reducing by 0.1% per annum, leveling at 5% per annum in 2026 Drug: 10.0% in 2018, reducing by 0.5% per annum to 2022 and 1.0% per annum thereafter, leveling at 5% per annum in 2026 Dental: 3.5% per annum</i>
<i>Medical Cost Aging Factor</i>	<i>NJ SHBP Medical Morbidity Rates</i>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

Actuarial Assumptions (Continued)

- 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 2018 medical premiums and the plan option selected. Plan selections are assumed to remain unchanged in retirement. 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 becomes the primary payor of medical benefits and consequentially, per capita plan costs are offset by Medicare payments. When actual data is not available, post 65 costs are decreased using the assumption that Medicare picks up 66.7% of medical costs.
- 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 increase annually by the rate of medical trend.
- Actuarial Valuation Method – Entry Age Normal Funding Method based on a level percentage of salary. 2018 salaries were reported as \$5.322 million.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study as of December 31, 2018.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

Changes in the Total OPEB Liability

The change in the Borough's OPEB liability for the years ended December 31, 2018 and 2017 based on measurement date of December 31, 2018 are as follows:

	Total OPEB Liability 2018	Total OPEB Liability 2017
Balance - Beginning of Year	\$ 34,776,890	\$ -
Changes for the Year:		
Service Cost	403,611	
Annual Required Contribution		\$ 1,049,802 (B)
Interest on the Total OPEB Liability	1,424,667	
Benefit Payments	(865,059)	(490,630)
Prior Period Adjustment	-	34,217,718 (C)
Net Changes	<u>963,219</u>	<u>34,776,890</u>
Balance - End of Year	<u>\$ 35,740,109</u>	<u>\$ 34,776,890</u>

(B) The annual required contribution for 2017 was prorated for seven (7) months reflecting the date the Borough changed from the State Health Benefit Program to the Bergen County Municipal Benefits Fund (BMED) effective June 1, 2017.

(C) The prior period adjustment reflects the amount required to adjust the net OPEB liability as of December 31, 2017 resulting from the implementation of GASB Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension, during the year ended December 31, 2018.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Borough's net OPEB liability as of December 31, 2018 and 2017 calculated using the discount rate of 4.10% and 4.10%, 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 3.10% and 3.10%, respectively or 1-percentage-point higher 5.10% and 5.10%, respectively than the current rate:

	1% Decrease (3.10%)	Current Discount Rate (4.10%)	1% Increase (5.10%)
<u>2018</u>			
Net OPEB Liability	<u>\$ 39,263,757</u>	<u>\$ 35,740,109</u>	<u>\$ 32,829,683</u>
	1% Decrease (3.10%)	Current Discount Rate (4.10%)	1% Increase (5.10%)
<u>2017</u>			
Net OPEB Liability	<u>\$ 38,205,573</u>	<u>\$ 34,776,890</u>	<u>\$ 31,944,902</u>

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, 2018 and 2017 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:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
<u>2018</u>			
Net OPEB Liability	<u>\$ 33,143,846</u>	<u>\$ 35,740,109</u>	<u>\$ 38,878,391</u>
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
<u>2017</u>			
Net OPEB Liability	<u>\$ 32,250,598</u>	<u>\$ 34,776,890</u>	<u>\$ 37,830,593</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

State Administered Post-Retirement Health Benefits Program

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

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for participating municipalities including the Borough through May 31, 2017. 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. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the 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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

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.

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, 2018 and 2017 is \$15.7 billion and \$20.4 billion, respectively, and the plan fiduciary net position as a percentage of the total OPEB liability is 1.97% and 1.03%, respectively.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2017 and 2016 which were rolled forward to June 30, 2018 and 2017.

Actuarial Methods and Assumptions

In the June 30, 2017 and 2016 OPEB 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 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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Post-Retirement Medical Benefits Contribution (Continued)

The employers participating in the OPEB plan made contributions of \$421.2 million and \$381.8 million and the State of New Jersey, as the non-employer contributing entity, contributed \$53.5 million and \$53.1 million for fiscal years 2018 and 2017, respectively.

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's contributions to the State Health Benefits Program Fund-Local Government Retired Plan for post-retirement benefits for the years ended December 31, 2017 and 2016 were \$337,402 (thru May 31, 2017) and \$746,240, respectively, which equaled the required contributions for each year. The Borough withdrew from the State Health Benefits Plan effective June 1, 2017. In addition, 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.

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. 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, 2018 and 2017. Employer 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.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Special Funding Situation (Continued)

At December 31, 2018 and 2017, the State's proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$4,373,490 and \$6,247,828, respectively. For the years ended December 31, 2018 and 2017 the plan has determined the State's proportionate share of the OPEB expense attributable to the Borough for the OPEB special funding situation is \$132,391 and \$447,133, respectively. At December 31, 2018, (measurement date June 30, 2018), the State's share of the OPEB liability attributable to the Borough was .07038 percent, which was a decrease of .00147 percent from its proportionate share measured as of December 31, 2017 (measurement date June 30, 2017) of .07185 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.

Actuarial Assumptions

The State's total OPEB liability attributable to the Borough reported for the year ended December 31, 2018 was based on the June 30, 2018 measurement date as determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The State's total OPEB liability attributable to the Borough reported for the year ended December 31, 2017 was based on the June 30, 2017 measurement date as determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2018</u>	<u>2017</u>
Inflation Rate	2.50%	2.50%
Salary Increases*		
Initial Fiscal Year Applied Through	2026	2026
Rate	1.65% to 8.98%	1.65% to 8.98%
Rate Thereafter	2.65% to 9.98%	2.65% to 9.98%
Mortality	RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2017.	RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2017.
Long-Term Rate of Return	1.00%	1.00%

*Salary increases are based on the defined benefit pension plan that the member is enrolled in and his or her age.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

For the June 30, 2018 measurement date healthcare cost trend rates for pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

For the June 30, 2017 measurement date healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.9 percent and decreases to a 5.0 percent long-term trend rate after nine year. For self-insured post-65 PPO medical benefits, the trend rate is 4.5 percent. For health maintenance organization (HMO) medical benefit, the trend rate is initially 5.9 percent and decreases to a 5.0 percent long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5 percent and decreases to a 5.0 percent long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0 percent. This reflects the known underlying cost of the Part B premium. The Medicare Advantage trend rate is 4.5 percent and will continue in all future years.

The actuarial assumptions used in the June 30, 2017 and 2016 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2010 to June 30, 2013 and July 1, 2011 to June 30, 2014, respectively.

Long-Term Expected Rate of Return

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 1.00% and 1.00% as of June 30, 2018 and 2017, respectively.

Discount Rate

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

Calendar

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2018	3.87%
2017	June 30, 2017	3.58%

The discount rate represents the municipal bond return rate as chosen by the Division. 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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 14 RISK MANAGEMENT

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

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

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.

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

<u>Year Ended December 31</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018	NONE	\$ 9,173	\$ 8,220	\$ 101,909
2017	NONE	9,008	12,905	100,082
2016	NONE	8,737	12,005	103,586

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

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, 2018 and 2017. 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, 2018 and 2017, the Borough reserved \$458,081 and \$408,081, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

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, 2018 and 2017, 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, 2018 and 2017, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

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

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

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

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

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

The Borough of Park Ridge has contributed \$1,539 and \$1,539 for 2018 and 2017, respectively, for each eligible volunteer fire department member into the Plan. The Borough also contributed a one-third (1/3) share of \$1,539 and \$1,539 for 2018 and 2017, 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 \$1,539 and \$1,539 for 2018 and 2017, respectively, for each Tri-Boro Ambulance Corp. member into the plan. The total Borough contributions were \$40,514 and \$45,131 for 2018 and 2017, respectively. The total contributions from the Boroughs of Montvale and Woodcliff Lake were \$22,566 and \$25,642 for 2018 and 2017, 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.

NOTE 18 TAX ABATEMENTS

For the years ended December 31, 2018 and 2017, the Borough provided property tax abatements through a certain program authorized under State statutes. This program was the New Jersey Housing and Mortgage Financing Act (NJHMFA).

The New Jersey Housing and Mortgage Financing Act (NJSA 55:14K et. seq.) allows for property tax abatements for residential rental housing projects financed by the New Jersey Housing and Mortgage Finance Agency. These property tax abatements last for the term of the original mortgage financing so long as the residential rental housing project remains subject to the NJHMFA Law and regulations. The process begins when the municipality passes by ordinance or resolution, as appropriate, that such residential rental housing project shall be exempt from property tax provided that an agreement is entered into with the housing sponsor for payments in lieu of taxes (PILOTs) to the municipality. The agreement can require the housing sponsor to a PILOT payment to the municipality in an amount up to 20% of the annual gross revenue from each housing project. For the years ended December 31, 2018 and 2017 the Borough abated property taxes totaling \$113,884 and \$114,278, respectively, under the NJHMFA program. The Borough received \$12,411 and \$14,605 in PILOT payments under this program for the years ended December 31, 2018 and 2017, respectively.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

NOTE 19 SUBSEQUENT EVENTS

Debt Authorized

On March 12, 2019 the Borough adopted two bond ordinances authorizing the issuance of \$1,628,300 in Bonds or bond anticipation notes to fund certain capital projects. On May 1, 2019 the Borough issued \$1,620,000 of said notes.

On April 9, 2019 the Borough adopted a bond ordinance authorizing the issuance of \$159,315 in Bonds or bond anticipation notes to fund certain capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

On August 13, 2019 the Borough approved an emergency appropriation authorizing the issuance of \$200,000 in emergency notes to fund certain operating budget appropriations. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

Bond Anticipation Notes

On May 1, 2019 the Borough issued bond anticipation notes in the amount of \$2,565,700 to temporarily finance expenditures related to various capital projects. The Borough awarded the sale of said notes to Oppenheimer & Co. at an interest rate of 2.75%. These notes dated May 1, 2019 will mature on May 1, 2020.

CURRENT FUND

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

Balance, December 31, 2017		\$ 7,181,070
Increased by:		
Non-Budget Revenue	\$ 269,456	
Petty Cash	750	
Taxes Receivable	40,312,695	
Revenue Accounts Receivable	2,500,826	
NJ Senior Citizen and Veteran's Deductions	64,741	
Grants Receivable	19,135	
Tax Overpayments	88,173	
Prepaid Taxes	265,693	
Fees Payable	15,775	
Due to Outside Lienholder	69,850	
Receipts from Animal Control Trust Fund	10,417	
Receipts from Other Trust Fund	467,839	
Receipts from Public Assistance Fund	5,093	
		<u>44,090,443</u>
		51,271,513
Decreased by Disbursements:		
2018 Budget Appropriations	12,633,495	
2017 Appropriation Reserves	254,537	
Petty Cash	750	
Encumbrances Payable	104,043	
Accounts Payable	41,100	
Tax Overpayments	61,037	
County Taxes Payable	4,448,211	
Local District School Tax Payable	29,256,925	
Payments to Open Space Preservation Trust Fund	223,384	
Fees Payable	19,698	
Due to Outside Lienholder	83,285	
Reserve for Appropriated Grants	8,233	
Payments to Affordable Housing Trust Fund	34,450	
Payments to General Capital Fund	285,004	
Payments to Water Utility Operating Fund	64,652	
Payments made for Water Utility Operating Fund	71,890	
Payments to Electric Utility Operating Fund	28,644	
Payments to Swim Pool Utility Operating Fund	547	
Payments to Public Assistance Fund	2,200	
		<u>47,622,085</u>
Balance, December 31, 2018		<u>\$ 3,649,428</u>

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

Balance, December 31, 2017	\$ 450
Decreased by:	
Adjusted to Operations	<u>175</u>
Balance, December 31, 2018	<u>\$ 275</u>

Analysis of Balance

Tax Office	<u>\$ 275</u>
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STATEMENT OF PETTY CASH FUNDS

Balance, December 31, 2017	\$ 2,000
Increased by:	
Receipts from Treasurer	<u>750</u>
	2,750
Decreased by:	
Adjusted to Operations	\$ 2,000
Returned to Treasurer	<u>750</u>
	<u>\$ 2,750</u>

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

Balance, December 31, 2017	\$ 1,555
Increased by:	
Senior Citizens' Deductions per Tax Duplicate 2018	\$ 5,750
Veterans' Deductions per Tax Duplicate 2018	<u>62,500</u>
	<u>68,250</u>
	69,805
Decreased by:	
Receipts from State of New Jersey	\$ 64,741
Reimbursement Due to Taxation Audit	<u>3,250</u>
	<u>67,991</u>
Balance, December 31, 2018	<u>\$ 1,814</u>

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

	Balance, December 31, <u>2017</u>	Accrued in 2018	<u>Received</u>	<u>Cancelled</u>	Balance, December 31, <u>2018</u>
Hazard Mitigation Grant - Message Display Sign	\$ 14,396				\$ 14,396
BC Shared Services - Drainage Improvements	9,667				9,667
BC Forfeiture - Message Display Sign	5,000				5,000
BC Forfeiture - NJSACOP	8,841				8,841
Drive Sober Get Pulled Over	3,341				3,341
Distracted Driver Grant	896				896
NJ DOT - Mill Road Phase II	150,000				150,000
Clean Communities Program		\$ 17,549	\$ 17,549		
Alcohol Education and Rehabilitation Fund		586	586		
Mun. Alliance on Alc. and Drug Abuse		9,876			\$ 9,876
JIF Safety Award	-	1,000	1,000	-	-
	<u>\$ 192,141</u>	<u>\$ 29,011</u>	<u>\$ 19,135</u>	<u>\$ 192,141</u>	<u>\$ 9,876</u>
		Appropriated Grant Reserves	\$ 3,042		
		2017 Appropriation Reserves	150,000		
		Charged to Operations	<u>39,099</u>		
			<u>\$ 192,141</u>		

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

<u>Year</u>	Balance, December 31, <u>2017</u>	2018 <u>Levy</u>	Senior Citizens' and Veterans' Deductions <u>Disallowed</u>	<u>Cash Collections</u>		Senior Citizens' and Veterans' Deductions <u>Allowed</u>	Remitted, Abated or <u>Cancelled</u>	Balance, December 31, <u>2018</u>
				<u>2017</u>	<u>2018</u>			
2017	\$ 277,681				\$ 265,613		\$ 684	\$ 11,384
2018	<u>-</u>	\$ 44,313,112	<u>-</u>	\$ 3,832,224	40,047,082	\$ 68,250	38,493	327,063
	<u>\$ 277,681</u>	<u>\$ 44,313,112</u>	<u>\$ -</u>	<u>\$ 3,832,224</u>	<u>\$ 40,312,695</u>	<u>\$ 68,250</u>	<u>\$ 39,177</u>	<u>\$ 338,447</u>

Analysis of 2018 Property Tax Levy

TAX YIELD

General Purpose Tax	\$ 44,178,690
Added and Omitted Taxes (54:4-63.10 et seq.)	<u>134,422</u>
	<u>\$ 44,313,112</u>

TAX LEVY

Local District School Taxes	\$ 29,256,925
County Taxes - General	\$ 4,257,746
County Open Space Preservation Tax	181,183
Due County for Added and Omitted Taxes (54:4-63.10 et seq.)	<u>13,531</u>
	4,452,460
Municipal Open Space Tax	111,764
Municipal Open Space Tax-Added Taxes	<u>341</u>
	112,105
Local Tax for Municipal Purposes	9,765,741
Minimum Library Tax	600,836
Add Additional Tax Levied	<u>125,045</u>
	<u>10,491,622</u>

\$ 44,313,112

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

Balance, December 31, 2017	<u>\$ 100,650</u>
Balance, December 31, 2018	<u>\$ 100,650</u>

BOROUGH OF PARK RIDGE
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, December 31, <u>2017</u>	Accrued in <u>2018</u>	Collected in <u>2018</u>	Balance, December 31, <u>2018</u>
Borough Clerk				
Licenses				
Alcoholic Beverages		\$ 19,315	\$ 19,315	
Fire Code Department				
Fees and Permits		49,149	49,149	
Health Officer and Registrar				
Fees and Permits		17,941	17,941	
Municipal Court				
Fines and Costs	\$ 10,701	115,306	126,007	
Interest and Cost on Taxes		64,393	64,393	
Joint Insurance Fund Dividend		5,911	5,911	
Hotel Tax		249,298	249,298	
Recycling Program		20,535	20,535	
Cable Television Franchise Fee		147,287	147,287	
Water Utility Rental Fees		105,000	105,000	
Electric Utility Rental Fees		30,000	30,000	
Pistol Range Fee		20,000	20,000	
Tri-Boro Safety Corps		51,216	51,216	
Consolidated Municipal Property Tax Relief Aid		16,161	16,161	
Energy Receipts Tax		366,438	366,438	
Watershed Moratorium Offset Aid		1,598	1,598	
Uniform Construction Code Fees		297,055	297,055	
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		18,671	18,671	
Library Reimbursements		61,000	61,000	
Excess Sewer User Fees	12,207	51,444	51,251	\$ 12,400
Sprint Cell Tower Rent	-	101,910	101,910	-
	<u>\$ 22,908</u>	<u>\$ 2,564,628</u>	<u>\$ 2,575,136</u>	<u>\$ 12,400</u>
Cash Receipts			\$ 2,500,826	
Due from Electric Utility Operating Fund			74,310	
			<u>\$ 2,575,136</u>	

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

	Balance, December 31, <u>2017</u>	Raised in <u>2018</u>	Balance, December 31, <u>2018</u>
Emergency Authorization	\$ 320,000	\$320,000	
Overexpenditure of Appropriation Reserves	<u>33,330</u>	<u>33,330</u>	<u>-</u>
	<u>\$ 353,330</u>	<u>\$353,330</u>	<u>\$ -</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>2017</u>	Raised in 2018 <u>Budget</u>	Balance, December 31, <u>2018</u>
2014	Preparation of an Approved Tax Map	\$ 62,400	\$ 12,480	\$ <u>24,960</u>	\$ <u>12,480</u>	\$ <u>12,480</u>
				\$ <u>24,960</u>	\$ <u>12,480</u>	\$ <u>12,480</u>

STATEMENT OF DUE TO MUNICIPAL LIBRARY

Balance, December 31, 2017	\$ 3,752
Decreased by:	
Cancelled to Operations	<u>\$ 3,752</u>

BOROUGH OF PARK RIDGE
STATEMENT OF 2017 APPROPRIATION RESERVES

	Balance, December 31, <u>2017</u>	Encumbrance Payable <u>Cancelled</u>	Balance After <u>Modification</u>	<u>Expended</u>	Balance <u>Lapsed</u>	Balance <u>Cancelled</u>
Salaries and Wages						
General Administration	\$ 2,281		\$ 2,281	\$ 2,281	-	
Mayor and Council	250		250	250	-	
Municipal Clerk	4,420		4,420	4,420	-	
Financial Administration	3,873		3,873	3,873	-	
Revenue Administration	1,226		1,226	1,226	-	
Tax Assessment Administration	200		200	200	-	
Planning Board	4,790		4,790	4,790	-	
Zoning Board Adjustment	291		291	291	-	
Zoning Officer	750		750	750	-	
Housing Task Force	694		694	694	-	
Uniform Construction Code	493		493	493	-	
Police	135		135	135	-	
Police Reserve	4,000		4,000	4,000	-	
Emergency Management Services	63		63	63	-	
Fire	505		505	505	-	
Fire Prevention/Uniform Fire Code	25		25	25	-	
Road Repairs and Maintenance	7,493		7,493	7,493	-	
Sewer System	2,174		2,174	2,174	-	
Public Buildings & Grounds	2,342		2,342	2,342	-	
Maintenance of Vehicles	3,922		3,922	3,922	-	
Board of Health	1,829		1,829	1,829	-	
Public Assistance	24		24	24	-	
Recreation	4,047		4,047	4,047	-	
Senior Citizen	1,595		1,595	1,595	-	
Park Ridge Television	10	-	10	10	-	-
Total Salaries & Wages	47,432	-	47,432	47,432	-	-
Other Expenses						
General Administration	321		321	221	\$ 100	
Municipal Clerk						
Other Expenses	-	\$ 8,200	8,200		8,200	
Mayor and Council	2,653	65	2,718		2,718	
Financial Administration	11,506		11,506	8,338	3,168	
Audit Services	30,559		30,559	21,738	8,821	
Revenue Administration	4,936		4,936		4,936	
Tax Assessment Administration	2,039		2,039	1,290	749	
Property Appraisals	10,000		10,000	10,000	-	
Legal Services & Costs	37,604		37,604	35,103	2,501	
Engineering Services & Costs	4,393		4,393	4,393	-	
Planning Board	2,817		2,817	2,817	-	
Zoning Board of Adjustment	2,935		2,935	2,620	315	
Zoning Officer	1,002		1,002	886	116	
Housing Task Force	650		650		650	
Uniform Construction Code	6,175		6,175	1,800	4,375	
Insurance						
General Liability	6,902		6,902		6,902	
Group Insurance for Employees	61,710		61,710	44,941	16,769	
Group Insurance Waiver for Employees	732		732		732	
Police	899		899	180	719	
Police Reserve	8,113		8,113		8,113	
Pistol Range	680		680		680	
Emergency Management Services	5,401		5,401	284	5,117	

BOROUGH OF PARK RIDGE
STATEMENT OF 2017 APPROPRIATION RESERVES

	Balance, December 31, 2017	Encumbrance Payable Cancelled	Balance After Modification	Expended	Balance Lapsed	Balance Cancelled
Fire	\$ 5,153		\$ 5,153	\$ 106	\$ 5,047	
Fire Hydrant Services	13		13		13	
TriBoro Safety Corps	5,740	\$ 1,354	7,094		7,094	
Fire Prevention/Uniform Fire Codes	1,871	325	2,196		2,196	
Municipal Court	6,269		6,269		6,269	
Road Repairs and Maintenance	13,911	614	14,525		14,525	
Solid Waste Collection - Recycling	21,719	591	22,310		22,310	
Public Buildings & Grounds	2,198		2,198	36	2,162	
Maintenance of Vehicles	640	377	1,017		1,017	
Board of Health	5,831		5,831	318	5,513	
Public Assistance	995		995		995	
Municipal Services Act	20,000		20,000	7,185	12,815	
Park Ridge Television	1,566		1,566	1,096	470	
Recreation	9,643		9,643	1,062	8,581	
Senior Citizen	321		321		321	
Electric	6,318		6,318		6,318	
Telephone/Communication	379	3,212	3,591		3,591	
Water	1,573		1,573		1,573	
Gas and Oil	1,702		1,702		1,702	
Sewer System						
Other Expenses	7,400		7,400		7,400	
Shade Tree	7,987		7,987		7,987	
Landfill Dumping Fees	28,649		28,649		28,649	
Reserve for Terminal Leave	9		9		9	
Recycling Tax	11,000		11,000		11,000	
Contingent	2,420		2,420		2,420	
Social Security System	13,087		13,087	1,823	11,264	
Deferred Compensation Retirement Plan	25,000		25,000		25,000	
Police & Firemen Retirement System	1		1		1	
Public Employees Retirement System	75		75		75	
Bergen County Utilities Authority-Sewer Fees	1,131		1,131		1,131	
Maintenance of Free Public Library	904		904		904	
Fire Department LOSAP	50,000		50,000	32,309	17,691	
Tri-Borough Ambulance LOSAP	20,000		20,000	12,821	7,179	
Municipal Alliance	2,528		2,528	2,528	-	
Sustainable New Jersey	5,000		5,000	5,000	-	
Body Armor Fund Grant	1,147		1,147	1,147	-	
Clean Communities Grant	10,738		10,738	10,738	-	
Drive Sober Get Pulled Over - Reserve	8,577		8,577	8,577	-	
Wildlife Interaction Plan	4,402		4,402	4,402	-	
Distracted Driver Grant	5,500		5,500	5,500	-	
Recycling Tonnage Grant - Reserve	6,075		6,075	6,075	-	
NJDOT - Mill Road Phase II	150,000	-	150,000	-	-	\$ 150,000
 Total Other Expenses	 669,499	 14,738	 684,237	 235,334	 298,903	 150,000
 Total	 \$ 716,931	 \$ 14,738	 \$ 731,669	 \$ 282,766	 \$ 298,903	 \$ 150,000
 Cash Disbursements				\$ 254,537		
Grants Receivable						\$ 150,000
Transferred to Appropriated Grant Reserves				28,229		-
				<u>\$ 282,766</u>		<u>\$ 150,000</u>

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

Balance, December 31, 2017	\$ 127,681
Increased by:	
Charges to 2018 Budget Appropriations	<u>233,298</u>
	360,979
Decreased by:	
Payments	\$ 104,043
Cancellations Restored to Appropriation Reserves	14,738
Transferred to Accounts Payable	<u>8,900</u>
	<u>127,681</u>
Balance, December 31, 2018	<u><u>\$ 233,298</u></u>

EXHIBIT A-17

STATEMENT OF ACCOUNTS PAYABLE

Balance, December 31, 2017	\$ 41,175
Increased by:	
Transferred from Encumbrances Payable	<u>8,900</u>
	50,075
Decreased by:	
Cancelled to Operations	\$ 75
Cash Disbursements	<u>41,100</u>
	<u>41,175</u>
Balance, December 31, 2018	<u><u>\$ 8,900</u></u>

EXHIBIT A-18

STATEMENT OF TAX OVERPAYMENTS

Balance, December 31, 2017	\$ 30,320
Increased by:	
Overpayments Received	<u>88,173</u>
	118,493
Decreased by:	
Cash Disbursements	<u>61,037</u>
Balance, December 31, 2018	<u><u>\$ 57,456</u></u>

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

Balance, December 31, 2017	\$ 3,832,224
Increased by:	
Collection of 2019 Taxes	<u>265,693</u>
	4,097,917
Decreased by:	
Applied to 2018 Taxes Receivable	<u>3,832,224</u>
Balance, December 31, 2018	<u>\$ 265,693</u>

STATEMENT OF COUNTY TAXES PAYABLE

Balance, December 31, 2017	\$ 9,282
Increased by:	
2018 Levy	
General County	\$ 4,257,746
County Open Space Preservation	181,183
Added and Omitted Taxes (RS 54:4-63.1 et seq.)	<u>13,531</u>
	4,452,460
	4,461,742
Decreased by:	
Payments	<u>4,448,211</u>
Balance, December 31, 2018	<u>\$ 13,531</u>

STATEMENT OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Increased by:	
2018 Calendar Year Levy	\$ 29,256,925
Decreased by:	
Payments	<u>\$ 29,256,925</u>

BOROUGH OF PARK RIDGE
STATEMENT OF DUE TO OPEN SPACE PRESERVATION TRUST FUND

Balance, December 31, 2017		\$ 111,620
Increased by:		
2018 Levy	\$ 111,764	
Added and Omitted Taxes (RS 54:4-63.1 et seq.)	<u>341</u>	
		<u>112,105</u>
		223,725
Decreased by:		
Payments		<u>223,384</u>
Balance, December 31, 2018		<u><u>\$ 341</u></u>

EXHIBIT A-23

STATEMENT OF DUE TO OUTSIDE LIENHOLDER

Balance, December 31, 2017		\$ 13,435
Increased by:		
Cash Receipts		<u>69,850</u>
		83,285
Decreased by:		
Cash Disbursements		<u><u>\$ 83,285</u></u>

EXHIBIT A-24

STATEMENT OF FEES PAYABLE

	Balance, December 31, <u>2017</u>	Fees Collected	Payments	Balance, December 31, <u>2018</u>
Due State of New Jersey				
Marriage License Fees	\$ 2,756	\$ 720	\$ 875	\$ 2,601
State Construction Fees	<u>4,249</u>	<u>15,055</u>	<u>18,823</u>	<u>481</u>
	<u><u>\$ 7,005</u></u>	<u><u>\$ 15,775</u></u>	<u><u>\$ 19,698</u></u>	<u><u>\$ 3,082</u></u>

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

Balance, December 31, 2017	\$ 408,081
Increased by:	
Transferred from 2018 Tax Collections	<u>50,000</u>
Balance, December 31, 2018	<u><u>\$ 458,081</u></u>

STATEMENT OF MISCELLANEOUS RESERVES

	Balance, December 31, <u>2017</u>	Balance, December 31, <u>2018</u>
Planning Consultant	<u>\$ 6,250</u>	<u>\$ 6,250</u>
	<u><u>\$ 6,250</u></u>	<u><u>\$ 6,250</u></u>

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

	Balance, December 31, <u>2017</u>	Transferred from 2017 Appropriation <u>Reserves</u>	Paid or <u>Charged</u>	<u>Cancelled</u>	Balance, December 31, <u>2018</u>
Recycling Tonnage Grant		\$ 6,075			\$ 6,075
Drunk Driving Enforcement Fund	\$ 13,346			\$ 13,346	
Distracted Driver Grant		5,500			5,500
Occupant Protection Grant		4,402			4,402
Sustainable New Jersey	15,000			15,000	
Alcohol Education and Rehab.-DWI Court	2,492				2,492
Domestic Violence Grant	2,178				2,178
Federal Forestry Grant	3,000				3,000
Body Armor Replacement Fund	5,452	1,147			6,599
Drive Sober or Get Pulled Over	490	8,577		490	8,577
NJEDA Hazardous Replacement Fund	2,406			2,406	
Municipal Alliance on Alcoholism & Drug A	10,556	2,528	\$ 8,233	492	4,359
Over the Limit Under Arrest	4,981			4,981	
Bergen County Forfeiture - Message Board	146			146	
Bergen County Green Team Grant	1,195				1,195
Bergen County - Historical Grant	1,050				1,050
CDBG - Senior Programs	5,280	-	-	5,280	-
	<u>\$ 67,572</u>	<u>\$ 28,229</u>	<u>\$ 8,233</u>	<u>\$ 42,141</u>	<u>\$ 45,427</u>
		Grants Receivable Credited to Operations		\$ 3,042 <u>39,099</u>	
				<u>\$ 42,141</u>	

STATEMENT OF RESERVE FOR GRANTS - UNAPPROPRIATED

	Balance, December 31, <u>2017</u>	Realized in 2018 <u>Budget</u>	Balance, December 31, <u>2018</u>
Clean Communities Program	\$ 18,342	\$ 18,342	
Recycling Tonnage Grant	28,049	28,049	
Municipal Alliance Program	2,511	2,511	
Sustainable New Jersey	5,000	5,000	
Alcohol Education and Rehab. Fund	165	165	
Green Team	400	400	
Mini Grant - Bergen County	300	300	-
	<u>\$ 54,767</u>	<u>\$ 54,767</u>	<u>\$ -</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, 2017	\$ 22,184	\$ 1,540,989	\$ 69,721	\$ 63,059	\$ 322,192
Increased by Receipts:					
Developers Escrow		\$ 533,072			
Receipts from Current Fund				\$ 111,620	\$ 34,450
Receipts from Other Trust Fund			\$ 30,533		
Receipts from Water Utility Operating Fund		71,397			
Receipts from Electric Utility Operating Fund		29,940			
Receipts for Unemployment Insurance Trust Fund		9,173			
Payroll Deductions Payable		14,067,958			
Due to State of NJ - Registration Fees	\$ 717				
Dog License Fees	6,130				
Cat License Fees	450				
Police Outside Duty Receivable		455,794			
Miscellaneous Reserves and Deposits		776,692			
Municipal Open Space Tax Levy				111,764	
Interest on Deposits	196	6,154	874	1,374	3,615
Developers Fees	-	-	-	-	15,475
	<u>7,493</u>	<u>15,950,180</u>	<u>31,407</u>	<u>224,758</u>	<u>53,540</u>
	29,677	17,491,169	101,128	287,817	375,732
Decreased by Disbursements:					
Developers Escrow		223,617			
Payroll Deductions Payable		14,162,330			
Payments to Current Fund	10,417	467,839			
Payments for Current Fund					
Payments to General Capital Fund				8,500	
Payments to Unemployment Insurance Trust Fund		30,533			
Dog License Fees Paid to State of NJ	563				
Reserve for Animal Control Expenditures	5,407				
Due to State - Unemployment Claims			8,005		
Miscellaneous Reserves and Deposits		1,165,305			
Reserve for Open Space Expenditures				21,275	
Reserve for Affordable Housing Expenditures	-	-	-	-	4,512
	<u>16,387</u>	<u>16,049,624</u>	<u>8,005</u>	<u>29,775</u>	<u>4,512</u>
Balance, December 31, 2018	<u>\$ 13,290</u>	<u>\$ 1,441,545</u>	<u>\$ 93,123</u>	<u>\$ 258,042</u>	<u>\$ 371,220</u>

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

Increased by:		
State Fees Collected	\$	717
Decreased by:		
Payments to State		<u>563</u>
Balance, December 31, 2018	\$	<u><u>154</u></u>

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

Balance, December 31, 2017	\$	10,417
Increased by:		
Interest on Deposits		<u>196</u>
		10,613
Decreased by:		
Cash Disbursements		<u>10,417</u>
Balance, December 31, 2018	\$	<u><u>196</u></u>

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

Balance, December 31, 2017	\$	11,767
Increased by:		
Dog License Fees	\$	6,130
Cat License Fees		<u>450</u>
		<u>6,580</u>
		18,347
Decreased by:		
Disbursements for Expenditures Under R.S. 4:19-15.11:		<u>5,407</u>
Balance, December 31, 2018	\$	<u><u>12,940</u></u>

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

Balance, December 31, 2017	\$ 34,450
Decreased by:	
Receipts from Current Fund	<u>\$ 34,450</u>

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

Balance, December 31, 2017	\$ 172
Increased by:	
Unemployment Claims	<u>8,220</u>
	8,392
Decreased by:	
Payments to State	<u>8,005</u>
Balance, December 31, 2018	<u>\$ 387</u>

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

Balance, December 31, 2017	\$ 100,082
Increased by:	
Employee Contributions	
Due from Other Trust Fund	\$ 9,173
Interest on Deposits	<u>874</u>
	<u>10,047</u>
	110,129
Decrease by:	
Unemployment Claims Due to State	<u>8,220</u>
Balance, December 31, 2018	<u>\$ 101,909</u>

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

Balance, December 31, 2017		\$ 174,679
Increased by:		
Municipal Open Space Tax Levy - Due from Current Fund	\$ 111,764	
Municipal Open Space Added Taxes - Due from Current Fund	341	
Funded Improvement Authorization Cancelled - Due from General Capital Fund	21,547	
Interest on Deposits	<u>1,374</u>	
		<u>135,026</u>
		309,705
Decreased by:		
Payment to General Capital Fund to Fund Preliminary Expense	8,500	
Disbursements for Open Space Expenditures	<u>21,275</u>	
		<u>29,775</u>
Balance, December 31, 2018		<u>\$ 279,930</u>

EXHIBIT B-11

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

Balance, December 31, 2017		\$ 356,642
Increased by:		
Developers Fees	\$ 15,475	
Interest on Deposits	<u>3,615</u>	
		<u>19,090</u>
		375,732
Decreased by:		
Disbursements for Affordable Housing Expenditures		<u>4,512</u>
Balance, December 31, 2018		<u>\$ 371,220</u>

EXHIBIT B-12

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

Balance, December 31, 2017		\$ 474,310
Increased by:		
Cash Receipts		<u>533,072</u>
		1,007,382
Decreased by:		
Cash Disbursements		<u>223,617</u>
Balance, December 31, 2018		<u>\$ 783,765</u>

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

Balance, December 31, 2017	\$ 95,275
Increased by:	
Payroll Deposits	<u>14,067,958</u>
	14,163,233
Decreased by:	
Payroll Disbursements	<u>14,162,330</u>
Balance, December 31, 2018	<u>\$ 903</u>

EXHIBIT B-14

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

Balance, December 31, 2017	\$ 576,498
Increased by:	
Interest Earned	<u>6,154</u>
	582,652
Decreased by:	
Payments to Current Fund	<u>467,839</u>
Balance, December 31, 2018	<u>\$ 114,813</u>

EXHIBIT B-15

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

Balance, December 31, 2017	\$ 30,533
Increased by:	
Employee Unemployment Contributions Deposited in Other Trust Fund	<u>9,173</u>
	39,706
Decreased by:	
Payments to Unemployment Insurance Trust Fund	<u>30,533</u>
Balance, December 31, 2018	<u>\$ 9,173</u>

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

Balance, December 31, 2017	\$ 197,177
Increased by:	
Police Outside Duty Billings	<u>284,651</u>
	481,828
Decreased by:	
Cash Receipts	<u>455,794</u>
Balance, December 31, 2018	<u>\$ 26,034</u>

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

	Balance, December 31, <u>2017</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2018</u>
Fire Prevention Penalty Fees	\$ 23,357	\$ 12,100	\$ 3,130	\$ 32,327
DARE Donations	46,085	21,171	36,920	30,336
Recreation Fees	61,360	146,778	80,872	127,266
Tax Sale Premiums	98,000	266,672	134,900	229,772
Legal Advertising Escrow Deposits	7,241		776	6,465
Fuel Depot Fees (Community Resale)	3,107	215,941	224,215	(5,167)
Open Bail Account	2,432			2,432
UCC Penalties	6,500			6,500
Outside Police Duty Fees	(82,720)	455,794	428,780	(55,706)
Snow Removal Costs	65,000			65,000
Accumulated Absences	50,048			50,048
Flexible Spending Deposits	2,800		2,800	-
Health Savings Account Deposits	5,111		5,111	-
Golden Age Club	14,578	39,005	40,657	12,926
Miscellaneous Fees and Deposits	<u>162,811</u>	<u>75,025</u>	<u>207,144</u>	<u>30,692</u>
	<u>\$ 465,710</u>	<u>\$ 1,232,486</u>	<u>\$ 1,165,305</u>	<u>\$ 532,891</u>
Cash Receipts		\$ 776,692		
Police Outside Duty Receivable-Collections		455,794		
Cash Disbursements		<u>-</u>	<u>\$ 1,165,305</u>	
		<u>\$ 1,232,486</u>	<u>\$ 1,165,305</u>	

Analysis of Miscellaneous Fees and Deposits - December 31, 2018

Recreation Fees - Mayor's Golf Outing	\$ 14,715
Park Ridge TV Donations	110
Other Deposits	<u>15,867</u>
	<u>\$ 30,692</u>

GENERAL CAPITAL

BOROUGH OF PARK RIDGE
STATEMENT OF GENERAL CAPITAL CASH AND INVESTMENTS

Balance, December 31, 2017		\$ 1,631,244
Increased by Receipts:		
Grants Receivable	\$ 42,125	
Serial Bond Proceeds	4,880,000	
Premium on Sale of Serial Bonds	29,905	
Capital Improvement Fund	25,000	
Deferred Charges Unfunded - Contributions from Contributing Municipalities	55,528	
Receipts from Current Fund	285,004	
Receipts for Water Utility Capital Fund	1,391,841	
Receipts for Electric Utility Capital Fund	603,677	
Receipts for Swim Pool Utility Capital Fund	13,000	
Receipts from Swim Pool Utility Capital Fund	13,000	
Reserve for Preliminary Expenses	8,500	
Reserve for Community Center	250,000	
Reserve for Sewer Improvements	<u>258,260</u>	
		<u>7,855,840</u>
		9,487,084
Decreased by Disbursements:		
Improvement Authorizations	565,549	
Contracts Payable	1,099	
Bond Anticipation Notes	4,626,831	
Reserve for Preliminary Expenses	5,398	
Payments made for Current Fund	207,841	
Payments to Water Utility Capital Fund	790,001	
Payments for Water Utility Capital Fund	1,298,565	
Payments to Electric Utility Capital Fund	367,081	
Payments for Electric Utility Capital Fund	580,763	
Payments to Swim Pool Utility Capital Fund	40,978	
Payments for Swim Pool Utility Capital Fund	<u>26,000</u>	
		<u>8,510,106</u>
Balance, December 31, 2018		<u>\$ 976,978</u>

BOROUGH OF PARK RIDGE
ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

	Balance, December 31, <u>2018</u>
Fund Balance	\$ 357,341
Capital Improvement Fund	954
Reserve for Municipal Building Improvements	2,252
Reserve for Preliminary Expenses	8,500
Reserve for Community Center	250,000
Reserve for Sewer Improvements	258,260
Reserve for Payment of Debt	100
Encumbrances Payable	97,300
Grants Receivable	(347,223)
Due from Current Fund	(207,841)
Due from Electric Utility Capital Fund	(3,904)
Due to Open Space Preservation Trust Fund	21,547

Improvement Authorizations:

<u>Ord. No.</u>	<u>Description</u>	
07-07A	Improvements to Mill Pond Dam & Engineering Dredging	48,977
07-7B	Engineering & Design for Dredging Mill Pond	115,916
13-03	Various Improvements & Acquisitions of Equipment	7
15-01	Various Improvements & Acquisitions of Equipment	49,052
15-03	Various Public Improvements	18,500
15-10	Various Improvements & Acquisitions of Equipment	4,329
16-11	Various Improvements and Acq. Of Equipment	59,602
16-15	Various Improvements and Acq. Of Equipment	179,670
17-02	Various Improvements and Acquisition of Equipment	273,825
17-10	Various Capital Improvements and Acquisitions	34,994
18-09	Acquisition of New Additional or Replacement	(328,695)
18-10	Refurbishment of the Police Pistol Range	(8,355)
18-12	Acquisition of an SUV for Police Department	(34,806)
18-14	Acquisition of a Hydraulic Lift Trailer	(14,200)
18-16	Repair of the 55 Park Avenue Bridge	140,876
		<u>\$ 976,978</u>

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

Ord. No.	Agency	Balance, December 31,			Balance, December 31,	Balance Pledged To:	
		<u>2017</u>	<u>Received</u>	<u>Cancelled</u>	<u>2018</u>	<u>Improvement Authorization</u>	<u>Reserve</u>
14-19	County of Bergen Open Space - Sulak Recreation Facility	\$ 833		\$ 833			
15-06	County of Bergen - ADA Cooperative Curb Ramp Construction	129,131		51,029	\$ 78,102	\$ 78,102	
16-11	DEP - Woodcliff Lake Reservoir Walkway	24,000			24,000		\$ 24,000
16-15	County of Bergen - Community Development - Senior Ctr Imprvts	44,292	\$ 42,125	2,167			
16-15	DOT - Mill Road Improvements	48,121			48,121	48,121	
16-15	DOT - Park Avenue Improvements	<u>221,000</u>	<u>-</u>	<u>-</u>	<u>221,000</u>	<u>221,000</u>	<u>-</u>
		<u>\$ 467,377</u>	<u>\$ 42,125</u>	<u>\$ 54,029</u>	<u>\$ 371,223</u>	<u>\$ 347,223</u>	<u>\$ 24,000</u>

Cancelled to Improvement Authorizations \$ 54,029

BOROUGH OF PARK RIDGE
STATEMENT OF OTHER ACCOUNTS RECEIVABLE

Balance, December 31, 2017	\$ 17,377
Decreased by:	
Improvement Authorization Cancelled	<u>\$ 17,377</u>

STATEMENT OF DUE FROM CURRENT FUND

Balance, December 31, 2017	\$ 285,004
Increased by:	
Payments made for Current Fund	<u>207,841</u>
	492,845
Decreased by:	
Receipts from Current Fund	<u>285,004</u>
Balance, December 31, 2018	<u>\$ 207,841</u>

BOROUGH OF PARK RIDGE
STATEMENT OF DUE TO OPEN SPACE PRESERVATION TRUST FUND

Increased by:	
Funded Improvement Authorizations Cancelled - Ord #14-19	\$ 21,547
	<u>21,547</u>
Balance, December 31, 2018	\$ <u>21,547</u>

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2017	\$ 8,872,135
Increased by:	
Serial Bonds Issued	<u>4,880,000</u>
	13,752,135
Decreased by:	
2018 Budget Appropriations	
General Serial Bonds	\$ 1,100,000
Green Trust Loan	<u>88,018</u>
	<u>1,188,018</u>
Balance, December 31, 2018	\$ <u>12,564,117</u>

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

									Analysis of Balance December 31, 2018	
Ord. No.	Improvement Description	Balance, December 31, 2017	2018 Authori- zations	Contributions from Participating Municipalities	Notes Paid by Budget Appropriation	Transfer to Deferred Charges Funded	Improvement Authorizations Cancelled	Balance, December 31, 2018	Unexpended Improvement Expenditures	Authorizations
13-01	2014/2015 Road, Curb, Drainage and Sidewalk Improvement Program	\$ 655,776				\$ 655,776				
13-03	Various Public Improvements and Acquisition of New or Replacement Equipment and Machinery	1,054,365				1,054,365				
14-20/										
15-04	Improvements to Borough Hall	380,500				380,500				
15-01	Various Public Improvements and Acquisition of New or Replacement Equipment and Machinery	1,187,000			\$ 207,841	979,159				
15-12	Various Public Improvements	119,000				119,000				
16-10	Acquisition of a Garbage Truck	213,750				213,750				
16-11	Various Improvements and Acquisition of Equipment	241,050				217,050	\$ 24,000			
17-02	Various Improvements and Acquisition of Equipment	1,261,300				1,260,300	1,000			
18-09	Acquisition of Equipment		\$ 351,500					\$ 351,500	\$ 328,695	\$ 22,805
18-10	Refurbishment of the Police Pistol Range		64,600	\$ 55,528				9,072	8,355	717
18-12	Acquisition of an SUV for Police Department		38,000					38,000	34,806	3,194
18-14	Acquisition of a Hydraulic Lift Trailer		14,500				300	14,200	14,200	
18-16	Repair of the 55 Park Avenue Bridge	-	157,703	-	-	-	-	157,703	-	157,703
		<u>\$ 5,112,741</u>	<u>\$ 626,303</u>	<u>\$ 55,528</u>	<u>\$ 207,841</u>	<u>\$ 4,879,900</u>	<u>\$ 25,300</u>	<u>\$ 570,475</u>	<u>\$ 386,056</u>	<u>\$ 184,419</u>
						Serial Bonds Issued		\$ 4,880,000		
						Less: Excess Bond Proceeds - Ord 13-03		100		
								<u>\$ 4,879,900</u>		

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

Balance, December 31, 2017		\$ 26,636
Increased by:		
Charges to Improvement Authorizations	\$ 94,718	
Charges to Reserve for Preliminary Expenses	<u>2,582</u>	
		<u>97,300</u>
		123,936
Decreased by:		
Cash Disbursements	1,099	
Cancellations Restored to Improvement Authorizations	<u>25,537</u>	
		<u>26,636</u>
Balance, December 31, 2018		<u><u>\$ 97,300</u></u>

EXHIBIT C-11

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2017		\$ 8,584
Increased by:		
2018 Budget Appropriation		<u>25,000</u>
		33,584
Decreased by:		
Appropriation to Finance Improvement Authorizations	\$ 24,650	
Transfer to Reserve for Preliminary Expenses	<u>7,980</u>	
		<u>32,630</u>
Balance, December 31, 2018		<u><u>\$ 954</u></u>

Ord. No.	Improvement Description	Ordinance Amount	Balance, December 31, 2017		2018 Authorizations			Contracts Payable Canceled	Paid or Charged	Authorizations Canceled	Balance, December 31, 2018	
			Funded	Unfunded	Deferred Charges Unfunded	Capital Improvement Fund	Reserve for Park Ave Improvements				Funded	Unfunded
06-7A	Rehabilitation of Tennis Courts	\$ 225,000	\$ 15,000							\$ 15,000		
07-7A-08-8F	Repairs of Mill Pond Dam	1,293,800	58,190					\$ 9,213			\$ 48,977	
07-7B	Engineering & Design for Dredging Mill Pond	200,000	115,916								115,916	
09-11	Pedestrian Improvements to Train Station	79,000	2,180							2,180		
12-07	Various Public Improvements & Acquisition of New or Replacement Equipment and Machinery	553,000	20,001							20,001		
12-08	Various Improvements & Acquisition of Equip.	179,720	1,824							1,824		
12-13/13-02/												
14-18/15-07	Improvements to Mill Pond Park and Davies Field	310,010	1,341							1,341		
13-01	2013/2014 Road, Curb, Drainage and Sidewalk Improvement Program	770,000	\$ 15,503					10,463		5,040		
13-03	Various Improvements & Acquisition of Equip.	1,304,710	180,888					31,643		149,238	7	
13-07	Monitoring of Former Underground Storage Tank Locations	31,000	2,131							2,131		
14-19	Improvements to Sulak Recreation Facility	176,680	21,045					(1,335)		22,380		
14-20/15-04	Improvements to Borough Hall	400,000						(650)		650		
15-01	Various Improvements & Acquisition of Equip.	1,300,000	115,384					18,348		47,984	49,052	
15-03	Various Public Improvements	100,000	25,207							6,707	18,500	
15-06	Construction of Curb Ramps Along Park Ave	129,131	51,029							51,029		
15-10	Various Improvements & Acquisition of Equip.	20,000	8,787					2,700		1,758	4,329	
15-12	Various Public Improvements	125,000	51,804							51,804		
16-10	Acquisition of a Garbage Truck	225,000	28,142							28,142		
16-11	Various Improvements and Acq. Of Equipment	253,737	89,996							30,394	59,602	
16-15	Various Improvements and Acq. Of Equipment	461,567	155,826					\$ 25,537		1,693	179,670	
17-02	Various Improvements and Acq. Of Equipment	1,324,400	375,297						95,842	5,630	273,825	
17-10	Various Capital Improvements and Acquisitions	82,881	36,382						1,388		34,994	
18-09	Acquisition of Equipment	370,000			\$ 351,500	\$ 18,500			347,195		\$ 22,805	
18-10	Refurbishment of the Police Pistol Range	68,000			64,600	3,400			67,283		717	
18-12	Acquisition of an SUV for Police Department	40,000			38,000	2,000			36,806		3,194	
18-14	Acquisition of a Hydraulic Lift Trailer	15,250			14,500	750			14,950	300		
18-16	Repair of the 55 Park Avenue Bridge	325,000	-	-	157,703	-	\$ 167,297	-	26,421	-	140,876	157,703
			\$ 514,859	\$ 857,014	\$ 626,303	\$ 24,650	\$ 167,297	\$ 25,537	\$ 660,267	\$ 445,226	\$ 925,748	\$ 184,419
							Cash Disbursed	\$ 565,549				
							Contracts Payable	94,718				
							Grants Receivable		\$ 54,029			
							Deferred Charges Unfunded		25,300			
							Other Accounts Receivable		17,377			
							Due to Municipal Open Space Trust Fund		21,547			
							Fund Balance	-	326,973			
								\$ 660,267	\$ 445,226			

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

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

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturity of Bonds Outstanding at December 31, 2018</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2018</u>
			<u>Date</u>	<u>Amount</u>					
General Improvements	10/15/2007	\$ 4,827,000	2019-2021	\$ 325,000	3.875 %				
			2022	350,000	3.875				
			2023	327,000	4.000	\$ 1,977,000		\$ 325,000	\$ 1,652,000
General Improvements	8/15/2012	3,215,000	2019	210,000	2.000				
			2020	225,000	2.000				
			2021-2022	250,000	2.000				
			2023-2026	300,000	2.000	2,345,000		210,000	2,135,000
General Refunding	2/15/2013	3,035,000	2019	350,000	3.000				
			2020-21	350,000	4.000				
			2022	340,000	4.000	1,715,000		325,000	1,390,000
General Improvements	8/15/2013	2,207,000	2019	240,000	2.000				
			2020	260,000	3.000				
			2021	270,000	3.000				
			2022	280,000	3.000				
			2023	277,000	3.000	1,567,000		240,000	1,327,000
General Improvements	5/15/2018	4,880,000	2019	350,000	2.000				
			2020	375,000	2.000				
			2021-22	375,000	2.500				
			2023	610,000	2.500				
			2024	700,000	2.500				
			2025-26	700,000	3.000				
			2027	695,000	3.000	-	\$ 4,880,000	-	4,880,000
						<u>\$ 7,604,000</u>	<u>\$ 4,880,000</u>	<u>\$ 1,100,000</u>	<u>\$ 11,384,000</u>
Issued for Cash							<u>\$ 4,880,000</u>		
Paid by Budget Appropriation								<u>\$ 1,100,000</u>	

**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 2018</u>		<u>Interest Rate</u>		<u>Balance,</u>	<u>Decreased</u>	<u>Balance,</u>
			<u>Date</u>	<u>Amount</u>			<u>December 31,</u>		<u>December 31,</u>
							<u>2017</u>		<u>2018</u>
Memorial Field Improvements	10/20/2008	\$ 500,000	2019	\$ 29,145	2.00	%			
			2020	29,730	2.00				
			2021	30,327	2.00				
			2022	30,937	2.00				
			2023	31,559	2.00				
			2024	32,193	2.00				
			2025	32,840	2.00				
			2026	33,500	2.00				
							\$ 278,801	\$ 28,570	\$ 250,231
Mill Pond Dam Improvements	7/9/2012	1,156,000	2019	60,643	2.00				
			2020	61,862	2.00				
			2021	63,105	2.00				
			2022	64,374	2.00				
			2023	65,668	2.00				
			2024	66,988	2.00				
			2025	68,334	2.00				
			2026	69,707	2.00				
			2027	71,109	2.00				
			2028	72,538	2.00				
			2029	73,995	2.00				
			2030	75,483	2.00				
			2031	77,001	2.00				
			2032	39,079	2.00				
							989,334	59,448	929,886
							<u>\$ 1,268,135</u>	<u>\$ 88,018</u>	<u>\$ 1,180,117</u>
			Paid by Budget Appropriation						

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

Balance, December 31, 2017	\$ 167,297
Decreased by:	
Appropriated to Finance Improvement Authorization - Ordinance #18-16	<u>\$ 167,297</u>

STATEMENT OF RESERVE FOR MUNICIPAL BUILDING IMPROVEMENTS

Balance, December 31, 2017	<u>\$ 2,252</u>
Balance, December 31, 2018	<u>\$ 2,252</u>

STATEMENT OF RESERVE FOR PRELIMINARY EXPENSES

<u>Purpose</u>	<u>Authorized</u>	<u>Paid or Charged</u>	<u>Balance December 31, 2018</u>
Park Avenue Vehicular Improvements	\$ 7,980	\$ 7,980	-
Sulak Lane Basketball Court Improvements	<u>8,500</u>	<u>-</u>	<u>\$ 8,500</u>
	<u>\$ 16,480</u>	<u>\$ 7,980</u>	<u>\$ 8,500</u>
Capital Improvement Fund	\$ 7,980		
Received from Open Space Trust Fund	8,500		
Cash Disbursed		\$ 5,398	
Encumbrances Payable	<u>-</u>	<u>2,582</u>	
	<u>\$ 16,480</u>	<u>\$ 7,980</u>	

STATEMENT OF RESERVE FOR COMMUNITY CENTER

Increased by:	
Redevelopers Contribution Received	<u>\$ 250,000</u>
Balance, December 31, 2018	<u>\$ 250,000</u>

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

Increased by:

Cash Receipts - Sewer Connection Fees

\$ 258,260

Balance, December 31, 2018

\$ 258,260

STATEMENT OF RESERVE FOR PAYMENT OF DEBT

Increased by:

Excess Bond Proceeds - Ordinance #13-03

\$ 100

Balance, December 31, 2018

\$ 100

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

Ord. No.	Description	Balance December 31, 2017	2018 Authorizations	Contributions From Participating Municipalities	Serial Bonds Issued	Improvement Authorizations Cancelled	Balance December 31, 2018
15-12	Various Public Improvements	\$ 17,000			\$ 17,000		
16-10	Acquisition of a Garbage Truck	16,750			16,750		
16-11	Various Improvements and Acq. of Equipment	96,539			72,539	\$ 24,000	
17-02	Various Improvements and Acq. of Equipment	147,880			146,880	1,000	
18-09	Acquisition of Equipment		\$ 351,500				\$ 351,500
18-10	Refurbishment of the Police Pistol Range		64,600	\$ 55,528			9,072
18-12	Acquisition of an SUV for Police Depart.		38,000				38,000
18-14	Acquisition of a Hydraulic Lift Trailer		14,500			300	14,200
18-16	Repair of the 55 Park Avenue Bridge	-	157,703	-	-	-	157,703
		<u>\$ 278,169</u>	<u>\$ 626,303</u>	<u>\$ 55,528</u>	<u>\$ 253,169</u>	<u>\$ 25,300</u>	<u>\$ 570,475</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, 2017	\$ 2,031,583	\$ 960,303
Increased by Receipts:		
Water Usage Charges Receivable	\$ 2,936,832	
Other Charges Receivable	107,816	
Mobile Antenna Rent	211,304	
Non-Budget Revenue	120,350	
Outstanding Checks Voided	63,844	
2018 Budget Appropriation - Capital Improvement Fund		\$ 5,000
Overpayments	24,782	
Woodcliff Lake Surcharge Receivable	108,309	
Received from Current Fund	64,652	
Received from General Capital Fund		790,001
Received from Water Utility Capital Fund	757,444	
Receipts for Electric Operating Utility Fund	42,224	
Received From Utility Trust Fund	<u>20,104</u>	<u>-</u>
	<u>4,457,661</u>	<u>795,001</u>
	6,489,244	1,755,304
Decreased by Disbursements:		
2018 Budget Appropriations	3,312,631	
2017 Appropriation Reserves	225	
Encumbrances Payable	127,189	234,153
Improvement Authorizations		649,145
Interest on Bonds and Notes	50,719	
Payments made for Current Fund	85,654	
Payments to Other Trust Fund	71,397	
Payments made to Water Utility Operating Fund		757,444
Payments made for Water Utility Capital Fund	<u>8,729</u>	<u>-</u>
	<u>3,656,544</u>	<u>1,640,742</u>
Balance, December 31, 2018	<u>\$ 2,832,700</u>	<u>\$ 114,562</u>

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

		Balance, December 31, <u>2018</u>
Fund Balance		\$ 9,564
Capital Improvement Fund		281,669
Encumbrances Payable		26,361
Due from Water Utility Operating Fund		(562,111)
Improvement		
<u>Authorizations:</u>	<u>Description</u>	
Ord.		
<u>No.</u>		
98-11.1	Construction of Well #20	149
2012-9	Various Public Improvements/Acquisitions	363,471
2014-15	Various Public Improvements/Acquisitions	11,686
2014-21	Installation of New Well and Pumping Station	35,053
2015-11	Various Public Improvements/Acquisitions	32,507
2016-13	Acquisition of a Dump Truck	4,668
2016-14	Acquisition of Water Distribution Equipment and Machinery	723
2016-21/2017-03	Improvements to Well #7 and Well #17 Treatment Facility	182
2017-17	Replacement of Water Main at Glen Road	<u>(89,360)</u>
		<u>\$ 114,562</u>

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

Balance, December 31, 2017	\$ 25
Decreased by:	
Adjusted to Operations	<u>\$ 25</u>

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

Balance, December 31, 2017	\$ 291,980
Increased by:	
Water Usage Charges Levied	<u>2,844,068</u>
	3,136,048
Decreased by:	
Water Usage Charges Collected:	
Cash Receipts	\$ 2,936,832
Overpayments Applied	<u>23,022</u>
	<u>2,959,854</u>
Balance, December 31, 2018	<u>\$ 176,194</u>

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

Balance, December 31, 2017	\$ 66,388
Increased by:	
Other Water Charges Levied	
Fire Sprinklers	\$ 77,314
Hydrants	<u>37,877</u>
	<u>115,191</u>
	181,579
Decreased by:	
Other Water Charges Collected:	
Fire Sprinklers	68,730
Hydrants	<u>39,086</u>
	<u>107,816</u>
Balance, December 31, 2018	<u>\$ 73,763</u>

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

Balance, December 31, 2017	\$ 43,682
Increased by:	
Surcharges Levied	<u>104,280</u>
	147,962
Decreased by:	
Surcharges Collected	<u>108,309</u>
Balance, December 31, 2018	<u>\$ 39,653</u>

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

		<u>Additions by</u>		
	Balance, December 31, <u>2017</u>	Budget Capital <u>Outlay</u>	<u>Ordinance</u>	Balance, December 31, <u>2018</u>
Source of Supply Plant:				
Structures and Improvements	\$ 336,184			\$ 336,184
Wells and Springs	4,219,435		\$ 897,983	5,117,418
Pumping Plant:				
Land and Land Rights	12,887			12,887
Structures and Improvements	566,553	\$ 2,257		568,810
Electric Pumping Equipment	754,017	21,813	56,297	832,127
Water Treatment Plant - Water				
Treatment Equipment	1,243,473			1,243,473
Computer Hardware/Software-Equipment	105,149	1,278	4,818	111,245
Transmission and Distribution Plant:				
Structures and Improvements	661,778		12,137	673,915
Distribution Reservoirs and Standpipes	908,591			908,591
Transmission and Distribution Mains	1,452,717		3,874	1,456,591
Services	236,634			236,634
Meters	820,814	96,039	58,590	975,443
Hydrants	413,379		7,760	421,139
Well Communication System-Equipment	18,864			18,864
General Plant:				
Structures and Improvements	176,138			176,138
Improvements to Utility Garage	102,218			102,218
Office Furniture and Equipment	209,239	564		209,803
Transportation Equipment	356,788			356,788
Other General Equipment	311,672			311,672
Tools-Equipment	142,549	4,131	7,890	154,570
Other Utility Assets:				
Other Tangible Property-Equipment	242,936			242,936
Water Diversion Rights	551			551
Meter Reading System	6,763			6,763
Pickup Trucks	139,078	6,014	34,596	179,688
Dump Trucks			\$ 170,332	170,332
New Hybrid Vehicles	37,456			37,456
Backhoe Loader	86,031			86,031
Valve Box Vacuum	20,441	-	-	20,441
	<u>\$ 13,582,335</u>	<u>\$ 132,096</u>	<u>\$ 1,254,277</u>	<u>\$ 14,968,708</u>
2018 Budget Appropriations		<u>\$ 132,096</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>2017</u>	Costs to <u>Fixed Capital</u>	Balance, December 31, <u>2018</u>
96-8/98-11.1	Construction of Well #20	\$ 30,149		\$ 30,149
2004-07	Replacement of Water Mains	44,460		44,460
2012-9	Various Public Improvements & Acq.	363,471		363,471
2014-15	Various Public Improvements & Acq.	284,043	\$ 2,357	281,686
2014-21	Installation of New Well and Pumping Station	900,000		-
2015-011	Various Public Improvements & Acq.	315,000	282,493	900,000
2016-13	Acquisition of a Dump Truck	180,000	170,332	32,507
2016-14	Acquisition of Water Distribution Equipment and Machinery	150,000	149,277	9,668
2016-21/	Improvements to Well #7 Pumping Facility			-
2017-03	and Well #17 Treatment Facility	650,000	649,818	723
2017-17	Replacement of Water Main on Glen Road	800,000	-	-
		<u>\$ 3,717,123</u>	<u>\$ 1,254,277</u>	<u>\$ 2,462,846</u>

EXHIBIT D-13

STATEMENT OF DUE FROM CURRENT FUND
WATER UTILITY OPERATING FUND

Balance, December 31, 2017		\$ 64,652
Increased by:		
Payments made for Current Fund		<u>85,654</u>
		150,306
Decreased by:		
Receipts from Current Fund	\$ 64,652	
Payments made by Current Fund	<u>71,890</u>	
		<u>136,542</u>
Balance, December 31, 2018		<u>\$ 13,764</u>

EXHIBIT D-14

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

Balance, December 31, 2017 (Due From)	\$ 8,893
Decreased by:	
Receipts for Electric Utility Operating Fund	<u>42,224</u>
Balance, December 31, 2018 (Due To)	<u>\$ 33,331</u>

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

Balance, December 31, 2017 (Due To)		\$ 757,444
Increased by:		
Improvement Authorization Expenditures Paid by Water Utility Operating Fund		<u>8,729</u>
		766,173
Decreased by:		
2018 Budget Appropriation:		
Payment of Bond Anticipation Note Principal	\$ 1,300	
Deferred Charges:		
Cost of Improvements - Ordinance No. 2016-21/2017-03	550,000	
Cost of Improvements - Ordinance No. 2004-07	19,540	
Payments to Water Utility Operating Fund	<u>757,444</u>	
		<u>1,328,284</u>
Balance, December 31, 2018 (Due From)		<u>\$ 562,111</u>

EXHIBIT D-16

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

Balance, December 31, 2017		\$ 71,397
Decreased by:		
Payments to Other Trust Fund		<u>\$ 71,397</u>

EXHIBIT D-17

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

Balance, December 31, 2017		\$ 696,725
Increased by:		
Bond Anticipation Notes Deposited in General Capital Fund	\$ 597,000	
Serial Bond Issue Deposited in General Capital Fund	790,000	
Premium on Serial Bonds Issued	<u>4,841</u>	
		<u>1,391,841</u>
		2,088,566
Decreased by:		
Bond Anticipation Notes Paid by General Capital Fund	1,298,565	
Cash Receipts	<u>790,001</u>	
		<u>\$ 2,088,566</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF 2017 APPROPRIATION RESERVES
WATER UTILITY OPERATING FUND**

	Balance, December 31, <u>2017</u>	Cancelled <u>Encumbrances</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING					
Salaries and Wages	\$ 10,966		\$ 10,966	\$ 225	\$ 10,741
Other Expenses	37,777	\$ 6,869	44,646		44,646
Group Insurance	<u>18,661</u>	<u>-</u>	<u>18,661</u>	<u>-</u>	<u>18,661</u>
Total Operating	<u>67,404</u>	<u>6,869</u>	<u>74,273</u>	<u>225</u>	<u>74,048</u>
CAPITAL IMPROVEMENTS					
Capital Outlay	<u>33,420</u>	<u>-</u>	<u>33,420</u>	<u>-</u>	<u>33,420</u>
Total Capital Improvements	<u>33,420</u>	<u>-</u>	<u>33,420</u>	<u>-</u>	<u>33,420</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures					
Contribution to					
Public Employees Retirement System	3,429		3,429		3,429
Social Security System (O.A.S.I.)	<u>7,850</u>	<u>-</u>	<u>7,850</u>	<u>-</u>	<u>7,850</u>
Total Deferred Charges and Statutory Expenditures	<u>11,279</u>	<u>-</u>	<u>11,279</u>	<u>-</u>	<u>11,279</u>
	<u>\$ 112,103</u>	<u>\$ 6,869</u>	<u>\$ 118,972</u>	<u>\$ 225</u>	<u>\$ 118,747</u>
Cash Disbursed				<u>\$ 225</u>	

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

Balance, December 31, 2017	\$ 134,058
Increased by:	
Charges to 2018 Budget Appropriations	<u>174,822</u>
	308,880
Decreased by:	
Cancellations Restored to 2017 Appropriation Reserves	\$ 6,869
Cash Disbursements	<u>127,189</u>
	<u>134,058</u>
Balance, December 31, 2018	<u><u>\$ 174,822</u></u>

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

Balance, December 31, 2017	\$ 234,153
Increased by:	
Charges to Improvement Authorizations	<u>26,361</u>
	260,514
Decreased by:	
Cash Disbursements	<u>234,153</u>
Balance, December 31, 2018	<u><u>\$ 26,361</u></u>

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

Balance, December 31, 2017	\$ 23,022
Increased by:	
Overpayments Received	<u>24,782</u>
	47,804
Decreased by:	
Overpayments Applied to Water Usage Charges Receivable	<u>23,022</u>
Balance, December 31, 2018	<u><u>\$ 24,782</u></u>

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

Balance, December 31, 2017	\$ 17,905
Increased by:	
Budget Appropriation for Interest on Bonds and Notes	<u>55,453</u>
	73,358
Decreased by:	
Interest Paid	<u>50,719</u>
Balance, December 31, 2018	<u><u>\$ 22,639</u></u>

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

Ord. No.	Improvement Description	Ordinance Amount	Balance, December 31, 2017		Paid or Charged	Balance, December 31, 2018	
			Funded	Unfunded		Funded	Unfunded
96-8/98-11.1/							
14-03	Construction of Well #20	\$ 425,000	\$ 149	\$ 30,000		\$ 149	\$ 30,000
2004-07	Replacement of Water Mains	150,000		44,460			44,460
2012-9	Various Public Improvements and Acq.	1,085,000	363,471			363,471	
2014-15	Various Public Improvements and Acq.	470,000		284,043	\$ 2,357	11,686	270,000
2014-21	Installation of New Well and Pumping Station	900,000		847,340	12,287		835,053
2015-11	Various Public Improvements and Acq.	315,000		33,195	688	32,507	
2016-13	Acquisition of a Dump Truck	180,000		9,668		4,668	5,000
2016-14	Acq of Water Distribution Equipment and Machinery	150,000	1,762		1,039	723	
2016-21/ 2017-03	Improvements to Well #7 Pumping Facility and Well # 17 Treatment Facility	650,000		81,851	81,669	182	
2017-17	Replacement of Water Main at Glen Road	800,000	-	798,535	586,195	-	212,340
			<u>\$ 365,382</u>	<u>\$ 2,129,092</u>	<u>\$ 684,235</u>	<u>\$ 413,386</u>	<u>\$ 1,396,853</u>
	Cash Disbursements				\$ 649,145		
	Due to Water Utility Operating Fund				8,729		
	Encumbrances Payable				<u>26,361</u>		
					<u>\$ 684,235</u>		

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

Purpose	Date of Issue	Amount of Original Issue	Maturity of Bonds Outstanding at December 31, 2018			Balance, December 31, 2017	Increased	Decreased	Balance, December 31, 2018
			Date	Amount	Interest Rate				
Water Utility Bonds	8/15/2012	\$ 1,250,000	2019	\$ 80,000	2.00%				
			2020-22	85,000	2.00%				
			2023-25	90,000	2.00%				
			2026	95,000	2.10%				
			2027	95,000	2.20%	\$ 875,000		\$ 80,000	\$ 795,000
Water Utility Bonds	8/15/2013	582,000	2019	40,000	2.00%				
			2020-21	40,000	3.00%				
			2022-23	45,000	3.00%				
			2024	45,000	3.25%				
			2025	45,000	3.50%				
			2026	45,000	4.00%				
			2027	47,000	4.00%	432,000		40,000	392,000
Water Utility Bonds	5/15/2018	790,000	2019-20	50,000	2.00%				
			2021-23	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%	-	\$ 790,000	-	790,000
									\$ 1,307,000
Due from General Capital Fund-Issued for Cash						\$ 790,000			
Paid by Budget Appropriation							\$ 120,000		

**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, 2017	Increased	Decreased	Balance, December 31, 2018
14-15	Various Public Improvements and Acquisitions	10/8/2015	10/6/2017	5/18/2018	1.09 %	\$ 176,840		\$ 176,840	
14-21	Installation of New Well and Pumping Facility	10/8/2015	10/6/2017 5/1/2018	5/18/2018 5/1/2019	1.09 % 2.25	100,000	\$ 98,700	100,000	\$ 98,700
15-11	Various Public Improvements and Acquisitions	10/8/2015	10/6/2017	5/18/2018	1.09 %	315,000		315,000	
16-13	Acquisition of a Dump Truck	10/6/2017	10/6/2017	5/18/2018	1.09 %	170,332		170,332	
16-21	Improvements to Well #7 and Well #17 Treatment Facility	10/6/2017	10/6/2017	5/18/2018	1.09 %	400,000		400,000	
17-03	Suppl- Imprvmts to Well #7 and Well #17 Treatment	10/6/2017	10/6/2017	5/18/2018	1.09 %	136,393		136,393	
17-17	Replacement of Water Main Glen Road - Woodcliff Lake	5/1/2018	5/1/2018	5/1/2019	2.25 %	<u>-</u>	<u>498,300</u>	<u>-</u>	<u>498,300</u>
						<u>\$ 1,298,565</u>	<u>\$ 597,000</u>	<u>\$ 1,298,565</u>	<u>\$ 597,000</u>
							Issued for Cash	\$ 498,300	
							Paid from Bond Proceeds	\$ 762,172	
							Paid by Budget Appropriation	1,300	
							Notes Paid by Capital Fund	436,393	
							Renewals	<u>98,700</u>	<u>98,700</u>
								<u>\$ 597,000</u>	<u>\$ 1,298,565</u>
							Due from General Capital Fund	<u>\$ 597,000</u>	
							Due to General Capital Fund		<u>\$ 1,298,565</u>

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

Balance, December 31, 2017	\$ 276,669
Increased by:	
2018 Budget Appropriation	<u>5,000</u>
Balance, December 31, 2018	<u>\$ 281,669</u>

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

Balance, December 31, 2017	\$ 12,433,458
Increased by:	
Serial Bonds Paid by Operating Budget	\$ 120,000
Authorizations Funded by 2018 Budget Appropriations - Cost of Improvements	
Due from Water Utility Operating Fund	569,540
Bond Anticipation Notes Paid by Budget	1,300
Capital Outlay Operating Budgets:	
2018 Budget Appropriations	132,096
Transfer from Deferred Reserve for Amortization	<u>149,277</u>
	<u>972,213</u>
Balance, December 31, 2018	<u>\$ 13,405,671</u>

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

<u>Ord. No.</u>	<u>Improvement Description</u>	Balance, December 31 <u>2017</u>	To Reserve for Amortization <u>Fixed Capital</u>	Balance, December 31, <u>2018</u>
2016-14	Acq. Of Water Distribution Equipment and Machinery	<u>\$ 150,000</u>	<u>\$ 149,277</u>	<u>\$ 723</u>

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

	Balance, December 31, <u>2017</u>	<u>Increased</u>	Realized in 2018 <u>Budget</u>	Balance, December 31, <u>2018</u>
Payment of Water Tank	\$ 9,201			\$ 9,201
Construction of Water Line	1,500			1,500
Woodcliff Lake Improvements	331,338	\$ 108,309	\$ 65,508	374,139
Handy Harmon Settlement	<u>1,506,068</u>	<u>-</u>	<u>550,000</u>	<u>956,068</u>
	<u>\$ 1,848,107</u>	<u>\$ 108,309</u>	<u>\$ 615,508</u>	<u>\$ 1,340,908</u>
Woodcliff Lake Surcharge Collected		<u>\$ 108,309</u>		

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

Ord. <u>No.</u>	<u>Purpose</u>	Balance, December 31, <u>2017</u>	Notes Paid by Capital <u>Cash</u>	Raised in <u>2018 Budget</u>	Serial Bonds <u>Issued</u>	Notes <u>Issued</u>	Balance, December 31, <u>2018</u>
98-11.1	Construction of Well #20	\$ 30,000					\$ 30,000
2004-07	Replacement of Water Mains	64,000		\$ 19,540			44,460
2014-15	Various Public Improvements & Acq.	293,160			\$ 23,160		270,000
2014-21	Installation of New Well and Pumping Station	800,000					800,000
2016-13	Acquisition of a Dump Truck	9,668			4,668		5,000
2016-21/ '2017-03	Imprvts to Well #7 and Well #17 Treatment	113,607	\$ 436,393	\$ 550,000			
2017-17	Replacement of Water Main Glen Road - WC	<u>800,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 498,300</u>	<u>301,700</u>
		<u>\$ 2,110,435</u>	<u>\$ 436,393</u>	<u>\$ 569,540</u>	<u>\$ 27,828</u>	<u>\$ 498,300</u>	<u>\$ 1,451,160</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, 2017	\$ 1,171,114	\$ 786,693
Increased by Receipts:		
Light and Power Charges Receivable	\$ 9,554,144	
Other Charges Receivable	19,175	
Interest on Delinquent Accounts	18,579	
Non-Budget Revenue	123,540	
Outstanding Checks Voided	28,509	
Petty Cash	300	
Overpayments	18,822	
2018 Budget Appropriation - Capital Improvement Fund		\$ 5,000
Reserve for Redevelopment Project Improvements		105,000
Receipts from Current Fund	28,644	
Receipts for Current Fund	74,310	
Receipts from General Capital Fund		367,081
Receipts from Electric Utility Capital Fund	219,876	
Receipts from Utility Trust Fund	23,447	-
	<u>10,109,346</u>	<u>477,081</u>
	11,280,460	1,263,774
Decreased by Disbursements:		
2018 Appropriations	9,239,623	
2017 Appropriation Reserves	2,799	
Petty Cash	300	
Encumbrances Payable	463,513	28,512
Improvement Authorizations		63,920
Interest on Bonds and Notes	35,870	
Payments to Other Trust Fund	29,940	
Payments to Electric Utility Operating Fund	-	219,876
	<u>9,772,045</u>	<u>312,308</u>
Balance, December 31, 2018	<u>\$ 1,508,415</u>	<u>\$ 951,466</u>

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

Balance,
December 31,
2018

Fund Balance	\$ 5,596
Capital Improvement Fund	286,500
Encumbrances Payable	96,076
Reserve for Capital Improvements	437,000
Reserve for Redevelopment Project Improvements	105,000
Due to General Capital Fund	3,904
Due from Electric Utility Operating Fund	(24,107)

Improvement Authorizations:

Ord.

<u>No.</u>	<u>Description</u>	
2011-21	Various Public Impvts./Acqu. of Vehicle	3,208
2012-04	Acquisition of Aerial Bucket Truck	18,880
2014-04	Purchase of Electric Distribution Infrastructure Materials	208
2014-14/	Acquisition of Mini-Excavator and Install	
2015-15	Circuit Breakers at Mill Road Station	5,264
2016-12	Acquisition of Aerial Bucket	8,662
2017-16	Purchase of Electric Distribution Infrastructure Materials	<u>5,275</u>
		<u>\$ 951,466</u>

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

Balance, December 31, 2017	\$ 325
Decreased by:	
Adjusted to Operations	<u>250</u>
Balance, December 31, 2018	<u>\$ 75</u>

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

Balance, December 31, 2017	\$ 1,150
Increased by:	
Receipts from Treasurer	<u>300</u>
	1,450
Decreased by:	
Adjusted to Operations	\$ 1,150
Returned to Treasurer	<u>300</u>
	<u>\$ 1,450</u>

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

Balance, December 31, 2017		\$ 415,890
Increased by:		
Light and Power Charges Levied		<u>9,724,761</u>
		10,140,651
Decreased by:		
Light and Power Charges Collected	\$ 9,554,144	
Due from Water Utility Operating Fund	42,224	
Overpayments Applied	15,266	
Prepaid Applied	<u>24,756</u>	
		<u>9,636,390</u>
Balance, December 31, 2018		<u>\$ 504,261</u>

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

Balance, December 31, 2017		\$ 18,755
Increased by:		
Other Electric Charges Levied - Dusk to Dawn		<u>19,000</u>
		37,755
Decreased by:		
Other Electric Charges Collected - Dusk to Dawn		<u>19,175</u>
Balance, December 31, 2018		<u>\$ 18,580</u>

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

		Additions By:		
	Balance, December 31, <u>2017</u>	Budget Capital <u>Outlay</u>	<u>Ordinance</u>	Balance, December 31, <u>2018</u>
Structures and Improvements	\$ 816,334	\$ 765		\$ 817,099
Electric Wire Storage Shed	320,326			320,326
Regulating Station	6,102			6,102
Hydro Generator-Equipment	7,732			7,732
Mill Road Substation	637,752		\$ 294,961	932,713
Brae Boulevard Substation	1,691,727			1,691,727
Poles, Towers and Fixtures	509,171			509,171
Cable & Wires	1,124,199			1,124,199
Underground Conduit	107,584			107,584
Underground Conductors & Devices	204,226			204,226
Line Transformers	692,557			692,557
Services	329,420	407		329,827
Installation of Customers' Services	8,817			8,817
Office Furniture, Etc.-Equipment	230,188	959		231,147
Vehicles/Equipment	1,135,274			1,135,274
Meters & Current Transformers	342,847			342,847
Street Lighting & Signal System	354,943			354,943
Tools, Shop & Garage Equipment	274,426	14,462	855	289,743
Computer Hardware/Software-Equipment	247,245	1,278		248,523
Meter Reading System-Equipment	12,660			12,660
Smoke Detectors-Equipment	149,897			149,897
Municipal Improvement	75,000			75,000
Holiday Decorations-Equipment	65,158	2,258		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
Construction Services	200,757			200,757
Improvement to Utility Garage	225,962			225,962
Improvement to Electric System	226,522			226,522
Conversion Mill Road Substation & Museum	250,000			250,000
Replace Brae Road Transformer	244,881			244,881
Pick-up Trucks	64,113			64,113
Aerial Bucket Trucks	334,872	-	226,008	560,880
Mini Excavator and Trailer	-	-	65,105	65,105
	<u>\$ 12,342,713</u>	<u>\$ 20,129</u>	<u>\$ 586,929</u>	<u>\$ 12,949,771</u>
2017 Budget Appropriations		\$ 19,137		
2017 Appropriation Reserves		992		
		<u>\$ 20,129</u>		

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

<u>Ord.</u> <u>No.</u>	<u>Improvement Description</u>	Balance, December 31, <u>2017</u>	Costs to Fixed Capital	Balance, December 31, <u>2018</u>
2011-21/				
2012-10	Various Public Impvts./Acqu. of Vehicle	\$ 3,208		\$ 3,208
2012-04	Acquisition of Aerial Bucket Truck	18,880		18,880
2014-04	Purchase of Electric Distribution Infrastructure Materials	1,063	\$ 855	208
2014-14/	Acquisition of Mini-Excavator and Install			
2015-15	Circuit Breakers at Mill Pond Station	385,000	360,066	24,934
2016-12	Acquisition of Aerial Bucket	250,000	226,008	23,992
2017-16	Purchase of Electric Distribution Infrastructure Materials	<u>200,000</u>	<u>-</u>	<u>200,000</u>
		<u>\$ 858,151</u>	<u>\$ 586,929</u>	<u>\$ 271,222</u>

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

Balance, December 31, 2017 (Due From)	\$ 28,644
Decreased by:	
Current Fund Receipts Deposited in Electric Utility Operating Fund	\$ 74,310
Cash Receipts	<u>28,644</u>
	<u>102,954</u>
Balance, December 31, 2018 (Due To)	<u>\$ 74,310</u>

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

Balance, December 31, 2017 (Due To)	\$ 219,876
Decreased by:	
2018 Budget Appropriations	
Deferred Charges	
Cost of Improvements - Ord No. 1996-05	\$ 24,107
Cash Disbursements	<u>219,876</u>
	<u>243,983</u>
Balance, December 31, 2018 (Due From)	<u>\$ 24,107</u>

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

Balance, December 31, 2017	\$ 29,940
Decreased by:	
Payments to Other Trust Fund	<u>\$ 29,940</u>

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

Balance, December 31, 2017 (Due From)	\$ 340,263
Increased by:	
Serial Bond Issue Deposited in General Capital Fund	\$ 600,000
Premium on Serial Bonds Issued Deposited in General Capital Fund	<u>3,677</u>
	<u>603,677</u>
	943,940
Decreased by:	
Bond Anticipation Notes Payable Paid by General Capital Fund	580,763
Cash Received from General Capital Fund	<u>367,081</u>
	<u>947,844</u>
Balance, December 31, 2018 (Due To)	<u>\$ 3,904</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF 2017 APPROPRIATION RESERVES
ELECTRIC UTILITY OPERATING FUND**

	Balance, December 31, <u>2017</u>	Encumbrances <u>Cancelled</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING					
Salaries and Wages	\$ 27,770		\$ 27,770	\$ 492	\$ 27,278
Other Expenses	42,930		42,930	1,307	41,623
Group Health Insurance	35,111		35,111		35,111
Purchase of Electric Current	<u>34,573</u>	<u>\$ 50,561</u>	<u>85,134</u>	<u>-</u>	<u>85,134</u>
Total Operating	<u>140,384</u>	<u>50,561</u>	<u>190,945</u>	<u>1,799</u>	<u>189,146</u>
CAPITAL IMPROVEMENTS					
Capital Outlay	<u>14,902</u>	<u>-</u>	<u>14,902</u>	<u>992</u>	<u>13,910</u>
Total Capital Improvements	<u>14,902</u>	<u>-</u>	<u>14,902</u>	<u>992</u>	<u>13,910</u>
DEFERRED CHARGES AND STATUTORY					
Statutory Expenditures					
Contribution to					
Public Employees Retirement System	327		327		327
Social Security System (O.A.S.I.)	<u>8,909</u>	<u>-</u>	<u>8,909</u>	<u>8</u>	<u>8,901</u>
Total Deferred Charges and Statutory Expenditures	<u>9,236</u>	<u>-</u>	<u>9,236</u>	<u>8</u>	<u>9,228</u>
	<u>\$ 164,522</u>	<u>\$ 50,561</u>	<u>\$ 215,083</u>	<u>\$ 2,799</u>	<u>\$ 212,284</u>

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

Balance, December 31, 2017	\$ 514,074
Increased by:	
Charges to 2018 Budget Appropriations	<u>496,040</u>
	1,010,114
Decreased by:	
Cancellations Restored to 2017 Appropriation Reserves	\$ 50,561
Cash Disbursements	<u>463,513</u>
	<u>514,074</u>
Balance, December 31, 2018	<u>\$ 496,040</u>

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

Balance, December 31, 2017	\$ 28,512
Increased by:	
Charges to Improvement Authorizations	<u>96,076</u>
	124,588
Decreased by:	
Cash Disbursements	<u>28,512</u>
Balance, December 31, 2018	<u>\$ 96,076</u>

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

Balance, December 31, 2017	\$ 7,330
Increased by:	
Budget Appropriation for Interest on Bonds and Notes	<u>32,247</u>
	39,577
Decreased by:	
Interest Paid	<u>35,870</u>
Balance, December 31, 2018	<u>\$ 3,707</u>

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

Balance, December 31, 2017	<u>\$ 437,000</u>
Balance, December 31, 2018	<u>\$ 437,000</u>

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

Ord. No.	Improvement Description	Ordinance Amount	Balance, December 31, 2017		Paid or Charged	Balance, December 31, 2018	
			Funded	Unfunded		Funded	Unfunded
2011-21/ 2012-10	Var Pub. Impvts./Acqu. of Vehicle	\$ 415,000	\$ 3,208			\$ 3,208	
2012-04	Acquisition of Aerial Bucket Truck	200,000	18,880			18,880	
2014-04	Purchase of Electric Distribution Infrastructure Materials	125,000	1,063		\$ 855	208	
2014-14/ 2015-15	Acquisition of Mini-Excavator and Install Circuit Breakers at Mill Road Station	385,000		\$ 28,657	3,723	5,264	\$ 19,670
2016-12	Acquisition of Aerial Bucket	250,000		23,992		8,662	15,330
2017-16	Purchase of Electric Distribution Infrastructure Materials	200,000	160,693	-	155,418	5,275	-
			<u>\$ 183,844</u>	<u>\$ 52,649</u>	<u>\$ 159,996</u>	<u>\$ 41,497</u>	<u>\$ 35,000</u>
	Cash Disbursements				\$ 63,920		
	Contracts Payable				<u>96,076</u>		
					<u>\$ 159,996</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, 2018</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2018</u>
			<u>Date</u>	<u>Amount</u>					
Electric Utility Bonds	10/15/2007	\$ 1,693,000	2019	\$ 175,000	3.875%				
			2020	168,000	4.000%	\$ 493,000		\$ 150,000	\$ 343,000
Electric Utility Bonds	8/15/2012	695,000	2019	105,000	2.000%	205,000		100,000	105,000
Electric Utility Bonds	8/15/2013	100,000	2019	20,000	2.000%	40,000		20,000	20,000
Electric Utility Bonds	5/15/2018	600,000	2019	35,000	2.000%				
			2020	50,000	2.000%				
			2021	60,000	2.500%				
			2022	60,000	2.500%				
			2023	60,000	2.500%				
			2024	65,000	2.500%				
			2025	65,000	3.000%				
			2026	65,000	3.000%				
			2027	70,000	3.000%				
			2028	70,000	3.000%	-	\$ 600,000	-	600,000
						<u>\$ 738,000</u>	<u>\$ 600,000</u>	<u>\$ 270,000</u>	<u>\$ 1,068,000</u>
			Due from General Capital Fund - Issued for Cash				<u>\$ 600,000</u>		
			Paid by Budget Appropriation					\$ 270,000	

**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, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2018</u>
14-14/ 15-15	Acquisition of Mini-Excavator and Installation of Circuit Breakers at Mill Road Substation	10/8/15	10/6/2017	5/18/2018	1.09%	\$ 355,330		\$ 355,330	
16-12	Acquisition of Aerial Bucket Truck	10/6/17	10/6/2017	5/18/2018	1.09%	<u>225,433</u>	<u>-</u>	<u>225,433</u>	<u>-</u>
						<u>\$ 580,763</u>	<u>\$ -</u>	<u>\$ 580,763</u>	<u>\$ -</u>
						Due to General Capital Fund - Paid from Bond Proceeds		<u>\$ 580,763</u>	

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

Balance, December 31, 2017	\$ 281,500
Increased by:	
2018 Budget Appropriation	<u>5,000</u>
Balance, December 31, 2018	<u>\$ 286,500</u>

EXHIBIT E-26

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

Balance, December 31, 2017	\$ 11,602,694
Increased by:	
Serial Bonds Paid by Operating Budget	\$ 270,000
Authorizations Funded by Budget Appropriations - Cost of Improvements	
Due from Electric Utility Operating Fund	24,107
Capital Outlay Operating Budget:	
2018 Budget Appropriations	19,137
2017 Appropriation Reserves	992
Transfer from Deferred Reserve for Amortization	<u>855</u>
	<u>315,091</u>
Balance, December 31, 2018	<u>\$ 11,917,785</u>

EXHIBIT E-27

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

Ord. No.	Improvement Description	Balance, December 31, <u>2017</u>	To Reserve For Amortization <u>Fixed Capital</u>	Balance, December 31, <u>2018</u>
14-04	Purchase of Electric Distribution Infrastructure Materials	\$ 1,063	\$ 855	\$ 208
17-16	Purchase of Electric Distribution Infrastructure Materials	<u>200,000</u>	<u>-</u>	<u>200,000</u>
		<u>\$ 201,063</u>	<u>\$ 855</u>	<u>\$ 200,208</u>

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

Balance, December 31, 2017	\$ 24,756
Decreased by:	
Prepayments Applied to Light and Power Charges Receivable	<u>\$ 24,756</u>

**STATEMENT OF OVERPAYMENTS
ELECTRIC UTILITY OPERATING FUND**

Balance, December 31, 2017	\$ 15,266
Increased by:	
Overpayments Received	<u>18,822</u>
	34,088
Decreased by:	
Overpayments Applied to Light and Power Charges Receivable	<u>15,266</u>
Balance, December 31, 2018	<u>\$ 18,822</u>

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

Increased by:	
Cash Receipts	<u>\$ 105,000</u>
Balance, December 31, 2018	<u>\$ 105,000</u>

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

Ord. <u>No.</u>	<u>Purpose</u>	Balance, December 31, <u>2017</u>	Raised in in 2018 <u>Budget</u>	Serial Bonds <u>Issued</u>	Balance, December 31, <u>2018</u>
1996-05	Installation of Underground Electric - Bear's Nest II	\$ 24,107	\$ 24,107		
2014-14/	Acquisition of Min-Excavator and Install				
2015-15	Circuit Breakers at Mill Road Station	29,670		\$ 10,000	\$ 19,670
2016-12	Acquisition of Aerial Bucket	<u>24,567</u>	<u>-</u>	<u>9,237</u>	<u>15,330</u>
		<u>\$ 78,344</u>	<u>\$ 24,107</u>	<u>\$ 19,237</u>	<u>\$ 35,000</u>

UTILITY TRUST FUND

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

Balance, December 31, 2017	\$ 980,502
Increased by Receipts:	
Water and Electric Utility Deposit Payable	<u>88,538</u>
	1,069,040
Decreased by Disbursements:	
Deposits Payable	240,935
Payments to Water Utility Operating Fund	20,104
Payments to Electric Utility Operating Fund	<u>23,447</u>
	<u>284,486</u>
Balance, December 31, 2018	<u>\$ 784,554</u>

**STATEMENT OF DEPOSIT PAYABLE
UTILITY TRUST FUND**

	Balance, December 31, <u>2017</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2018</u>
Water Utility Customers	\$ 543,440	\$ 50,611	\$ 68,049	\$ 526,002
Electric Utility Customers	<u>393,511</u>	<u>37,927</u>	<u>172,886</u>	<u>258,552</u>
	<u>\$ 936,951</u>	<u>\$ 88,538</u>	<u>\$ 240,935</u>	<u>\$ 784,554</u>
Cash Receipts		\$ 88,538		
Cash Disbursements		<u>-</u>	<u>\$ 240,935</u>	
		<u>\$ 88,538</u>	<u>\$ 240,935</u>	

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

Balance, December 31, 2017	\$ 20,104
Decreased by:	
Payments to Water Utility Operating Fund	<u>\$ 20,104</u>

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

Balance, December 31, 2017	\$ 23,447
Decreased by:	
Payments to Electric Utility Operating Fund	<u>\$ 23,447</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, 2017	\$ 353,701	\$ -
Increased by Receipts:		
Membership Fees	\$ 224,150	
Miscellaneous Revenue	49,047	
Receipts from Current Fund	547	
Receipts from General Capital Fund		\$ 40,978
Receipts from Swim Pool Utility Operating Fund		175
Petty Cash	<u>250</u>	<u>-</u>
	<u>273,994</u>	<u>41,153</u>
	627,695	41,153
Decreased by Disbursements:		
2018 Budget Appropriations	233,193	
2017 Appropriation Reserves	3,542	
Encumbrances Payable	82	
Accrued Interest on Notes	175	
Petty Cash	250	
Payments to General Capital Fund		13,000
Payments to Swim Pool Utility Capital Fund	<u>175</u>	<u>-</u>
	<u>237,417</u>	<u>13,000</u>
Balance, December 31, 2018	<u>\$ 390,278</u>	<u>\$ 28,153</u>

EXHIBIT G-6

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

	Balance, December 31, <u>2018</u>
Fund Balance	\$ 19,615
Capital Improvement Fund	16,000
Due from Swim Pool Utility Operating Fund	(13,000)
Due to General Capital Fund	175
Excess Proceeds - Ordinance 15-02	<u>5,363</u>
	<u>\$ 28,153</u>

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

Increased by:

Receipts from Treasurer

\$ 250

Decreased by:

Returned to Treasurer

\$ 250

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

Ord. No.	Grantor	Balance December 31, <u>2017</u>	<u>Cancelled</u>	Balance December 31, <u>2018</u>
10-06	Community Development Block Grant	\$ 23,801	\$ 23,801	\$ -
		<u>\$ 23,801</u>	<u>\$ 23,801</u>	<u>\$ -</u>
	Charged to Fund Balance		\$ 5,186	
	Improvement Authorizations		<u>18,615</u>	
			<u>\$ 23,801</u>	

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

Balance, December 31, 2017 (Due From)		\$ 40,978
Increased by:		
Bond Anticipation Notes Deposited in General Capital Fund	\$ 13,000	
Payments to General Capital Fund	<u>13,000</u>	
		<u>26,000</u>
		66,978
Decreased by:		
Payments made by General Capital Fund - Bond Anticipation Notes	26,000	
Cash Receipts from General Capital Fund	<u>40,978</u>	
		<u>\$ 66,978</u>

EXHIBIT G-10

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

Increased by:		
Payment Made for Swim Pool Utility Operating Fund	\$ 13,000	
Decreased by:		
Cash Receipts from Swim Pool Utility Operating Fund		<u>175</u>
Balance, December 31, 2018		<u>\$ 12,825</u>

EXHIBIT G-11

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

Balance, December 31, 2017	\$ 547	
Decreased by:		
Receipts from Current Fund		<u>\$ 547</u>

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

	Balance, December 31, <u>2017</u>	Balance, December 31, <u>2018</u>
Municipal Pool	\$ 841,996	\$ 841,996
Swim Pool Slide	48,900	48,900
Sanitary Sewer Reconstruction	5,075	5,075
Painting & Sandblasting	10,000	10,000
Handicapped Improvements	87,238	87,238
Bridge	8,260	8,260
Electrical Work	4,520	4,520
Furniture	20,493	20,493
Recreation Equipment	5,023	5,023
Other Equipment	32,984	32,984
Landscaping	5,223	5,223
Land Improvements	18,379	18,379
Water Sprinklers	8,785	8,785
Parking Lot Improvement	21,726	21,726
Security Lock	750	750
Small Tools	1,146	1,146
	<hr/>	<hr/>
	\$ 1,120,498	\$ 1,120,498
	<hr/>	<hr/>

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

<u>Ord #</u>	<u>Improvement Description</u>	<u>Ordinance</u> <u>Date</u>	<u>Amount</u>	Balance, December 31, <u>2017</u>	Authori- zations <u>Cancelled</u>	Balance, December 31, <u>2018</u>
06-10	Pool Rehabilitation	09/05/06	\$ 120,000	\$ 24,440	\$ 24,440	
10-06	ADA Improvements to Bathrooms	3/15/2010	99,228	18,615	18,615	
15-02	Installation of a Slide and a Volleyball Court at the Municipal Pool	2/10/2015	65,000	<u>5,363</u>	<u>5,363</u>	<u>-</u>
				<u>\$ 48,418</u>	<u>\$ 48,418</u>	<u>\$ -</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF 2017 APPROPRIATION RESERVES
SWIM POOL UTILITY OPERATING FUND**

	Balance, December 31, <u>2017</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING				
Salaries and Wages	\$ 9,730	\$ 9,730		\$ 9,730
Other Expenses	<u>78,827</u>	<u>78,827</u>	\$ 3,542	<u>75,285</u>
Total Operating	<u>88,557</u>	<u>88,557</u>	<u>3,542</u>	<u>85,015</u>
STATUTORY EXPENDITURES				
Contribution to Social Security System (O.A.S.I.)	<u>206</u>	<u>206</u>	-	<u>206</u>
Total Statutory Expenditures	<u>206</u>	<u>206</u>	-	<u>206</u>
	<u>\$ 88,763</u>	<u>\$ 88,763</u>	<u>\$ 3,542</u>	<u>\$ 85,221</u>

EXHIBIT G-15

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

Balance, December 31, 2017	\$ 82
Increased by:	
Charges to 2018 Budget Appropriations	<u>29,705</u>
	29,787
Decreased by:	
Cash Disbursement	<u>82</u>
Balance, December 31, 2018	<u>\$ 29,705</u>

EXHIBIT G-16

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

Balance, December 31, 2017	\$ 300
Decreased by:	
Cancelled to Operations	<u>\$ 300</u>

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

Ord. No.	Improvement Description	Ordinance		Balance, December 31, 2017		Authorizations Cancelled	Balance, December 31, 2018	
		Date	Amount	Funded	Unfunded		Funded	Unfunded
06-10	Pool Rehabilitation	9/5/2006	\$ 120,000	\$ 24,440		\$ 24,440		
10-06	ADA Improvements to Bathrooms	3/15/2010	99,228	18,615		18,615		
15-02	Installation of a Slide and a Volleyball Court at the Municipal Pool	2/10/2015	65,000	-	\$ 5,363	5,363	-	-
				<u>\$ 43,055</u>	<u>\$ 5,363</u>	<u>\$ 48,418</u>	<u>\$ -</u>	<u>\$ -</u>
				Fund Balance		\$ 24,440		
				Grants Receivable		18,615		
				Deferred Charges to Future Revenue		<u>5,363</u>		
						<u>\$ 48,418</u>		

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

Balance, December 31, 2017	\$ 68
Increased by:	
Budget Appropriation for Interest on Notes	<u>305</u>
	373
Decreased by:	
Cash Disbursements	<u>175</u>
Balance, December 31, 2018	<u>\$ 198</u>

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

Balance, December 31, 2017	\$ 16,000
Balance, December 31, 2018	<u>\$ 16,000</u>

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

Balance, December 31, 2017	\$ 1,099,861
Increased by:	
Notes Paid by Budget Appropriation	<u>13,000</u>
Balance, December 31, 2018	<u>\$ 1,112,861</u>

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

Ord. No.	Improvement Description	Balance December 31, 2017	Authorizations Cancelled to Fund Balance	Balance, December 31, 2018
06-10	Pool Rehabilitation	\$ 24,440	\$ 24,440	
10-06	ADA Improvements to Bathrooms	<u>18,615</u>	<u>18,615</u>	-
		<u>\$ 43,055</u>	<u>\$ 43,055</u>	<u>\$ -</u>

**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, 2017	Increased	Decreased	Balance, December 31, 2018
15-02	Installation of Slide and Volleyball Court at Municipal Pool	10/8/2015	10/6/2017 5/1/2018	5/18/2018 5/1/2019	1.09% 2.25	\$ 26,000 -	\$ 13,000	\$ 26,000 -	\$ 13,000
						<u>\$ 26,000</u>	<u>\$ 13,000</u>	<u>\$ 26,000</u>	<u>\$ 13,000</u>
					Renewals		\$ 13,000	\$ 13,000	
					Paid by Budget Appropria		-	13,000	
							<u>\$ 13,000</u>	<u>\$ 26,000</u>	

PUBLIC ASSISTANCE FUND

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

	<u>Total</u>	<u>Account #1</u>	<u>Account #2</u>
Balance, December 31, 2017	\$ 13,423	\$ 1,940	\$ 11,483
Increased by:			
State Aid	15,200		15,200
Receipts from Current Fund	2,200		2,200
Interest on Investments	<u>103</u>	<u>20</u>	<u>83</u>
	30,926	1,960	28,966
Decreased by:			
Public Assistance Expenditures Eligible for State Aid	15,241		15,241
Payments to Current Fund	<u>5,093</u>	<u>-</u>	<u>5,093</u>
Balance, December 31, 2018	<u>\$ 10,592</u>	<u>\$ 1,960</u>	<u>\$ 8,632</u>

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

Balance, December 31, 2017	\$ 5,010
Increased by:	
Interest on Investments - PATF #2	\$ 83
Receipts from Current Fund	<u>2,200</u>
	2,283
	7,293
Decreased by:	
Payments to Current Fund	<u>5,093</u>
Balance, December 31, 2018	<u>\$ 2,200</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, 2017	\$ 8,413	\$ 1,940	\$ 6,473
Increased by:			
Revenues	<u>15,220</u>	<u>20</u>	<u>15,200</u>
	23,633	1,960	21,673
Decreased by:			
Expenditures	<u>15,241</u>	<u>-</u>	<u>15,241</u>
Balance, December 31, 2018	<u>\$ 8,392</u>	<u>\$ 1,960</u>	<u>\$ 6,432</u>

EXHIBIT H-4

STATEMENT OF PUBLIC ASSISTANCE REVENUES

	<u>Total</u>	<u>Account #1</u>	<u>Account #2</u>
State Aid Payments:	\$ 15,200		\$ 15,200
Interest on Investments	<u>20</u>	<u>\$ 20</u>	<u>-</u>
Total Revenues	15,220	20	15,200
Due to Current Fund	\$ 2,200		\$ 2,200
Interest on Investments	<u>83</u>	<u>\$ -</u>	<u>83</u>
Total Receipts	<u>\$ 17,503</u>	<u>\$ 20</u>	<u>\$ 17,483</u>

EXHIBIT H-5

STATEMENT OF PUBLIC ASSISTANCE EXPENDITURES

	<u>Total</u>	<u>Account #1</u>	<u>Account #2</u>
Current Year Assistance Reported			
Maintenance	\$ 6,166	-	\$ 6,166
Temporary Rental Assistance	<u>9,075</u>	<u>-</u>	<u>9,075</u>
Total Expenditures	\$ 15,241	\$ -	\$ 15,241
Due to Current Fund	<u>5,093</u>	<u>-</u>	<u>5,093</u>
Total Disbursements	<u>\$ 20,334</u>	<u>\$ -</u>	<u>\$ 20,334</u>

SUPPLEMENTARY SCHEDULES

BOROUGH OF PARK RIDGE
BERGEN COUNTY, NEW JERSEY

PART II

GOVERNMENT AUDITING STANDARDS

YEAR ENDED DECEMBER 31, 2018



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Park Ridge as of and for the year ended December 31, 2018, and the related notes to the financial statements, and have issued our report thereon dated August 20, 2019. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was modified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund financial statements.

Internal Control over Financial Reporting

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

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Park Ridge's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

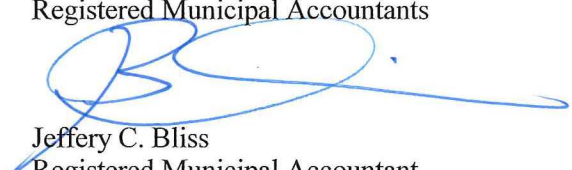
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Borough of Park Ridge in Part III of this report of audit entitled, "Letter of Comments and Recommendations".

Purpose of this Report

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

Lerch, Vinci & Higgins, LLP

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


Jeffery C. Bliss
Registered Municipal Accountant
RMA Number CR00427

Fair Lawn, New Jersey
August 20, 2019

BOROUGH OF PARK RIDGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

<u>Federal Program</u>	<u>State Account Number</u>	<u>CFDA Number</u>	<u>Grant Year</u>	<u>Award Amount</u>	<u>2018 Grant Receipts</u>	<u>Balance January 1, 2018</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance December 31, 2018</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	2016	\$ 3,077		\$ 3,077				\$ 3,077	
Drive Sober or Get Pulled Over	066-1160-100-157	20.601	2017	5,500		5,500				5,500	
Drive Sober or Get Pulled Over	066-1160-100-057	20.601	2012	4,400		490		\$ 490			\$ 3,910
Over the Limit Under Arrest	066-1160-100-057	20.601	2012	2,175		2,175		2,175			
Over the Limit Under Arrest	066-1160-100-057	20.601	2011	2,806		2,806		2,806			
Occupant Protection	066-1160-100-155	20.616	2016	4,402		4,402				4,402	
Distracted Driver	066-1160-100-158	20.616	2017	5,500		5,500				5,500	
U.S. Department of Homeland Security Disaster Grants (Passed through the State Department of Law and Public Safety)											
FEMA - Severe Winter Storm & Snow Storm	066-1200-100-027	97.036	2018	29,864	\$ 29,864		\$ 29,864	\$ 29,864			29,864
U.S. Department of Housing and Urban Development Community Development Block Grant Program (Passed through County of Bergen Community Development Agency)		14.218									
Handicap Bathrooms - Swim Pool (Ord. 10-06)	PV-PR-03-09		2010	56,976		18,615			18,615		38,361
Senior Citizens Program			2015	3,711		3,711			3,711		
Senior Citizens Program			2014	3,237		1,096			1,096		2,141
Senior Citizens Program			2013	3,638		473			473		3,165
Senior Center Improvements			2016	44,292	42,125						42,125
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		20,708		893		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>\$ 71,553</u>	<u>\$ 29,864</u>	<u>\$ 30,757</u>	<u>\$ 29,366</u>	<u>\$ 41,294</u>	

Note: The Federal Awards programs were not subject to an audit in accordance with U.S. Uniform Guidance.

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

BOROUGH OF PARK RIDGE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2018

<u>State Grant Program</u>	<u>Account Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2018 Grant Receipts</u>	<u>Balance, January 1, 2018</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Program Income</u>	<u>Balance, December 31, 2018</u>	<u>Cumulative Expended</u>
Drug and Alcohol Municipal Alliance	N/A	2018	\$ 9,876			\$ 9,876				\$ 9,876	
		2017	2,511			2,511				2,511	
		2016	6,727		\$ 2,528					2,528	\$ 4,199
		2015	4,989		3,508		\$ 1,185	\$ 492		1,831	2,666
		2014	8,529		7,048		7,048				8,529
Clean Communities Grant Program	042-4900-765-004	2018	17,549	\$ 17,549		17,549				17,549	
		2017	18,342			18,342	7,406			10,936	7,406
		2016	21,590		10,738		10,738				21,590
Drunk Driving Enforcement Fund	1110-448-031020-22	2016	3,905		3,905			3,905			
		2015	398		398			398			
		2014	9,927		9,043			9,043			884
Alcohol Education and Rehabilitation	098-9735-760-001	2018	586	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	2017	2,027		1,147					1,147	880
		2016	2,024		264					264	1,760
		2015	2,015		429					429	1,586
		2012	1,989		318					318	1,671
		2011	1,948		1,948					1,948	
		2010	2,859		2,009					2,009	850
		2007	1,914		484					484	1,430

**BOROUGH OF PARK RIDGE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2018**

<u>State Grant Program</u>	<u>Account Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2018 Grant Receipts</u>	<u>Balance, January 1, 2018</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Program Income</u>	<u>Balance, December 31, 2018</u>	<u>Cumulative Expended</u>
Recycling Tonnage Grant	042-4900-752-001	2017 2016	\$ 28,049 6,075		\$ 6,075	\$ 28,049	\$ 2,928			\$ 25,121 6,075	\$ 2,928
NJEDA Hazardous - Discharge Site	N/A	Prior	2,406		2,406			\$ 2,406			
Department of Transportation											
Mill Road Improvements (Current)	078-6320-480-XXX	2017	150,000		150,000			150,000			
Park Avenue Improvements (Ord. 16-15)	078-6320-480-XXX	2016	221,000		221,000					221,000	
Department of Human Services											
General Assistance	054-7550-100-250	2018	15,200		6,473	15,200	15,241	-	-	6,432	15,241
					<u>\$ 434,391</u>	<u>\$ 92,278</u>	<u>\$ 44,546</u>	<u>\$ 166,244</u>	<u>\$ -</u>	<u>\$ 315,879</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, 2018**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal awards and state financial assistance programs of the Borough of Park Ridge. The Borough is defined in Note 1(A) to the Borough's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 29,864	\$ 77,078	\$ 106,942
Public Assistance Fund	<u>-</u>	<u>15,200</u>	<u>15,200</u>
	<u>\$ 29,864</u>	<u>\$ 92,278</u>	<u>\$ 122,142</u>

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the Borough's fiscal year and grant program year.

**BOROUGH OF PARK RIDGE
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2018**

NOTE 5 STATE LOANS OUTSTANDING

The Borough’s state loans outstanding at December 31, 2018, which are not required to be reported on the schedule of state financial assistance, are as follows:

<u>Loan Program</u>	<u>State Account Number</u>	<u>Total</u>
Green Trust Loan Program -	042-4800-533-02	
Memorial Field Improvements		\$ 250,231
Mill Pond Dam Improvements		<u>929,886</u>
		<u>\$ 1,180,117</u>

NOTE 6 DE MINIMIS INDIRECT COST RATE

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

**BOROUGH OF PARK RIDGE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2018**

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)?

_____ yes X none reported

Noncompliance material to the financial
statements noted?

 X yes _____ no

Federal Awards Section

Not Applicable

State Awards Section

Not Applicable

**BOROUGH OF PARK RIDGE
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2018**

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*.

There are none.

**BOROUGH OF PARK RIDGE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2018**

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

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

CURRENT YEAR FEDERAL AWARDS

Not Applicable

CURRENT YEAR STATE AWARDS

Not Applicable.

**BOROUGH OF PARK RIDGE
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2018**

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 2017-001**

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

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

Current Status

Corrective action has been taken.

- **Finding 2017-002**

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

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

Current Status

Corrective action has been taken.

- **Finding 2017-003**

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

Current Status

Corrective action has been taken.

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

PART III

**SUPPLEMENTARY DATA
LETTER OF COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2018**

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	<u>Year 2018</u>			<u>Year 2017</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 900,000	1.85 %	\$	800,000	1.68 %
Miscellaneous - From Other Than Local					
Property Tax Levies	3,259,803	6.69		3,714,818	7.79
Collection of Delinquent Taxes and Tax Title Liens	265,613	0.54		277,093	0.58
Collection of Current Tax Levy	43,897,556	90.06		42,725,796	89.57
Other Credits to Income	417,235	0.86		181,429	0.38
	<u>48,740,207</u>	<u>100.00</u> %		<u>47,699,136</u>	<u>100.00</u> %
Total Income					
EXPENDITURES					
Budget Expenditures					
Municipal Purposes	13,822,166	28.98 %		13,823,596	29.27 %
County Taxes	4,452,460	9.34		4,668,150	9.88
Local District School Tax	29,256,925	61.35		28,370,946	60.07
Municipal Open Space Taxes	112,105	0.24		111,620	0.24
Other Expenditures	44,524	0.09		254,111	0.54
	<u>47,688,180</u>	<u>100.00</u> %		<u>47,228,423</u>	<u>100.00</u> %
Total Expenditures					
Excess in Revenue	1,052,027			470,713	
Adjustments to Income before Fund Balance:					
Expenditures Included Above Which are by Statute					
Deferred Charges to Budget of Succeeding Yea	-			353,330	
Statutory Excess to Fund Balance	1,052,027			824,043	
Fund Balance, January 1	<u>1,912,114</u>			<u>1,888,071</u>	
	2,964,141			2,712,114	
Less Utilization as Anticipated Revenue	<u>900,000</u>			<u>800,000</u>	
Fund Balance, December 31	<u>\$ 2,064,141</u>			<u>\$ 1,912,114</u>	

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	<u>Year 2018</u>			<u>Year 2017</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 528,355	11.18 %	\$ 604,542	14.95 %	
Water Usage Charges	2,959,854	62.63	2,848,255	70.41	
Miscellaneous Charges and Fees	319,120	6.75	246,694	6.10	
Reserve for Woodcliff Lake Improvements	65,508	1.39	64,208	1.59	
Reserve for Handy Harmon Settlement	550,000	11.64			
Non-Budget Revenue	120,350	2.55	118,100	2.92	
Other Credits to Income	182,591	3.86	163,265	4.04	
	<u>4,725,778</u>	<u>100.00</u> %	<u>4,045,064</u>	<u>100.00</u> %	
EXPENDITURES					
Operating	3,129,058	73.74 %	2,975,500	81.91 %	
Capital Improvements	145,000	3.42	155,000	4.27	
Debt Service	176,753	4.17	167,703	4.62	
Deferred Charges and Statutory Expenditures	792,540	18.68	334,500	9.21	
Other Expenditures	25	0.00	-	-	
	<u>4,243,376</u>	<u>100.00</u> %	<u>3,632,703</u>	<u>100.00</u> %	
Statutory Excess to Fund Balance	482,402		412,361		
Fund Balance, January 1	<u>676,109</u>		<u>868,290</u>		
	1,158,511		1,280,651		
Less Utilization as Anticipated Revenue	<u>528,355</u>		<u>604,542</u>		
Fund Balance, December 31	<u>\$ 630,156</u>		<u>\$ 676,109</u>		

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	<u>Year 2018</u>			<u>Year 2017</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 436,296	4.17 %	\$	528,350	5.19 %
Light and Power Charges	9,636,390	91.99		9,239,750	90.80
Miscellaneous Charges and Fees	37,754	0.36		40,863	0.40
Non-Budget Revenue	123,540	1.18		89,442	0.88
Other Credits to Income	240,793	2.30		277,761	2.73
	<u>10,474,773</u>	<u>100.00</u> %		<u>10,176,166</u>	<u>100.00</u> %
EXPENDITURES					
Operating	9,447,874	94.18 %		9,224,600	93.86 %
Capital Improvements	35,000	0.35		75,500	0.77
Debt Service	302,247	3.02		299,558	3.05
Deferred Charges and Statutory Expenditures	245,107	2.44		228,500	2.32
Other Expenditures	1,400	0.01		-	-
	<u>10,031,628</u>	<u>100.00</u> %		<u>9,828,158</u>	<u>100.00</u> %
Excess in Revenue	443,145			348,008	
Fund Balance, January 1	<u>679,775</u>			<u>860,117</u>	
	1,122,920			1,208,125	
Less Utilization as Anticipated Revenue	<u>436,296</u>			<u>528,350</u>	
Fund Balance, December 31	<u>\$ 686,624</u>			<u>\$ 679,775</u>	

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	<u>Year 2018</u>				<u>Year 2017</u>		
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>		
REVENUE AND OTHER INCOME REALIZED							
Fund Balance Utilized	\$ 78,660	17.99 %		\$ 39,000	10.81 %		
Membership Fees	224,150	51.25		233,835	64.81		
Miscellaneous Fees	49,047	11.21		47,610	13.19		
Other Credits to Income	<u>85,521</u>	<u>19.55</u>		<u>40,389</u>	<u>11.19</u>		
Total Income	<u>437,378</u>	<u>100.00 %</u>		<u>360,834</u>	<u>100.00 %</u>		
EXPENDITURES							
Operating	250,744	72.96 %		296,050	92.91 %		
Capital Improvements	70,000	20.37					
Debt Service	13,305	3.87		13,653	4.28		
Deferred Charges and Statutory Expenditures	<u>9,611</u>	<u>2.80</u>		<u>8,950</u>	<u>2.81</u>		
Total Expenditures	<u>343,660</u>	<u>100.00 %</u>		<u>318,653</u>	<u>100.00 %</u>		
Excess in Revenue	93,718			42,181			
Fund Balance, January 1	<u>265,035</u>			<u>261,854</u>			
	358,753			304,035			
Less Utilization as Anticipated Revenue	<u>78,660</u>			<u>39,000</u>			
Fund Balance, December 31	\$ 280,093			\$ 265,035			

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Tax Rate</u>	<u>\$2.767</u>	<u>\$2,702</u>	<u>\$2.608</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.612	.580	.542
Library	.038	.039	.039
Municipal Open Space	.007	.007	-
County	.267	.282	.284
County – Open Space	.010	.011	.003
Local District School	1.833	1.783	1.740

Assessed Valuation

2018	<u>\$1,596,627,719</u>	
2017		<u>\$1,591,597,259</u>
2016		<u>\$1,586,288,695</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>
2018	\$ 44,313,112	\$ 43,947,556	99.17%
2017	43,090,475	42,725,796	99.15%
2016	41,517,900	40,962,736	98.66%

**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>
2018	-	\$ 338,447	\$ 338,447	0.76%
2017	-	277,681	277,681	0.64%
2016	-	277,093	277,093	0.67%

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>
2018	\$100,650
2017	100,650
2016	100,650

Comparison of Water Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(*)</u>	<u>Percentage of Collection</u>
2018	\$2,844,068	\$2,959,854	104.07%
2017	\$2,938,454	\$2,848,255	96.93%
2016	3,287,018	3,282,640	99.87%

Comparison of Electric Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(*)</u>	<u>Percentage of Collection</u>
2018	\$9,724,761	\$9,636,390	99.09%
2017	9,262,937	\$9,239,750	99.75%
2016	9,872,176	9,869,966	99.98%

*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	2018	\$2,064,141	\$1,000,000
	2017	1,912,114	900,000
	2016	1,888,071	800,000
	2015	1,871,258	750,700
	2014	1,963,603	750,700
Water Utility Fund	2018	\$630,156	\$351,328
	2017	676,109	528,355
	2016	868,290	604,542
	2015	618,454	407,266
	2014	626,759	399,400
Electric Utility Operating Fund	2018	\$686,624	\$434,480
	2017	679,775	436,296
	2016	860,117	528,350
	2015	815,879	575,870
	2014	608,177	514,598
Swim Pool Utility Operating Fund	2018	\$280,093	\$30,312
	2017	265,035	78,660
	2016	261,854	39,000
	2015	212,356	39,000
	2014	247,561	46,100

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

OFFICIALS IN OFFICE AND SURETY BONDS

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate or Personal Surety</u>
Keith Misciagna	Mayor		
Matthew Capilli	Council President		
Kelly Epstein	Councilwoman		
Thomas Farinaro	Councilman		
Robert Metzdorf	Councilman		
Michael Mintz	Councilman		
Robert Oppelt	Councilman		
Julie Falkenstern	Borough Administrator		
Magdalena Giandomenico	Acting Borough Clerk	(a)	
Joseph Kolodziej	Chief Financial Officer (1/1/18-2/20/18)	(a)	
Roy Riggittano	Interim Chief Financial Officer (2/21/18-5/21/18)	(a)	
Durene Ayer	Chief Financial Officer (5/22/18-12/31/18)	(a)	
Jessica Mazzarella	Tax Collector/Treasurer	(a)	MELJIF
William Beattie	Director of Operations	(a)	
Carmine Alampi, Esq.	Borough Attorney		
Neglia Engineering Assoc.	Borough Engineer		
Burgis Associates	Borough Planner		
Rogut McCarthy, LLC	Borough Bond Counsel		
Joseph Madden	Police Chief		
Thomas Derienzo, Jr.	Fire Chief		
Tonya Tardibuono	Zoning Officer	(a)	
Nick Saluzzi	Construction Code Official	(a)	
Robert Campora	Tax Assessor	(a)	
Peter Wayne	Superintendent of Public Works	(a)	
Paul Longo	Supervisor of Electric		
Chris O'Leary	Supervisor of Water and Sewer		
Robert Murken	Electric Sub-Code Official	(a)	
Brian Drews	Plumbing Sub-Code Official	(a)	
Paul Renaud	Fire Subcode Official	(a)	
Katherine Bowen	Director of Welfare	(a)	

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

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

GENERAL COMMENTS

Prior Year Findings Unresolved

Finance

- **Finding** – Our audit of police outside duty services revealed a deficit balance of \$55,706 exists in the reserve account at December 31, 2018. In addition, we noted the administrative and vehicle fees were not being turned over to the Current Fund.

Recommendation – A review be made and appropriate action be taken to eliminate the police outside duty services reserve account deficit at year end. In addition, the administrative and vehicle fees be turned over to the Current Fund on a periodic basis.

- **Finding** – Our audit of the Affordable Housing Trust Fund revealed the annual financial reports were not updated for all financial transactions related to the years 2015 through 2018. However, we noted subsequent to year end, the Borough was in the process of updating the report through the current period, therefore no recommendation is deemed warranted.

Payroll

- **Finding** – Our audit of employee pension system reporting revealed:
 - Numerous differences exist in employee pension deductions per the Borough's payroll records and the quarterly state pension reports for 2018.
 - Pensionable base pay wages were incorrectly reported for certain employees on the quarterly state pension reports for 2018.

Recommendation – With respect to employee pension system reporting:

- Payroll procedures be reviewed to ensure employee pension amounts are properly deducted from employees pay and reported on the quarterly state pension reports.
- Employee's pensionable base pay be accurately reported on the quarterly state pension reports.
- **Finding** – Our audit of employee health benefit opt-out payments revealed payments were not made in accordance with State statute (NJSA 40A:10-17.1).

Recommendation – A review be made of employee health benefit opt-out payments to ensure amounts paid are made in accordance with State statute.

BOROUGH OF PARK RIDGE LETTER OF COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS (Continued)

Departments

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

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

Current Year Findings

Payroll

- **Finding** – Our audit of employee health benefit contributions revealed employees are contributing 50% of the required contribution for dental premiums. We noted only one bargaining unit agreement which stipulated to this calculation.

Recommendation – Payroll procedures be reviewed to ensure that employee health benefit contributions are properly calculated in accordance with bargaining unit agreements and Borough policy.

- **Finding** – Our audit revealed employees receiving health benefit opt-out payment who remained on dental insurance were not contributing to their dental coverage.

Recommendation – Employees electing to waive health benefit coverage and remain on Borough paid dental insurance contribute towards their dental coverage accordingly.

Administration

- **Finding** – We noted salaries and wages of employees covered by an approved bargaining unit agreement were not made part of the salary ordinance approved by the governing body.

Recommendation – The salary ordinance include all salaries and wages of Borough employees, including those covered under approved bargaining unit agreements, in accordance with NJSA 40A:9-165.

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

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

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

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

GENERAL COMMENTS (Continued)

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

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:

Arsenic Remaining at Well #13	Installation of Water Main – Glen Road
Carbon Replacement at Well #3, 9, 15	Well Drilling
Electric Substation Diagnostic Testing & Maintenance	Water Maintenance Service
Replacement of Generator at Police Department	Electric Distribution Tree Trimming

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

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

Collection of Interest of Delinquent Taxes

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

The Governing Body on January 1, 2018 adopted the following resolution authorizing interest to be charged on delinquent taxes and water accounts:

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

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

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

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

GENERAL COMMENTS (Continued)

Delinquent Taxes and Tax Title Liens

The last tax sale was held on November 7, 2018.

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

<u>Year</u>	<u>Number of Liens</u>
2018	0
2017	0
2016	0
2015	0
2014	0

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

Suggestions to Management

- A review be made of all unused and inactive rates in the Water and Electric Operating Fund's master fee schedules contained in the Borough's accounting software.
- A review be made of the pension payments made for 2015 and 2016 to determine if any overpayments were reimbursed back to Borough.
- A review be made to determine if the 2017 retro pension report was remitted to the state pension system.
- Old inactive improvement authorization balances in the water and electric utility capital funds and the balances in the various deposit and reserve accounts in the Other Trust Fund be reviewed to determine accounts that can be cleared of record.
- PILOT agreement with Lehman Gardens be obtained and filed with the Borough Clerk.
- Police Department unused sick and vacation time records be maintained in a central file and location along with all other Borough employees.

APPRECIATION

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

BOROUGH OF PARK RIDGE
LETTER OF COMMENTS AND RECOMMENDATIONS

RECOMMENDATIONS

Finance

It is recommended that:

- * 1. A review be made and appropriate action be taken to eliminate the police outside duty services reserve account deficit at year end. In addition, the Administrative and vehicle fees be turned over to the Current Fund on a periodic basis.

Payroll

It is recommended that:

- * 1. With respect to employee pension reporting:
 - Payroll procedures be reviewed to ensure employee pension amounts are properly deducted from employees pay and reported on the quarterly state pension reports.
 - Employee's pensionable base pay be accurately reported on the quarterly state pension reports.
- * 2. A review be made of employee health benefit opt-out payments to ensure amounts paid are made in accordance with State statute.
- * 3. Payroll procedures be reviewed to ensure that employee health benefit contributions are properly calculated in accordance with bargaining unit agreements and Borough policy.
- 4. Employees electing to waive health benefits coverage and remain on Borough paid dental insurance contribute towards their dental coverage accordingly.

Administration

- 1. It is recommended that the salary ordinance include all salary and wages of Borough employees, including those covered under approved bargaining unit agreements, in accordance with NJSA 40A:9-165.

Departments

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

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

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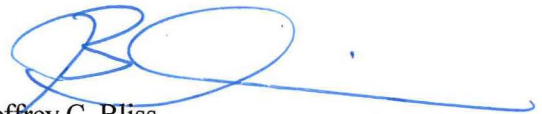
A review was performed on all prior year recommendations and corrective action was taken on all, except the recommendations denoted with an asterisk (*).

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

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

Lerch, Vinci & Higgins, LLP

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



Jeffrey C. Bliss
Certified Public Accountant
RMA Number CR00429