

BOROUGH OF PARK RIDGE
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2020

BOROUGH OF PARK RIDGE
BERGEN COUNTY, NEW JERSEY

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2020

BOROUGH OF PARK RIDGE

TABLE OF CONTENTS

<u>Exhibits</u>		<u>Page</u>
<u>PART I – Report on Audit of Financial Statements and Supplementary Schedules</u>		
Independent Auditor’s Report		1-3
Financial Statements		
A	Comparative Balance Sheets – Regulatory Basis -Current Fund	4-5
A-1	Comparative Statements of Operations and Changes in Fund Balance - Regulatory Basis - Current Fund	6
A-2	Statement of Revenues – Regulatory Basis – Current Fund	7-8
A-3	Statement of Expenditures – Regulatory Basis – Current Fund	9-13
B	Comparative Balance Sheets – Regulatory Basis -Trust Funds	14-15
B-1	Statement of Revenues – Regulatory Basis – Open Space Preservation Trust Fund	16
B-2	Statement of Appropriations-Regulatory Basis – Open Space Preservation Trust Fund	16
C	Comparative Balance Sheets – Regulatory Basis - General Capital Fund	17
C-1	Comparative Statements of Changes in Fund Balance – Regulatory Basis General Capital Fund	18
D	Comparative Balance Sheets – Regulatory Basis - Water Utility Fund	19-20
D-1	Comparative Statements of Operations and Changes in Operating Fund Balance - Regulatory Basis - Water Utility Operating Fund	21
D-2	Comparative Statements of Changes in Fund Balance – Regulatory Basis – Water Utility Capital Fund	22
D-3	Statement of Revenues – Regulatory Basis - Water Utility Operating Fund	23
D-4	Statement of Expenditures – Regulatory Basis - Water Utility Operating Fund	24
E	Comparative Balance Sheets – Regulatory Basis – Electric Utility Fund	25-26
E-1	Comparative Statements of Operations and Changes in Operating Fund Balance - Regulatory Basis – Electric Utility Operating Fund	27
E-2	Comparative Statements of Changes in Fund Balance – Regulatory Basis – Electric Utility Fund	28
E-3	Statement of Revenues – Regulatory Basis - Electric Utility Operating Fund	29
E-4	Statement of Expenditures – Regulatory Basis - Electric Utility Operating Fund	30
F	Comparative Balance Sheets – Regulatory Basis – Utility Trust Fund	31
G	Comparative Balance Sheets – Regulatory Basis – Swim Pool Utility Fund	32-33
G-1	Comparative Statements of Operations and Changes in Operating Fund Balance - Regulatory Basis – Swim Pool Utility Operating Fund	34
G-2	Comparative Statements of Changes in Fund Balance – Regulatory Basis – Swim Pool Utility Capital Fund	35
G-3	Statement of Revenues – Regulatory Basis – Swim Pool Utility Operating Fund	36
G-4	Statement of Expenditures – Regulatory Basis – Swim Pool Utility Operating Fund	37
H	Comparative Balance Sheets – Regulatory Basis - Public Assistance Fund	38
I	Comparative Balance Sheets – Regulatory Basis – General Fixed Assets Account Group	39
Notes to Financial Statements		40-94

**BOROUGH OF PARK RIDGE
TABLE OF CONTENTS**

<u>Exhibits</u>		<u>Page</u>
Supplementary Schedules		
<u>Current Fund</u>		
A-4	Statement of Current Cash and Investments – Collector/Treasurer	95
A-5	Statement of Change Funds	96
A-6	Statement of Petty Cash Funds	96
A-7	Statement of Due to/from State of New Jersey Senior Citizens’ and Veterans’ Deductions	96
A-8	Statement of Grant Receivables	97
A-9	Statement of Taxes Receivable and Analysis of Property Tax Levy	98
A-10	Statement of Property Acquired for Taxes – Assessed Valuation	99
A-11	Statement of Revenue Accounts Receivable	100
A-12	Statement of Other Accounts Receivable	101
A-13	Statement of Deferred Charges	101
A-14	Statement of Deferred Charges – Special Emergency Authorization (40A:4-53)	101
A-15	Statement of 2019 Appropriation Reserves	102-103
A-16	Statement of Encumbrances Payable	104
A-17	Statement of Accounts Payable	104
A-18	Statement of Tax Overpayments	104
A-19	Statement of Prepaid Taxes	105
A-20	Statement of County Taxes Payable	105
A-21	Statement of Local District School Tax Payable	105
A-22	Statement of Municipal Open Space Taxes Payable	106
A-23	Statement of Emergency Note	106
A-24	Statement of Fees Payable	106
A-25	Statement of Reserve for Tax Appeals	107
A-26	Statement of Miscellaneous Reserves	107
A-27	Statement of Reserve for Appropriated Grants	108
A-28	Statement of Reserve for Grants – Unappropriated	108
<u>Trust Funds</u>		
B-3	Statement of Trust Funds Cash	109
B-4	Statement of Due to State of New Jersey – Dog License Fees – Animal Control Fund	110
B-5	Statement of Due To Current Fund - Animal Control Fund	110
B-6	Statement of Reserve for Animal Control Fund Expenditures – Animal Control Fund	110
B-7	Statement of Due From Current Fund – Open Space Preservation Trust Fund	111
B-8	Statement of Due to State – Unemployment Claims – Unemployment Insurance Trust Fund	111
B-9	Statement of Reserve for Unemployment Insurance Benefits – Unemployment Insurance Trust Fund	111
B-10	Statement of Reserve for Open Space Expenditures - Open Space Preservation Trust Fund	112
B-11	Statement of Reserve for Affordable Housing – Affordable Housing Trust Fund	112
B-12	Statement of Police Outside Duty Receivable – Other Trust Fund	112
B-13	Statement of Developers Escrow Deposits – Other Trust Fund	113
B-14	Statement of Payroll Deductions Payable – Other Trust Fund	113
B-15	Statement of Due to Current Fund – Other Trust Fund	113
B-16	Statement of Miscellaneous Reserves and Deposits – Other Trust Fund	114

**BOROUGH OF PARK RIDGE
TABLE OF CONTENTS**

Exhibits

Page

Supplementary Schedules (Continued)

General Capital Fund

C-2	Statement of General Capital Cash and Investments	115
C-3	Analysis of General Capital Cash and Investments	116
C-4	Statement of Grants Receivable	117
C-5	Statement of Due From Current Fund	118
C-6	Statement of Due from Open Space Preservation Trust Fund	118
C-7	Statement of Deferred Charges to Future Taxation - Funded	118
C-8	Statement of Deferred Charges to Future Taxation - Unfunded	119
C-9	Statement of Encumbrances Payable	120
C-10	Statement of Capital Improvement Fund	120
C-11	Statement of Improvement Authorizations	121
C-12	Statement of Bond Anticipation Notes	122
C-13	Statement of General Serial Bonds	123
C-14	Statement of Green Trust Loans	124
C-15	Statement of Due from Other Trust Fund	125
C-16	Statement of Reserve for Preliminary Expenses	125
C-17	Statement of Reserve for Community Center	125
C-18	Statement of Reserve for Sewer Improvements	126
C-19	Statement of Reserve for Payment of Debt	126
C-20	Statement of Bonds and Notes Authorized But Not Issued	127

Water Utility Fund

D-5	Statement of Cash – Collector/Treasurer	128
D-6	Analysis of Cash – Water Utility Capital Fund	129
D-7	Statement of Water Usage Charges Receivable – Water Utility Operating Fund	130
D-8	Statement of Other Charges Receivable – Water Utility Operating Fund	130
D-9	Statement of Woodcliff Lake Surcharge Receivable – Water Utility Operating Fund	131
D-10	Statement of Fixed Capital – Water Utility Capital Fund	132
D-11	Statement of Fixed Capital Authorized and Uncompleted – Water Utility Capital Fund	133
D-12	Statement of Due to/from Electric Utility Operating Fund – Water Utility Operating Fund	133
D-13	Statement of Due to Water Utility Operating Fund – Water Utility Capital Fund	134
D-14	Statement of Due From General Capital Fund – Water Utility Capital Fund	134
D-15	Statement of Other Liabilities – Water Utility Operating Fund	134
D-16	Statement of 2019 Appropriation Reserves – Water Utility Operating Fund	135
D-17	Statement of Encumbrances Payable – Water Utility Operating Fund	136
D-18	Statement of Encumbrances Payable – Water Utility Capital Fund	136
D-19	Statement of Overpayments – Water Utility Operating Fund	137
D-20	Statement of Accrued Interest on Bonds and Notes – Water Utility Operating Fund	137
D-21	Statement of Improvement Authorizations – Water Utility Capital Fund	138
D-22	Statement of Serial Bonds – Water Utility Capital fund	139
D-23	Statement of Bond Anticipation Notes – Water Utility Capital Fund	140
D-24	Statement of Capital Improvement Fund – Water Utility Capital Fund	141
D-25	Statement of Reserve for Amortization – Water Utility Capital Fund	141
D-26	Statement of Deferred Reserve for Amortization – Water Utility Capital Fund	141
D-27	Statement of Miscellaneous Reserves – Water Utility Operating Fund	142
D-27	Statement of Bonds and Notes Authorized But Not Issues – Water Utility Capital Fund	142

**BOROUGH OF PARK RIDGE
TABLE OF CONTENTS**

<u>Exhibits</u>		<u>Page</u>
Supplementary Schedules (Continued)		
<u>Electric Utility Fund</u>		
E-5	Statement of Cash – Collector/Treasurer	143
E-6	Analysis of Cash – Electric Utility Capital Fund	144
E-7	Statement of Change Funds – Electric Utility Operating Fund	145
E-8	Statement of Petty Cash – Electric Utility Operating Fund	145
E-9	Statement of Investments – Electric Utility Operating Fund	145
E-10	Statement of Light and Power Charges Receivable – Electric Utility Operating Fund	146
E-11	Statement of Other Charges Receivable – Electric Utility Operating Fund	146
E-12	Statement of Fixed Capital – Electric Utility Capital Fund	147
E-13	Statement of Fixed Capital Authorized and Uncompleted – Electric Utility Capital Fund	148
E-14	Statement of Due from Electric Utility Operating Fund – Electric Utility Capital Fund	148
E-15	Statement of 2019 Appropriation Reserves – Electric Utility Operating Fund	149
E-16	Statement of Encumbrances Payable – Electric Utility Operating Fund	150
E-17	Statement of Encumbrances Payable – Electric Utility Capital Fund	150
E-18	Statement of Accrued Interest on Bonds and Notes – Electric Utility Operating Fund	151
E-19	Statement of Overpayments – Electric Utility Operating Fund	151
E-20	Statement of Improvement Authorizations – Electric Utility Capital Fund	152
E-21	Statement of Serial Bonds – Electric Utility Capital Fund	153
E-22	Statement of Capital Improvement Fund – Electric Utility Capital Fund	154
E-23	Statement of Reserve for Capital Improvements – Electric Utility Capital Fund	154
E-24	Statement of Reserve for Amortization – Electric Utility Capital Fund	154
E-25	Statement of Deferred Reserve for Amortization – Electric Utility Capital Fund	155
E-26	Statement of Bonds and Notes Authorized But Not Issued – Electric Utility Capital Fund	155
<u>Utility Trust Fund</u>		
F-1	Statement of Cash – Utility Trust Fund	156
F-2	Statement of Deposit Payable	156
F-3	Statement of Due to Water Utility Operating Fund – Utility Trust Fund	157
F-4	Statement of Due to Electric Utility Operating Fund – Utility Trust Fund	157
<u>Swim Pool Utility Fund</u>		
G-5	Statement of Cash – Collector/Treasurer – Swim Pool Utility Fund	158
G-6	Analysis of Cash – Swim Pool Utility Capital Fund	158
G-7	Statement of Due to Swim Pool Utility Operating Fund – Swim Pool Utility Capital Fund	159
G-8	Statement of Deferred Charges – Special Emergency Authorization (40A:4-53) – Swim Pool Utility Operating fund	159
G-8	Statement of Petty Cash	159
G-9	Statement of Fixed Capital – Swim Pool Utility Fund	160
G-10	Statement of 2019 Appropriation Reserves – Swim Pool Utility Operating Fund	161
G-11	Statement of Capital Improvement Fund – Swim Pool Utility Capital Fund	161
G-12	Statement of Encumbrances Payable – Swim Pool Utility Operating Fund	161
G-13	Statement of Reserve for Amortization – Swim Pool Utility Capital Fund	162

**BOROUGH OF PARK RIDGE
TABLE OF CONTENTS**

<u>Exhibits</u>		<u>Page</u>
Supplementary Schedules (Continued)		
<u>Public Assistance Fund</u>		
H-1	Statement of Public Assistance Cash - Treasurer	163
H-2	Statement of Due to Current Fund – Public Assistance Fund	163
H-3	Statement of Reserve for Public Assistance Expenditures	164
H-4	Statement of Public Assistance Revenues	164
H-5	Statement of Public Assistance Expenditures	164
 <u>PART II – Government Auditing Standards</u>		
	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	165-166
	Schedule of Expenditures of Federal Awards	167
	Schedule of Expenditures of State Financial Assistance	168-169
	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	170-171
	Schedule of Findings and Responses	172-174
	Summary Schedule of Prior Year Audit Findings	175
 <u>PART III – Supplementary Data and Letter of Comments and Recommendations</u>		
	Comparative Statements of Operations and Changes in Fund Balance - Current Fund	176
	Comparative Statements of Operations and Changes in Fund Balance - Water Utility Operating Fund	177
	Comparative Statements of Operations and Changes in Fund Balance - Electric Utility Operating Fund	178
	Comparative Statements of Operations and Changes in Fund Balance - Swim Pool Utility Operating Fund	179
	Comparative Schedule of Tax Rate Information	180
	Comparison of Tax Levies and Collection	180
	Delinquent Taxes and Tax Title Liens	181
	Property Acquired by Tax Title Lien Liquidation	181
	Comparison of Water Utility Levies	181
	Comparison of Electric Utility Levies	181
	Comparative Schedule of Fund Balances	182
	Officials in Office and Surety Bonds	183
	General Comments	184-187
	Appreciation	187
	Recommendations	188



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRIS SOHN, CPA
CHRISTOPHER M. VINCI, CPA
CHRISTINA CUIFFO, CPA

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, 2020 and 2019, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the various funds for the year ended December 31, 2020, 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, 2020 and 2019, 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, 2020 and 2019. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 49.1 percent and 47.2 percent of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2020 and 2019.

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, 2020 and 2019, 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, 2020 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 October 5, 2021 on our consideration of the Borough of Park Ridge's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Park Ridge's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Park Ridge's internal control over financial reporting and compliance.

LERCH, VINCI & 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
October 5, 2021

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2020 AND 2019

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
ASSETS			
Cash	A-4	\$ 4,317,719	\$ 3,797,779
Cash - Petty Cash	A-6	750	
Cash - Change Funds	A-5	275	275
Due to State of New Jersey - Senior Citizens' and Veterans' Deductions	A-7	3,530	3,583
Grant Receivables	A-8	<u>382</u>	<u>12,353</u>
		<u>4,322,656</u>	<u>3,813,990</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-9	244,740	828,696
Property Acquired for Taxes - Assessed Valuation	A-10	100,650	100,650
Revenue Accounts Receivable	A-11	6,102	19,612
Other Accounts Receivable	A-12	687	
Due from Animal Control Fund	B-5		3,256
Due from Other Trust Fund	B-15		22,568
Due from Public Assistance Fund	H-2	<u>-</u>	<u>39</u>
		<u>352,179</u>	<u>974,821</u>
Deferred Charges			
Emergency Authorizations	A-13	200,000	200,000
Special Emergency Authorizations	A-14	<u>260,000</u>	<u>-</u>
		<u>460,000</u>	<u>200,000</u>
Total Assets		<u>\$ 5,134,835</u>	<u>\$ 4,988,811</u>

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2020 AND 2019

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3,A-15	\$ 650,919	\$ 702,782
Encumbrances Payable	A-16	267,287	410,210
Accounts Payable	A-17	14,827	
Tax Overpayments	A-18		294
Prepaid Taxes	A-19	374,130	461,648
County Taxes Payable	A-20	3,388	17,541
Local District School Tax Payable	A-21		10,999
Emergency Notes	A-23	200,000	
Fees Payable	A-24	3,772	18,290
Reserve for:			
Tax Appeals	A-25	530,393	421,356
Miscellaneous Reserves	A-26		6,250
Appropriated Grant Reserves	A-27	19,365	19,359
Unappropriated Grant Reserves	A-28	<u>-</u>	<u>13,554</u>
		2,064,081	2,082,283
Reserve for Receivables and Other Assets	A	352,179	974,821
Fund Balance	A-1	<u>2,718,575</u>	<u>1,931,707</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 5,134,835</u>	<u>\$ 4,988,811</u>

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 1,125,000	\$ 1,000,000
Miscellaneous Revenue Anticipated	A-2	2,738,169	3,398,208
Receipts from Delinquent Taxes	A-2	828,693	329,293
Receipts from Current Taxes	A-2	46,456,533	44,553,993
Non-Budget Revenue	A-2	400,518	248,418
Other Credits to Income			
Unexpended Balances of Appropriation Reserves	A-15	581,629	176,646
Special Emergency Authorization COVID-19 Revenue Loss	A-14	260,000	
Accounts Payable Cancelled	A-1		8,900
Statutory Excess from Animal Control Trust Fund	B-5	5,240	3,256
Prior Year Checks Voided	A-1		35,689
Miscellaneous Reserves Cancelled	A-26	6,250	4,686
Fees Payable Cancelled	A-24	9,013	
Interfunds Liquidated	A	25,863	165,656
Total Revenue		<u>52,436,908</u>	<u>49,924,745</u>
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries & Wages	A-3	5,503,861	5,173,094
Other Expenses	A-3	6,322,470	6,269,978
Capital Improvements	A-3	56,700	110,000
Debt Service	A-3	1,978,058	1,904,976
Deferred Charges and Statutory Expenditures	A-3	1,367,169	1,134,205
County Taxes	A-20	4,617,807	4,534,427
Local District School Tax	A-21	30,766,131	30,018,454
Municipal Open Space Tax	A-22	112,157	112,045
Other Accounts Receivable Established	A	687	-
Total Expenditures		<u>50,725,040</u>	<u>49,257,179</u>
Excess in Revenue		1,711,868	667,566
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-13	200,000	200,000
Statutory Excess to Fund Balance		1,911,868	867,566
FUND BALANCE, JANUARY 1	A	<u>1,931,707</u>	<u>2,064,141</u>
		3,843,575	2,931,707
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	1,125,000	1,000,000
FUND BALANCE, DECEMBER 31	A	<u>\$ 2,718,575</u>	<u>\$ 1,931,707</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, 2020

	<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	\$ 1,125,000	-	\$ 1,125,000	-
MISCELLANEOUS REVENUES					
Licenses					
Alcoholic Beverages	A-11	19,000		19,315	\$ 315
Fees and Permits					
Fire Code Department	A-11	45,000		42,297	(2,703)
Board of Health/Registrar	A-11	20,000		18,408	(1,592)
Fines and Costs - Municipal Court	A-11	80,000		32,661	(47,339)
Interest and Costs on Taxes	A-11	105,000		201,642	96,642
Interest on Investments	A-11	75,000		29,397	(45,603)
Insurance Fund Dividends	A-11	25,000		25,205	205
Hotel Tax	A-11	200,000		108,422	(91,578)
Recycling Program	A-11	15,000		12,325	(2,675)
Cable Television Franchise Fee	A-11	142,000		143,052	1,052
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	25,500		28,500	3,000
Tri-Boro Safety Corps.	A-11	50,000		64,197	14,197
Consolidated Municipal Property Tax Relief Aid	A-11	16,161		16,161	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	A-11	366,438		366,437	(1)
Watershed Moratorium Offset Aid	A-11	1,598		1,598	
Uniform Construction Code Fees	A-11	459,500		388,535	(70,965)
Recycling Tonnage Grant	A-28	13,554		13,554	
Drunk Driving Enforcement Fund	A-8		\$ 6,182	6,182	
Bergen County Forfeiture	A-8	11,417		11,417	
Clean Communities Program	A-8		17,660	17,660	
JIF Safety Award Grant	A-8	2,500		2,500	
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	A-11				
Gross Receipts Taxes	A-11	500,000		500,000	
Life Hazard Use Fees	A-11	12,130		14,369	2,239
Library Reimbursements	A-11	61,000		61,000	
Excess Sewer User Fees	A-11	60,000		77,007	17,007
Sprint Cell Tower Rent	A-11	92,300		96,328	4,028
General Capital Fund Balance (Surplus)	A-11	50,000	-	50,000	-
Total Miscellaneous Revenues	A-1	2,838,098	23,842	2,738,169	(123,771)
RECEIPTS FROM DELINQUENT TAXES	A-1,A-9	547,000	-	828,693	281,693
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET					
Local Tax For Municipal Purposes		10,725,748		11,186,504	460,756
Minimum Library Tax		623,934	-	623,934	-
Total Amount to be Raised by Taxes	A-2	11,349,682	-	11,810,438	460,756
	A-3	\$ 15,859,780	\$ 23,842	16,502,300	\$ 618,678
Non-Budget Revenue	A-1,A-2			400,518	
				\$ 16,902,818	

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, 2020

	<u>Reference</u>	<u>Realized</u>
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenue from Collections	A-9	\$ 46,581,533
Less: Transferred to Reserve for Tax Appeals	A-25	<u>125,000</u>
Revenue Realized	A-1	46,456,533
Less Allocated to School, County and Municipal Open Space Taxes	A-20,A-21,A-22	<u>35,496,095</u>
		10,960,438
Add Appropriation Reserve for Uncollected Taxes	A-3	<u>850,000</u>
Amount for Support of Municipal Budget Appropriation	A-2	<u>\$ 11,810,438</u>
Analysis of Non-Budget Revenue		
Parking Permits		\$ 6,415
Police Fees		1,944
Senior Citizen and Veterans Administration Fees		1,221
Housing Registration Fees		16,300
Parking Meters Broadway/RR		909
Bergen County CARES Act Reimbursements		134,143
PILOT - Lehman Gardens		12,421
Sale of Municipal Assets		21,510
Reimbursements		34,773
Insurance Dividend		153,916
Miscellaneous		<u>16,966</u>
	A-2,A-4	<u>\$ 400,518</u>

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<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	\$ 73,010	\$ 73,010	\$ 66,703	\$ 6,307	
Other Expenses	36,100	36,100	36,077	23	
Other Expenses - Grant Professional	35,000	35,000	35,000	-	
Mayor and Council					
Salaries and Wages	43,200	43,200	43,200	-	
Other Expenses	10,700	10,700	5,288	5,412	
Municipal Clerk					
Salaries and Wages	148,460	163,460	163,265	195	
Other Expenses	40,600	40,600	32,175	8,425	
Financial Administration					
Salaries and Wages	208,280	218,280	215,712	2,568	
Other Expenses	53,700	47,200	29,210	17,990	
Audit Services					
Other Expenses	46,500	46,500	46,500	-	
Revenue Administration					
Salaries and Wages	94,940	84,940	76,742	8,198	
Other Expenses	11,050	11,050	7,779	3,271	
Tax Assessment Administration					
Salaries and Wages	15,650	15,650	15,000	650	
Other Expenses	28,275	22,775	3,898	18,877	
Legal Services and Costs					
Other Expenses	590,000	590,000	589,999	1	
Other Expenses - Emergency		200,000	200,000		
Engineering Services and Costs					
Other Expenses	50,000	50,000	34,615	15,385	
LAND USE ADMINISTRATION					
Planning Board					
Salaries and Wages	77,950	80,950	79,151	1,799	
Other Expenses	23,575	23,575	9,434	14,141	
Zoning Board of Adjustment					
Salaries and Wages	56,040	59,040	58,084	956	
Other Expenses	11,310	11,310	7,620	3,690	
Zoning Officer					
Salaries and Wages	15,265	15,265	14,014	1,251	
Other Expenses	1,100	1,100	240	860	
Housing Task Force					
Salaries and Wages	12,750	12,750	10,411	2,339	
Other Expenses	250	250		250	
INSURANCE					
General Liability	172,000	172,000	168,568	3,432	
Employee Group Health	1,269,800	1,269,800	1,242,815	26,985	
Employee Group Health Waiver	40,000	40,000	30,463	9,537	
Tri-Boro Ambulance	8,500	8,500	6,955	1,545	

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<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	\$ 3,028,020	\$ 3,038,020	\$ 2,990,342	\$ 47,678	
Other Expenses	98,990	96,490	94,995	1,495	
Pistol Range					
Other Expenses	25,240	25,240	25,238	2	
Police Reserves/EMC					
Salaries and Wages	17,000	17,000	15,500	1,500	
Other Expenses	25,400	17,900	9,641	8,259	
Tri-Borough Safety Corps					
Other Expenses	299,500	315,000	310,664	4,336	
Emergency Management Services					
Salaries and Wages	3,250	3,250	3,213	37	
Other Expenses	6,510	6,510	5,793	717	
First Aid Organization					
Other Expenses - Contribution	20,000	20,000	20,000	-	
Fire Department					
Salaries and Wages	61,500	61,500	60,375	1,125	
Other Expenses	86,460	86,460	86,459	1	
Fire Hydrant Services	18,200	18,200	18,133	67	
Fire Prevention					
Salaries and Wages	44,220	44,220	31,625	12,595	
Other Expenses	8,300	8,300	2,698	5,602	
PUBLIC WORKS FUNCTION					
Streets and Road Maintenance					
Salaries and Wages	866,140	866,140	838,134	28,006	
Other Expenses	174,100	181,100	177,706	3,394	
Sewer System					
Salaries and Wages	58,940	58,940	55,625	3,315	
Other Expenses	11,780	11,780	7,660	4,120	
Shade Tree					
Other Expenses	15,680	8,680	3,288	5,392	
Solid Waste Collection					
Other Expenses - Sanitation	586,000	586,000	549,220	36,780	
Other Expenses - Recycling	143,250	143,250	138,995	4,255	
Building and Grounds					
Salaries and Wages	89,838	95,338	94,966	372	
Other Expenses	81,200	79,700	76,426	3,274	
Vehicle Maintenance					
Salaries and Wages	105,158	107,158	106,800	358	
Other Expenses	67,800	67,800	67,755	45	

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Cont'd)					
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries and Wages	\$ 27,900	\$ 27,900	\$ 14,956	\$ 12,944	
Other Expenses	54,475	60,975	55,472	5,503	
Administration of Public Assistance					
Salaries and Wages	11,000	11,000	10,352	648	
Other Expenses	1,300	1,300		1,300	
Aid to Mental Health					
Other Expenses	9,000	9,000	9,000	-	
PARKS AND RECREATION FUNCTIONS					
Recreation Services and Programs					
Salaries and Wages	27,710	31,710	31,623	87	
Other Expenses	22,000	12,000	5,349	6,651	
Senior Citizens					
Salaries and Wages	21,960	21,960	12,665	9,295	
Other Expenses	7,500	7,500	4,823	2,677	
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events	4,000	4,000		4,000	
Park Ridge Television					
Salaries and Wages	12,990	12,990	12,240	750	
Other Expenses	5,278	5,278	5,278	-	
Municipal Services Act					
Other Expenses	20,000	20,000	10,611	9,389	
UNIFORM CONSTRUCTION CODE					
APPROPRIATIONS OFFSET BY DEDICATED					
REVENUES (N.J.A.C. 5:23-4-17)					
Construction Code Official					
Salaries and Wages	371,190	340,190	265,121	75,069	
Other Expenses	32,550	32,550	9,297	23,253	
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	90,000	90,000	63,084	26,916	
Telephone	30,000	30,000	24,211	5,789	
Water	17,500	17,500	13,327	4,173	
Gas and Oil	20,000	20,000	10,245	9,755	
Gasoline	60,000	60,000	54,021	5,979	
OPERATIONS - WITHIN "CAPS" (Cont'd)					
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Dumping Fees	75,000	75,000	71,500	3,500	-
Total Operations Within "CAPS"	10,037,834	10,237,834	9,703,344	534,490	-
Detail:					
Salaries and Wages	5,492,361	5,503,861	5,285,819	218,042	-
Other Expenses	4,545,473	4,733,973	4,417,525	316,448	-

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, 2020

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Statutory Expenditures					
Contribution to					
Social Security System	\$ 230,000	\$ 230,000	\$ 223,573	\$ 6,427	
Defined Contribution Retirement Plan	5,000	5,000	1,507	3,493	
Police & Firemen Retirement System	707,526	707,526	707,526	-	
Public Employees Retirement System	225,000	225,000	224,643	-	\$ 357
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	1,167,526	1,167,526	1,157,249	9,920	357
Total General Appropriations for Municipal Purposes Within "CAPS"	11,205,360	11,405,360	10,860,593	544,410	357
OPERATIONS - EXCLUDED FROM "CAPS"					
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Recycling Tax	11,000	11,000		11,000	
SEWERAGE PROCESSING AND DISPOSAL					
Bergen County Utilities Authority-Sewer Fees	703,000	703,000	702,965	35	
EDUCATION FUNCTIONS					
Maintenance of Free Public Library	623,934	623,934	623,934		
OPERATIONS - EXCLUDED FROM "CAPS" (Cont'd)					
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS					
Municipal Court					
Other Expenses - Contractual	129,250	129,250	87,432	41,818	
PUBLIC SAFETY FUNCTION					
LOSAP					
Fire Department	50,000	50,000	40,921	9,079	
Tri-Borough Ambulance	20,000	20,000	10,798	9,202	-
Total Other Operations Excluded from "CAPS"	1,537,184	1,537,184	1,466,050	71,134	-
PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES					
Clean Communities Grant		17,660		17,660	
Recycling Tonnage Grant	13,554	13,554	2,708	10,846	
DDEF		6,182	1,813	4,369	
Bergen County Forfeiture	11,417	11,417	11,417	-	
JIF Safety Award Grant	2,500	2,500	-	2,500	-
Total Public and Private Programs Offset by Revenues	27,471	51,313	15,938	35,375	-
Total Operations Excluded from "CAPS"	1,564,655	1,588,497	1,481,988	106,509	-

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, 2020

	<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>
Detail:					
Salaries and Wages	-	-	-	-	-
Other Expenses	\$ 1,564,655	\$ 1,588,497	\$ 1,481,988	\$ 106,509	-
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	56,700	56,700	56,700	-	-
Total Capital Improvements Excluded from "CAPS"	56,700	56,700	56,700	-	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	1,535,000	1,535,000	1,535,000		
Interest on Bonds	275,945	275,945	275,940		\$ 5
Interest on Notes	59,175	59,175	54,175		5,000
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	112,945	112,945	112,943	-	2
Total Municipal Debt Service Excluded from "CAPS"	1,983,065	1,983,065	1,978,058	-	5,007
DEFERRED CHARGES MUNICIPAL- EXCLUDED FROM "CAPS"					
DEFERRED CHARGES					
Emergency Authorizations	200,000	200,000	200,000	-	-
Total Deferred Charges Municipal Excluded from "CAPS"	200,000	200,000	200,000	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	3,804,420	3,828,262	3,716,746	\$ 106,509	5,007
Subtotal General Appropriations	15,009,780	15,233,622	14,577,339	650,919	5,364
Reserve for Uncollected Taxes	850,000	850,000	850,000	-	-
Total General Appropriations	\$ 15,859,780	\$ 16,083,622	\$ 15,427,339	\$ 650,919	\$ 5,364
	<u>Reference</u>	<u>A-2</u>	<u>A-1</u>	<u>A,A-1</u>	
Budget	A-3	\$ 15,859,780			
Added by 40A:4-87	A-2	23,842			
Emergency Authorization	A-13	200,000			
		<u>\$ 16,083,622</u>			
Cash Disbursed	A-4		\$ 14,113,284		
Encumbrances Payable	A-16		264,055		
Deferred Charges					
Emergency Authorizations	A-13		200,000		
Reserve for Uncollected Taxes	A-2		850,000		
			<u>\$ 15,427,339</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, 2020 AND 2019

ASSETS	<u>Reference</u>	<u>2020</u>	<u>2019</u>
ANIMAL CONTROL TRUST FUND			
Cash	B-3	\$ 12,655	\$ 17,145
OTHER TRUST FUND			
Cash	B-3	1,456,441	1,442,818
Police Outside Duty Receivable	B-12	3,752	18,245
		<u>1,460,193</u>	<u>1,461,063</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Cash	B-3	<u>99,989</u>	<u>103,524</u>
OPEN SPACE PRESERVATION TRUST FUND			
Cash	B-3	<u>374,819</u>	<u>322,632</u>
AFFORDABLE HOUSING TRUST FUND			
Cash	B-3	<u>411,632</u>	<u>400,997</u>
LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)			
Investments	B	2,196,671	1,987,242
Contributions Receivable	B	<u>77,931</u>	<u>70,773</u>
		<u>2,274,602</u>	<u>2,058,015</u>
Total Assets		<u>\$ 4,633,890</u>	<u>\$ 4,363,376</u>

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2020 AND 2019

LIABILITIES AND RESERVES	<u>Reference</u>	<u>2020</u>	<u>2019</u>
ANIMAL CONTROL TRUST FUND			
Due to State of New Jersey	B-4	\$ 154	\$ 164
Due to Current Fund	B-5		3,256
Reserve for Animal Control Expenditures	B-6	<u>12,501</u>	<u>13,725</u>
		<u>12,655</u>	<u>17,145</u>
OTHER TRUST FUND			
Due to Current Fund	B-15		22,568
Developers Escrow Deposits	B-13	629,224	650,356
Payroll Deductions Payable	B-14	32,524	22,641
Miscellaneous Reserves & Deposits	B-16	794,693	747,253
Reserve for Police Outside Duty Receivable	B-12	<u>3,752</u>	<u>18,245</u>
		<u>1,460,193</u>	<u>1,461,063</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Due to State of New Jersey	B-8	4,959	6,247
Reserve for Unemployment Insurance Benefits	B-9	<u>95,030</u>	<u>97,277</u>
		<u>99,989</u>	<u>103,524</u>
OPEN SPACE PRESERVATION TRUST FUND			
Due to General Capital Fund	C-6		74,190
Reserve for Open Space Expenditures	B-10	<u>374,819</u>	<u>248,442</u>
		<u>374,819</u>	<u>322,632</u>
AFFORDABLE HOUSING TRUST FUND			
Reserve for Affordable Housing	B-11	<u>411,632</u>	<u>400,997</u>
LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)			
Reserve for LOSAP Benefits	B	<u>2,274,602</u>	<u>2,058,015</u>
Total Liabilities and Reserves		<u>\$ 4,633,890</u>	<u>\$ 4,363,376</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, 2020**

	<u>Reference</u>	<u>Budget</u>	<u>Anticipated (Memo) Budget After Modification</u>	<u>Realized</u>	<u>Excess or Deficit</u>
Amount to be Raised by Taxation	B-10	\$ 112,075	\$ 112,075	\$ 112,157	\$ 82
	B-2	\$ 112,075	\$ 112,075	112,157	\$ 82
Non-Budget Revenue					
Interest on Deposits	B-10			1,023	
				\$ 113,180	

**STATEMENT OF APPROPRIATIONS-REGULATORY BASIS
OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Budget</u>	<u>Appropriated (Memo) Budget After Modification</u>	<u>Expended Paid or Charged</u>	<u>Reserved</u>
Historic Preservation				
Other Expenses		\$ 21,794	\$ 21,794	
Reserve for Future Use	\$ 112,075	90,281	-	\$ 90,281
	\$ 112,075	\$ 112,075	\$ 21,794	\$ 90,281
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, 2020 AND 2019

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
ASSETS			
Cash	C-2,C-3	\$ 1,139,959	\$ 2,131,368
Grants Receivable	C-4	664,654	451,498
Due from Open Space Preservation Trust Fund	C-6		74,190
Deferred Charges to Future Taxation			
Funded	C-7	9,372,737	10,999,329
Unfunded	C-8	<u>3,266,089</u>	<u>2,474,304</u>
 Total Assets		 <u>\$ 14,443,439</u>	 <u>\$ 16,130,689</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Serial Bonds	C-13	\$ 8,374,000	\$ 9,909,000
Green Trust Loans	C-14	998,737	1,090,329
Bond Anticipation Notes	C-12	1,970,000	1,970,000
Encumbrances Payable	C-9	410,423	642,144
Improvement Authorizations			
Funded	C-11	541,419	783,591
Unfunded	C-11	1,057,230	1,137,182
Due to Water Utility Capital Fund	C-5		4,516
Capital Improvement Fund	C-10	19,988	9,569
Reserve for Community Center	C-17	488,675	250,000
Reserve for Sewer Improvements	C-18	208,260	208,260
Reserve for Payment of Debt	C-19	100	100
Reserve for Grants Receivable	C-4	320,656	24,000
Fund Balance	C-1	<u>53,951</u>	<u>101,998</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 14,443,439</u>	 <u>\$ 16,130,689</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2019 and 2018 of \$1,317,075 and \$525,290, respectively. (See Exhibit C-20)

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Balance, January 1	C	\$ 101,998	\$ 357,341
Increased by:			
Premium on Bond Anticipation Notes Issued	C-1		14,934
Grant Receipts for Funded Improvement Authorization	C-1		8,513
Funded Improvement Authorizations Cancelled	C-11	37,606	130,070
Reserve for Municipal Building Improvements Cancelled	C-1	<u>-</u>	<u>2,252</u>
		139,604	513,110
Decreased by:			
Appropriation to Finance Improvement Authorizations	C-11	35,653	332,200
Anticipated as Current Fund Revenue	C-5	50,000	75,000
Grant Receivables Cancelled	C-1	<u>-</u>	<u>3,912</u>
Balance, December 31	C	<u>\$ 53,951</u>	<u>\$ 101,998</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2020 AND 2019**

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
ASSETS			
OPERATING FUND			
Cash	D-5	\$ 2,987,675	\$ 2,500,481
Due from Current Fund	D-12		
Due from Water Utility Capital Fund	D-13	124,078	119,078
Due from Electric Utility Operating Fund	D-12	<u>-</u>	<u>68,477</u>
		<u>3,111,753</u>	<u>2,688,036</u>
Receivables With Full Reserves			
Water Usage Charges Receivable	D-7	260,423	230,301
Other Charges Receivable	D-8	80,201	72,536
Woodcliff Lake Surcharge Receivable	D-9	<u>45,940</u>	<u>44,674</u>
		<u>386,564</u>	<u>347,511</u>
Total Operating Fund		<u>3,498,317</u>	<u>3,035,547</u>
CAPITAL FUND			
Cash	D-5, D-6	50,965	358,634
Due from General Capital Fund	D-14		4,516
Fixed Capital	D-10	16,114,317	15,558,136
Fixed Capital Authorized and Uncompleted	D-11	<u>1,551,710</u>	<u>1,925,398</u>
Total Capital Fund		<u>17,716,992</u>	<u>17,846,684</u>
		<u>\$ 21,215,309</u>	<u>\$ 20,882,231</u>

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2020 AND 2019
(Continued)

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	D-4,D-16	\$ 282,650	\$ 362,558
Encumbrances Payable	D-17	252,451	164,989
Overpayments	D-19	32,492	28,294
Accrued Interest on Bonds and Notes	D-20	16,074	22,649
Other Liabilities	D-15		66,597
Due to Electric Utility Operating Fund	D-12	66,597	
Miscellaneous Reserves	D-27	<u>1,483,227</u>	<u>1,495,197</u>
		2,133,491	2,140,284
Reserve for Receivables	D	386,564	347,511
Fund Balance	D-1	<u>978,262</u>	<u>547,752</u>
Total Operating Fund		<u>3,498,317</u>	<u>3,035,547</u>
CAPITAL FUND			
Serial Bonds Payable	D-22	1,632,000	1,807,000
Bond Anticipation Notes	D-23	594,400	595,700
Encumbrances Payable	D-18	140,477	425,671
Improvement Authorization			
Funded	D-21	228,990	148,686
Unfunded	D-21	893,972	991,784
Due to Water Utility Operating Fund	D-13	124,078	119,078
Capital Improvement Fund	D-24	166,669	66,669
Reserve for Amortization	D-25	13,700,211	13,292,411
Deferred Reserve for Amortization	D-26	171,716	220,723
Fund Balance	D-2	<u>64,479</u>	<u>178,962</u>
Total Capital Fund		<u>17,716,992</u>	<u>17,846,684</u>
		<u>\$ 21,215,309</u>	<u>\$ 20,882,231</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2019 and 2018 of \$1,567,700. (See Exhibit D-28)

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, 2020 AND 2019

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	D-3	\$ 260,000	\$ 351,328
Water Usage Charges	D-3	3,491,458	2,947,529
Miscellaneous Charges and Fees	D-3	303,171	308,784
Reserve for Woodcliff Lake Improvements - Reimbursements			
Holly Court Water Tank - Debt Service	D-3	46,983	64,208
Installation of New Well & Pumping Station - Debt Service	D-3	1,300	1,300
Mandatory Water Meter Replacement	D-3	68,010	
Non-Budget Revenue	D-3	24,070	85,057
Other Credits			
Appropriation Reserves Lapsed	D-6	<u>349,232</u>	<u>75,266</u>
 Total Income		 <u>4,544,224</u>	 <u>3,833,472</u>
 EXPENDITURES			
Operating	D-4	3,207,785	3,068,778
Capital Improvements	D-4	168,010	5,000
Debt Service	D-4	231,611	234,620
Deferred Charges and Statutory Expenditures	D-4	<u>246,308</u>	<u>256,150</u>
 Total Expenditures		 <u>3,853,714</u>	 <u>3,564,548</u>
 Statutory Excess to Fund Balance		 690,510	 268,924
 Fund Balance, January 1,	 D	 <u>547,752</u>	 <u>630,156</u>
		1,238,262	899,080
Decreased by:			
Utilized as Anticipated Revenue	D-1,D-3	<u>260,000</u>	<u>351,328</u>
 Balance, December 31,	 D	 <u>\$ 978,262</u>	 <u>\$ 547,752</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE- REGULATORY BASIS
WATER UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Balance, January 1	D	\$ 178,962	\$ 9,564
Increased by:			
Funded Improvement Authorizations Cancelled	D-26	32,507	164,882
Premium on Bond Anticipation Notes Issued	D-2	<u>-</u>	<u>4,516</u>
		211,469	178,962
Decreased by:			
Appropriated to Finance Improvement Authorizations	D-21	<u>146,990</u>	<u>-</u>
Balance, December 31,	D	<u>\$ 64,479</u>	<u>\$ 178,962</u>

BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	D-1	\$ 260,000	\$ 260,000	
Water Usage Charges	D-1,D-7	3,210,945	3,491,458	\$ 280,513
Miscellaneous Charges and Fees	D-1,D-3	275,000	303,171	28,171
Reserve for Woodcliff Lake Improvements - Reimbursements				
Holly Court Water Tank - Debt Service	D-1, D-27	46,983	46,983	
Installation of New Well & Pumping Station - Debt Service	D-1, D-27	1,300	1,300	
Mandatory Water Meter Replacement	D-1, D-27	<u>68,010</u>	<u>68,010</u>	<u>-</u>
	D-4	<u>\$ 3,862,238</u>	4,170,922	<u>\$ 308,684</u>
Non-Budget Revenue	D-1, D-3		<u>24,070</u>	
			<u>\$4,194,992</u>	
<u>Analysis of Realized Revenue</u>				
Miscellaneous Charges and Fees:				
Fire Sprinklers	D-8		\$ 80,014	
Hydrants	D-8		43,407	
Mobile Antenna Rents	D-5		<u>179,750</u>	
	D-3		<u>\$ 303,171</u>	
Non-Budget Revenue:				
Interest on Delinquent Accounts			\$ 9,026	
Interest on Investments			11,180	
Miscellaneous			<u>3,864</u>	
	D-3		<u>\$ 24,070</u>	
Cash Receipts	D-5		\$ 21,457	
Due from Water Utility Capital Fund	D-13		933	
Due from Utility Trust Fund	F-3		<u>1,680</u>	
			<u>\$ 24,070</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, 2020

	<u>Appropriated</u>	<u>Budget After</u>	<u>Expended</u>		
	<u>Budget</u>	<u>Modification</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Cancelled</u>
			<u>Charged</u>		
OPERATING					
Salaries and Wages	\$ 1,314,000	\$ 1,334,000	\$ 1,316,989	\$ 17,011	
Other Expenses	1,550,000	1,550,000	1,419,602	130,398	
Group Health Insurance	<u>325,000</u>	<u>323,785</u>	<u>222,881</u>	<u>100,904</u>	<u>-</u>
Total Operating	<u>3,189,000</u>	<u>3,207,785</u>	<u>2,959,472</u>	<u>248,313</u>	<u>-</u>
CAPITAL IMPROVEMENTS					
Capital Improvement Fund	100,000	100,000	100,000	-	
Capital Outlay	<u>68,010</u>	<u>68,010</u>	<u>68,010</u>	<u>-</u>	<u>-</u>
Total Capital Improvements	<u>168,010</u>	<u>168,010</u>	<u>168,010</u>	<u>-</u>	<u>-</u>
DEBT SERVICE					
Payment of Bond Principal	175,000	175,000	175,000		
Payment of Note Principal	1,300	1,300	1,300		
Interest on Bonds	45,265	46,480	45,264		\$ 1,216
Interest on Notes	<u>17,355</u>	<u>17,355</u>	<u>10,047</u>	<u>-</u>	<u>7,308</u>
Total Debt Service	<u>238,920</u>	<u>240,135</u>	<u>231,611</u>	<u>-</u>	<u>8,524</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures					
Contribution to					
Public Employees Retirement System	171,308	122,308	119,159	3,149	-
Social Security System (O.A.S.I.)	<u>95,000</u>	<u>124,000</u>	<u>92,812</u>	<u>31,188</u>	<u>-</u>
Total Deferred Charges and Statutory Expenditures	<u>266,308</u>	<u>246,308</u>	<u>211,971</u>	<u>34,337</u>	<u>-</u>
	<u>\$ 3,862,238</u>	<u>\$ 3,862,238</u>	<u>\$ 3,571,064</u>	<u>\$ 282,650</u>	<u>\$ 8,524</u>
	<u>Reference</u>	<u>D-3</u>	<u>D-4</u>	<u>D-1</u>	<u>D, D-1</u>
Cash Disbursed	D-5			\$ 3,163,302	
Encumbrances Payable	D-17			252,451	
Due to Water Utility Capital Fund	D-13			100,000	
Accrued Interest on Bonds and Notes	D-20			<u>55,311</u>	
				\$ 3,571,064	

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, 2020 AND 2019

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
ASSETS			
OPERATING FUND			
Cash	E-5	\$ 1,549,021	\$ 1,726,021
Cash - Change Fund	E-7	75	75
Investments	E-8	200,000	
Due from Water Utility Operating Fund	D-13	<u>66,597</u>	<u>-</u>
		<u>1,815,693</u>	<u>1,726,096</u>
Receivables With Full Reserves			
Light and Power Charges Receivable	E-10	378,613	550,658
Other Charges Receivable	E-11	<u>18,619</u>	<u>18,577</u>
		<u>397,232</u>	<u>569,235</u>
Total Operating Fund		<u>2,212,925</u>	<u>2,295,331</u>
CAPITAL FUND			
Cash	E-5, E-6	522,195	761,526
Fixed Capital	E-12	13,508,095	13,302,057
Fixed Capital Authorized and Uncompleted	E-13	<u>738,368</u>	<u>750,868</u>
Total Capital Fund		<u>14,768,658</u>	<u>14,814,451</u>
		<u>\$ 16,981,583</u>	<u>\$ 17,109,782</u>

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
ELECTRIC UTILITY FUND
AS OF DECEMBER 31, 2020 AND 2019
(Continued)

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	E-4,E-15	\$ 561,145	\$ 509,552
Encumbrances Payable	E-16	358,896	424,007
Accrued Interest on Bonds	E-18	1,778	3,259
Overpayments	E-19	18,569	23,019
Due to Water Utility Operating Fund	D-13	-	68,477
		<u>940,388</u>	<u>1,028,314</u>
Reserve for Receivables	E	397,232	569,235
Fund Balance	E-1	<u>875,305</u>	<u>697,782</u>
Total Operating Fund		<u>2,212,925</u>	<u>2,295,331</u>
CAPITAL FUND			
Serial Bonds	E-21	515,000	733,000
Encumbrances Payable	E-17	343,555	302,282
Improvement Authorizations			
Funded	E-20	171,745	217,139
Unfunded	E-20	76,285	153,995
Capital Improvement Fund	E-22	102,500	97,500
Reserve for Capital Improvements	E-23	12,500	175,000
Reserve for Amortization	E-24	12,993,095	12,569,057
Deferred Reserve for Amortization	E-25	512,368	524,868
Fund Balance	E-2	<u>41,610</u>	<u>41,610</u>
Total Capital Fund		<u>14,768,658</u>	<u>14,814,451</u>
		<u>\$ 16,981,583</u>	<u>\$ 17,109,782</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2020 and 2019 of \$226,000. (See Exhibit E-26)

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING FUND BALANCE -
REGULATORY BASIS - ELECTRIC UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	E-3	\$ 512,000	\$ 434,480
Light and Power Charges	E-3	8,763,261	8,973,979
Miscellaneous Charges and Fees	E-3	17,566	51,450
Non-Budget Revenue	E-3	78,156	133,189
Other Credits to Income			
Appropriation Reserves Lapsed	E-15	<u>436,813</u>	<u>226,573</u>
Total Income		<u>9,807,796</u>	<u>9,819,671</u>
EXPENDITURES			
Operating	E-4	8,601,519	8,671,531
Capital Improvements	E-4	55,000	105,000
Debt Service	E-4	237,754	365,920
Deferred Charges and Statutory Expenditures	E-4	<u>224,000</u>	<u>231,582</u>
Total Expenditures		<u>9,118,273</u>	<u>9,374,033</u>
Excess in Revenue		689,523	445,638
Fund Balance, January 1,	E	<u>697,782</u>	<u>686,624</u>
		1,387,305	1,132,262
Decreased by:			
Utilized as Anticipated Revenue	E-1, E-3	<u>512,000</u>	<u>434,480</u>
Balance, December 31,	E	<u>\$ 875,305</u>	<u>\$ 697,782</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE- REGULATORY BASIS
ELECTRIC UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Balance, January 1	E	\$ 41,610	\$ 5,596
Increased by:			
Funded Improvement Authorizations Cancelled	E-2	-	36,014
Balance, December 31,	E	<u>\$ 41,610</u>	<u>\$ 41,610</u>

BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
ELECTRIC UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	E-1	\$ 512,000	\$ 512,000	
Light and Power Charges	E-1,E-10	8,960,000	8,763,261	\$ (196,739)
Miscellaneous Charges and Fees	E-1,E-3	<u>47,754</u>	<u>17,566</u>	<u>(30,188)</u>
	E-4	<u>\$ 9,519,754</u>	9,292,827	<u>\$ (226,927)</u>
Non-Budget Revenue	E-1, E-3		<u>78,156</u>	
			<u>\$ 9,370,983</u>	
<u>Analysis of Realized Revenue</u>				
Miscellaneous Charges and Fees				
Dusk to Dawn Charges	E-10,E-2		<u>\$ 17,566</u>	
Non-Budget Revenue:				
Interest on Investments			\$ 7,405	
Interest on Delinquent Accounts			-	
Developer Reimbursements			26,912	
Sale of SREC			4,154	
Miscellaneous			<u>39,685</u>	
	E-3		<u>\$ 78,156</u>	
Cash Receipts	E-5		\$ 73,638	
Due from Electric Utility Capital Fund	E-14		3,467	
Due from Utility Trust Fund	F-4		<u>1,051</u>	
			<u>\$ 78,156</u>	

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
ELECTRIC UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<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	\$ 1,291,000	\$ 1,291,000	\$ 1,174,369	\$ 116,631	
Other Expenses	687,000	685,519	500,334	185,185	
Group Health Insurance	250,000	250,000	199,809	50,191	
Purchase of Electric Current	6,120,000	6,120,000	5,543,226	176,774	\$ 400,000
Franchise & Gross Receipts Taxes-Current Fund	500,000	500,000	500,000		
Payment in Lieu of Taxes - Current Fund	155,000	155,000	155,000	-	-
Total Operating	<u>9,003,000</u>	<u>9,001,519</u>	<u>8,072,738</u>	<u>528,781</u>	<u>400,000</u>
CAPITAL IMPROVEMENTS					
Capital Improvement Fund	5,000	5,000	5,000		
Capital Outlay	50,000	50,000	30,643	19,357	-
Total Capital Improvements	<u>55,000</u>	<u>55,000</u>	<u>35,643</u>	<u>19,357</u>	<u>-</u>
MUNICIPAL DEBT SERVICE -					
Payment of Bond Principal	218,000	218,000	218,000		
Interest on Bonds	19,754	21,235	19,754	-	1,481
Total Municipal Debt Service	<u>237,754</u>	<u>239,235</u>	<u>237,754</u>	<u>-</u>	<u>1,481</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures					
Contribution to					
Public Employees Retirement System	130,000	130,000	129,299	701	
Social Security System (O.A.S.I.)	93,000	93,000	81,403	11,597	
Defined Contribution Retirement Program	1,000	1,000	291	709	-
Total Deferred Charges and Statutory Expenditures	<u>224,000</u>	<u>224,000</u>	<u>210,993</u>	<u>13,007</u>	<u>-</u>
	<u>\$ 9,519,754</u>	<u>\$ 9,519,754</u>	<u>\$ 8,557,128</u>	<u>\$ 561,145</u>	<u>\$ 401,481</u>

	<u>Reference</u>	E-3	E-4	E-1	E, E-1
Cash Disbursed	E-5			\$ 8,178,478	
Encumbrances Payable	E-16			358,896	
Accrued Interest on Bonds	E-18			19,754	
				<u>\$ 8,557,128</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, 2020 AND 2019

ASSETS	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Cash	F-1	<u>\$ 907,670</u>	<u>\$ 858,886</u>
		<u>\$ 907,670</u>	<u>\$ 858,886</u>
LIABILITIES AND RESERVES			
Deposits Payable			
Water Customers	F-2	<u>\$ 558,644</u>	<u>\$ 547,896</u>
Electric Customers	F-2	<u>349,026</u>	<u>310,990</u>
Total Liabilities and Reserves		<u>\$ 907,670</u>	<u>\$ 858,886</u>

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SWIM POOL UTILITY FUND
AS OF DECEMBER 31, 2020 AND 2019

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
ASSETS			
OPERATING FUND			
Cash	G-5	\$ 212,861	\$ 383,701
Deferred Charges			
Special Emergency Authorizations	G-8	<u>205,000</u>	<u>-</u>
Total Operating Fund		<u>417,861</u>	<u>383,701</u>
CAPITAL FUND			
Cash	G-5, G-6	35,615	35,615
Fixed Capital	G-9	<u>1,221,078</u>	<u>1,178,926</u>
Total Capital Fund		<u>1,256,693</u>	<u>1,214,541</u>
		<u>\$ 1,674,554</u>	<u>\$ 1,598,242</u>

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SWIM POOL UTILITY FUND
AS OF DECEMBER 31, 2020 AND 2019
(Continued)

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	G-4,G-10	\$ 212	\$ 29
Encumbrances Payable	G-12	<u>446</u>	<u>7,643</u>
		658	7,672
Fund Balance	G-1	<u>417,203</u>	<u>376,029</u>
Total Operating Fund		<u>417,861</u>	<u>383,701</u>
CAPITAL FUND			
Capital Improvement Fund	G-11	16,000	16,000
Reserve for Amortization	G-13	1,221,078	1,178,926
Fund Balance	G-2	<u>19,615</u>	<u>19,615</u>
Total Capital Fund		<u>1,256,693</u>	<u>1,214,541</u>
		<u>\$ 1,674,554</u>	<u>\$ 1,598,242</u>

There were no Bonds and Notes Authorized But Not Issued on December 31, 2020 and 2019.

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, 2020 AND 2019

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	G-3	\$ 45,000	\$ 30,312
Membership Fees	G-3	76,460	249,880
Miscellaneous Fees	G-3	18,169	62,421
Other Credits			
Appropriation Reserves Lapsed	G-10	19	63,386
Special Emergency Authorization - COVID-19 Revenue Loss	G-8	<u>205,000</u>	<u>-</u>
 Total Income		 <u>344,648</u>	 <u>405,999</u>
 EXPENDITURES			
Operating	G-4	207,473	246,390
Capital Improvements	G-4	42,152	18,530
Debt Service	G-4	7,732	7,732
Deferred Charges and Statutory Expenditures	G-4	<u>8,849</u>	<u>7,099</u>
 Total Expenditures		 <u>258,474</u>	 <u>279,751</u>
 Excess in Revenue		 86,174	 126,248
 Fund Balance, January 1,	 G	 <u>376,029</u>	 <u>280,093</u>
		462,203	406,341
 Decreased by:			
Utilized as Anticipated Revenue	G-1, G-3	<u>45,000</u>	<u>30,312</u>
 Balance, December 31,	 G	 <u>\$ 417,203</u>	 <u>\$ 376,029</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, 2020 AND 2019

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Balance, January 1	G	\$ <u>19,615</u>	\$ <u>19,615</u>
Balance, December 31,	G	\$ <u>19,615</u>	\$ <u>19,615</u>

BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
SWIM POOL UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Utilized	G-1	\$ 45,000	\$ 45,000	
Membership Fees	G-1,G-5	240,000	76,460	\$ (163,540)
Miscellaneous	G-1,G-3	<u>60,696</u>	<u>18,169</u>	<u>(42,527)</u>
	G-4	<u>\$ 345,696</u>	<u>\$ 139,629</u>	<u>\$ (206,067)</u>

Analysis of Realized Revenue

Miscellaneous		
Guest Fees		\$ 12,835
Snack Bar Concession Fee		3,000
Interest on Deposits		1,281
Other Receipts and Fees		<u>1,053</u>
	G-3	<u>\$ 18,169</u>
Cash Receipts	G-5	\$ 18,049
Due From Swim Pool Utility Capital Fund	G-7	<u>120</u>
		<u>\$ 18,169</u>

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SWIM POOL UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<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	\$ 137,000	\$ 137,000	\$ 116,153		\$ 20,847
Other Expenses	<u>118,000</u>	<u>118,000</u>	<u>91,108</u>	<u>\$ 212</u>	<u>26,680</u>
Total Operating	<u>255,000</u>	<u>255,000</u>	<u>207,261</u>	<u>212</u>	<u>47,527</u>
CAPITAL IMPROVEMENTS					
Capital Outlay	<u>80,215</u>	<u>80,215</u>	<u>42,152</u>	<u>-</u>	<u>38,063</u>
Total Capital Improvements	<u>80,215</u>	<u>80,215</u>	<u>42,152</u>	<u>-</u>	<u>38,063</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures					
Contribution to Social Security System (O.A.S.I.)	<u>10,481</u>	<u>10,481</u>	<u>8,849</u>	<u>-</u>	<u>1,632</u>
Total Deferred Charges and Statutory Expenditures	<u>10,481</u>	<u>10,481</u>	<u>8,849</u>	<u>-</u>	<u>1,632</u>
	<u>\$ 345,696</u>	<u>\$ 345,696</u>	<u>\$ 258,262</u>	<u>\$ 212</u>	<u>\$ 87,222</u>
<u>Reference</u>	G-3	G-4	G-1	G,G-1	
	<u>Reference</u>				
Cash Disbursed	G-5		\$ 257,816		
Encumbrances Payable	G-12		<u>446</u>		
			<u>\$ 258,262</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, 2020 AND 2019**

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
ASSETS			
Cash	H-1	<u>\$ 22,486</u>	<u>\$ 25,749</u>
		<u>\$ 22,486</u>	<u>\$ 25,749</u>
LIABILITIES AND RESERVES			
Due to Current Fund	H-2		\$ 39
Reserve for Public Assistance	H-3	<u>\$ 22,486</u>	<u>25,710</u>
		<u>\$ 22,486</u>	<u>\$ 25,749</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Land and Land Improvements	\$ 15,365,203	\$ 14,623,192
Buildings and Building Improvements	5,593,227	5,593,227
Machinery and Equipment	<u>6,504,751</u>	<u>6,422,911</u>
	<u>\$ 27,463,181</u>	<u>\$ 26,639,330</u>
Investment in Fixed Assets	<u>\$ 27,463,181</u>	<u>\$ 26,639,330</u>

NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

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, 2020 AND 2019**

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, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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

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

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

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

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

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

Reclassifications – Certain reclassifications may have been made to the December 31, 2019 balances to conform to the December 31, 2020 presentation.

Financial Statements – Regulatory Basis

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

D. Measurement Focus and Basis of Accounting

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

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

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, 2020 AND 2019**

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, 2020 AND 2019**

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, 2020 AND 2019**

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 2020 and 2019 the Borough Council increased the original Current Fund budget by \$223,842 and \$232,500, respectively. The 2020 increase was attributable for an emergency appropriation of \$200,000 for legal services and costs and \$23,842 of additional aid allotted to the Borough. The 2019 increase was attributable to an emergency appropriation of \$200,000 for legal services and costs and \$32,500 of additional aid allotted to the Borough. The 2018 increase was funded by additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2019 and 2018.

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.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

A. Cash Deposits (Continued)

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, 2020 and 2019, the book value of the Borough's deposits were \$14,102,802 and \$14,867,226 and bank and brokerage firm balances of the Borough's deposits amounted to \$14,318,188 and \$15,084,728, 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>2020</u>	<u>2019</u>
Insured	<u>\$ 14,318,188</u>	<u>\$ 15,084,728</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, 2020 and 2019, none of the Borough's bank balances were exposed to custodial credit risk.

B. Investments

The Borough is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, 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.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

As of December 31, 2020 and 2019, the Borough had the following investments:

<u>2020</u>	Fair Value (<u>LOSAP Only</u>)	<u>Book Value</u>	<u>Total</u>
Investment:			
Lincoln Financial Group			
LOSAP Investment Plans (Unaudited)	\$ 2,196,671		\$ 2,196,671
Municipal Obligations	<u>-</u>	<u>\$ 200,000</u>	<u>200,000</u>
	<u>\$ 2,196,671</u>	<u>\$ 200,000</u>	<u>\$ 2,396,671</u>

<u>2019</u>			<u>Total</u>
Investment:			
Lincoln Financial Group			
LOSAP Investment Plans (Unaudited)	<u>\$ 1,987,242</u>	<u>-</u>	<u>\$ 1,987,242</u>

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial risk. As of December 31, 2020 and 2019, \$2,196,671 and \$1,987,242 of the Borough's investments was exposed to custodial credit risk as follows:

	<u>2020</u>	<u>2019</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Borough's name:		
Fair Value (LOSAP Only - Unaudited)	<u>\$ 2,196,671</u>	<u>\$ 2,196,671</u>

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

Credit Risk – State law limits investments as noted above (N.J.S.A. 40A:5-15.1 and 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, 2020 and 2019, 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 92% 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.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE

Receivables at December 31, 2020 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Electric Utility</u>	<u>Total</u>
<u>2020</u>				
Property Taxes	\$ 244,740			\$ 244,740
Utility Charges and Fees	<u>-</u>	<u>\$ 386,564</u>	<u>\$ 397,232</u>	<u>783,796</u>
	<u>\$ 244,740</u>	<u>\$ 386,564</u>	<u>\$ 397,232</u>	<u>\$ 1,028,536</u>

In 2020, the Borough collected \$828,693, \$347,511 and \$569,235 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, 2019.

Receivables at December 31, 2019 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Electric Utility</u>	<u>Total</u>
<u>2019</u>				
Property Taxes	\$ 828,696			\$ 828,696
Utility Charges and Fees	<u>-</u>	<u>\$ 347,511</u>	<u>\$ 569,235</u>	<u>916,746</u>
	<u>\$ 828,696</u>	<u>\$ 347,511</u>	<u>\$ 569,235</u>	<u>\$ 1,745,442</u>

In 2019, the Borough collected \$329,293, \$289,610 and \$522,841 from delinquent taxes, water utility and electric utility charges and fees, respectively which represented 97%, 100% and 100% of the delinquent tax, water and electric charges receivable at December 31, 2018.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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>2020</u>		<u>2019</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			\$ 25,863	
Trust Fund:				
Animal Control				\$ 3,256
Other Trust				22,568
Open Space Preservation				74,190
General Capital Fund			74,190	4,516
Water Utility:				
Operating	\$ 124,078	\$ 66,597	187,555	
Capital		124,078	4,516	119,078
Electric Utility:				
Operating	66,597			68,477
Public Assistance Fund	-	-	-	39
Total	<u>\$ 190,675</u>	<u>\$ 190,675</u>	<u>\$ 292,124</u>	<u>\$ 292,124</u>

The above balances are the result of expenditures being paid by one fund on behalf of another and/or deposits made or revenues earned in one fund which are 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, 2020 AND 2019

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>2020</u>			
Current Fund			
Emergency Authorization	\$ 200,000	\$ 200,000	
Special Emergency Authorizations (40A:4-55)	260,000		\$ 260,000
Swim Pool Utility Fund			
Special Emergency Authorizations (40A:4-55)	205,000		205,000
<u>2019</u>			
Current Fund			
Emergency Authorization	\$ 200,000	\$ 200,000	

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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:

	2020		2019	
	<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	\$ 2,454,663	\$ 1,500,000	\$ 1,715,771	\$ 1,125,000
Non-Cash Surplus	<u>263,912</u>	<u>-</u>	<u>215,936</u>	<u>-</u>
	<u>\$ 2,718,575</u>	<u>\$ 1,500,000</u>	<u>\$ 1,931,707</u>	<u>\$ 1,125,000</u>
Water Utility Operating Fund				
Cash Surplus	\$ 978,262	\$ 400,000	\$ 547,752	\$ 260,000
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 978,262</u>	<u>\$ 400,000</u>	<u>\$ 547,752</u>	<u>\$ 260,000</u>
Electric Utility Operating Fund				
Cash Surplus	\$ 875,305	\$ 704,000	\$ 697,782	\$ 512,000
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 875,305</u>	<u>\$ 704,000</u>	<u>\$ 697,782</u>	<u>\$ 512,000</u>
Swim Pool Utility Operating Fund				
Cash Surplus	\$ 212,203	\$ 82,000	\$ 376,029	\$ 45,000
Non-Cash Surplus	<u>205,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 417,203</u>	<u>\$ 82,000</u>	<u>\$ 376,029</u>	<u>\$ 45,000</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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, 2020 and 2019.

	Balance, December 31, <u>2019</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2020</u>
<u>2020</u>				
Land and Land Improvements	\$ 14,623,192	\$ 742,011		\$ 15,365,203
Buildings and Building Improvements	5,593,227			5,593,227
Machinery and Equipment	<u>6,422,911</u>	<u>81,840</u>	<u>\$ -</u>	<u>6,504,751</u>
	<u>\$ 26,639,330</u>	<u>\$ 823,851</u>	<u>\$ -</u>	<u>\$ 27,463,181</u>
	Balance, December 31, <u>2018</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2019</u>
<u>2019</u>				
Land and Land Improvements	\$ 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>\$ 308,591</u>	<u>\$ 307,982</u>	<u>6,422,911</u>
	<u>\$ 26,638,721</u>	<u>\$ 308,591</u>	<u>\$ 307,982</u>	<u>\$ 26,639,330</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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, 2020 and 2019.

<u>Water Utility Fund</u>	Balance December 31, <u>2019</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2020</u>
<u>2020</u>				
Fixed Capital				
Land and Land Rights	\$ 13,438			\$ 13,438
Structures and System Improvements	11,562,509	\$ 211,665		11,774,174
Vehicles and Equipment	3,982,189	344,516	-	4,326,705
	<u>\$ 15,558,136</u>	<u>\$ 556,181</u>	<u>\$ -</u>	<u>\$ 16,114,317</u>
	Balance December 31, <u>2018</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2019</u>
<u>2019</u>				
Fixed Capital				
Land and Land Rights	\$ 13,438			\$ 13,438
Structures and System Improvements	10,973,081	\$ 589,428		11,562,509
Vehicles and Equipment	3,982,189	-	-	3,982,189
	<u>\$ 14,968,708</u>	<u>\$ 589,428</u>	<u>\$ -</u>	<u>\$ 15,558,136</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 8 FIXED ASSETS (Continued)

B. Utility Funds Fixed Assets (Continued)

<u>Electric Utility Fund</u>	Balance December 31, <u>2019</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2020</u>
<u>2020</u>				
Fixed Capital				
Structures and System Improvements	\$ 10,347,242	\$ 202,901		\$ 10,550,143
Vehicles and Equipment	2,954,815	3,137	-	2,957,952
	<u>\$ 13,302,057</u>	<u>\$ 206,038</u>	<u>\$ -</u>	<u>\$ 13,508,095</u>
	Balance December 31, <u>2018</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2019</u>
<u>2019</u>				
Fixed Capital				
Structures and System Improvements	\$ 9,994,956	\$ 352,286	\$ -	\$ 10,347,242
Vehicles and Equipment	2,954,815	-	-	2,954,815
	<u>\$ 12,949,771</u>	<u>\$ 352,286</u>	<u>\$ -</u>	<u>\$ 13,302,057</u>
<u>Swim Pool Utility Fund</u>	Balance December 31, <u>2019</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2020</u>
<u>2020</u>				
Fixed Capital				
Land and Land Improvements	\$ 54,113			\$ 54,113
Pool Facilities and Improvements	1,049,549	\$ 12,766		1,062,315
Furniture & Equipment	75,264	29,386	-	104,650
	<u>\$ 1,178,926</u>	<u>\$ 42,152</u>	<u>\$ -</u>	<u>\$ 1,221,078</u>
	Balance December 31, <u>2018</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2019</u>
<u>2019</u>				
Fixed Capital				
Land and Land Improvements	\$ 54,113			\$ 54,113
Pool Facilities and Improvements	1,005,989	\$ 43,560		1,049,549
Furniture & Equipment	60,396	14,868	-	75,264
	<u>\$ 1,120,498</u>	<u>\$ 58,428</u>	<u>\$ -</u>	<u>\$ 1,178,926</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 9 MUNICIPAL DEBT

The Local Bond Law (NJSA 40A:2 et.seq.) governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for both general capital and utility capital fund projects and acquisitions or other purposes permitted by the Local Bond Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects and acquisitions or other purposes permitted by the Local Bond Law, must be paid off within ten years and four months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

	<u>2020</u>	<u>2019</u>
Issued		
General		
Bonds, Notes and Loans	\$ 11,342,737	\$ 12,969,329
Water Utility		
Bonds and Notes	2,226,400	2,402,700
Electric Utility		
Bonds and Notes	<u>515,000</u>	<u>733,000</u>
	14,084,137	16,105,029
Less Funds Temporarily Held to Pay Bonds, Notes and Loans	<u>21,086</u>	<u>21,086</u>
Net Debt Issued	14,063,051	16,083,943
Authorized But Not Issued		
General		
Bonds and Notes	1,317,075	525,290
Water Utility		
Bonds and Notes	1,567,700	1,567,700
Electric Utility		
Bonds and Notes	<u>226,000</u>	<u>226,000</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 17,173,826</u>	<u>\$ 18,402,933</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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 .679% and .733% at December 31, 2020 and 2019, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2020</u>			
General Debt	\$ 12,659,812	\$ 21,086	\$ 12,638,726
School Debt	6,411,466	6,411,466	-
Utility Debt	<u>4,535,100</u>	<u>4,535,100</u>	<u>-</u>
Total	<u>\$ 23,606,378</u>	<u>\$ 10,967,652</u>	<u>\$ 12,638,726</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2019</u>			
General Debt	\$ 13,494,619	\$ 21,086	\$ 13,473,533
School Debt	10,859,466	10,859,466	-
Utility Debt	<u>4,929,400</u>	<u>4,929,400</u>	<u>-</u>
Total	<u>\$ 29,283,485</u>	<u>\$ 15,809,952</u>	<u>\$ 13,473,533</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>2020</u>	<u>2019</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 65,103,900	\$ 64,365,399
Less: Net Debt	<u>12,638,726</u>	<u>13,473,533</u>
Remaining Borrowing Power	<u>\$ 52,465,174</u>	<u>\$ 50,891,866</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

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>2020</u>	<u>2019</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%	\$ 1,002,000	\$ 1,327,000
\$3,215,000, 2012 Bonds, due in annual installments of \$225,000 to \$300,000 through August 2026, interest at 2.00%	1,700,000	1,925,000
\$3,035,000, 2013 Refunding Bonds, due in annual installments of \$340,000 to \$350,000 through February 2022, interest at 4.00%	690,000	1,040,000
\$2,207,000, 2013 Bonds, due in annual installments of \$260,000 to \$280,000 through August 2023, interest at 3.00%	827,000	1,087,000
\$4,880,000, 2018 Bonds, due in annual installments of \$375,000 to \$700,000 through May 2027, interest at 2.00% to 3.00%	<u>4,155,000</u>	<u>4,530,000</u>
	<u>\$ 8,374,000</u>	<u>\$ 9,909,000</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>2020</u>	<u>2019</u>
\$500,000, 2008 Loan, due in semi - annual installments of \$14,791 to \$16,834 through July, 2026, interest at 2.00%	\$ 191,356	\$ 221,086
\$1,156,000, 2012 Loan, due in semi - annual installments of \$30,777 to \$39,079 through April, 2032, interest at 2.00%	<u>807,381</u>	<u>869,243</u>
	<u>\$ 998,737</u>	<u>\$ 1,090,329</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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>2020</u>	<u>2019</u>
\$1,250,000, 2012 Bonds, due in annual installments of \$85,000 to \$95,000 through August, 2027, interest at 2.00% to 2.20%	\$ 630,000	\$ 715,000
\$582,000, 2013 Bonds, due in annual installments of \$40,000 to \$47,000 through August, 2027, interest at 3.00% to 4.00%	312,000	352,000
\$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>690,000</u>	<u>740,000</u>
	<u>\$ 1,632,000</u>	<u>\$ 1,807,000</u>

Electric Utility

\$1,693,000, 2007 Bonds, due in final annual installment of \$168,000 through October, 2020, interest at 4.00%		\$ 168,000
\$600,000, 2018 Bonds, due in annual installments of \$50,000 to \$70,000 through May, 2028, interest at 2.00% to 3.00%	<u>\$ 515,000</u>	<u>565,000</u>
	<u>\$ 515,000</u>	<u>\$ 733,000</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

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, 2020 is as follows:

Calendar Year	<u>General</u>		<u>Water Utility</u>		<u>Electric Utility</u>		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
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	1,099,181	103,662	195,000	29,103	65,000	8,913	1,500,859
2025	1,101,174	82,720	195,000	24,190	65,000	7,125	1,475,209
2026-2030	2,091,332	74,140	612,000	48,485	205,000	9,375	3,040,332
2031-2033	116,080	2,330	75,000	1,125	-	-	194,535
	<u>\$ 9,372,737</u>	<u>\$ 857,724</u>	<u>\$ 1,632,000</u>	<u>\$ 217,098</u>	<u>\$ 515,000</u>	<u>\$ 61,338</u>	<u>\$ 12,655,897</u>

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years ended December 31, 2020 and 2019 were as follows:

	Balance, December 31, 2019	Additions	Reductions	Balance, December 31, 2020	Due Within One Year
<u>2020</u>					
<u>General Capital Fund</u>					
Bonds Payable	\$ 9,909,000		\$ 1,535,000	\$ 8,374,000	\$ 1,570,000
Intergovernmental Loans Payable	1,090,329	-	91,592	998,737	93,432
General Capital Fund Long-Term Liabilities	<u>\$ 10,999,329</u>	<u>\$ -</u>	<u>\$ 1,626,592</u>	<u>\$ 9,372,737</u>	<u>\$ 1,663,432</u>
<u>Water Capital Fund</u>					
Bonds Payable	\$ 1,807,000	-	\$ 175,000	\$ 1,632,000	\$ 180,000
Water Capital Fund Long-Term Liabilities	<u>\$ 1,807,000</u>	<u>\$ -</u>	<u>\$ 175,000</u>	<u>\$ 1,632,000</u>	<u>\$ 180,000</u>
<u>Electric Capital Fund</u>					
Bonds Payable	\$ 733,000	-	\$ 218,000	\$ 515,000	\$ 60,000
Electric Capital Fund Long-Term Liabilities	<u>\$ 733,000</u>	<u>\$ -</u>	<u>\$ 218,000</u>	<u>\$ 515,000</u>	<u>\$ 60,000</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt (Continued)

	Balance, December 31, <u>2018</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2019</u>	Due Within One Year
<u>2019</u>					
<u>General Capital Fund</u>					
Bonds Payable	\$ 11,384,000		\$ 1,475,000	\$ 9,909,000	\$ 1,535,000
Intergovernmental Loans Payable	<u>1,180,117</u>	<u>-</u>	<u>89,788</u>	<u>1,090,329</u>	<u>91,592</u>
General Capital Fund Long-Term Liabilities	<u>\$ 12,564,117</u>	<u>\$ -</u>	<u>\$ 1,564,788</u>	<u>\$ 10,999,329</u>	<u>\$ 1,626,592</u>
<u>Water Capital Fund</u>					
Bonds Payable	\$ 1,977,000	\$ -	\$ 170,000	\$ 1,807,000	\$ 175,000
Water Capital Fund Long-Term Liabilities	<u>\$ 1,977,000</u>	<u>\$ -</u>	<u>\$ 170,000</u>	<u>\$ 1,807,000</u>	<u>\$ 175,000</u>
<u>Electric Capital Fund</u>					
Bonds Payable	\$ 1,068,000	\$ -	\$ 335,000	\$ 733,000	\$ 218,000
Electric Capital Fund Long-Term Liabilities	<u>\$ 1,068,000</u>	<u>\$ -</u>	<u>\$ 335,000</u>	<u>\$ 733,000</u>	<u>\$ 218,000</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2020 and 2019 was as follows:

Bond Anticipation Notes

<u>Purpose</u>	<u>Rate</u> <u>(%)</u>	<u>Maturity</u> <u>Date</u>	Balance December 31, <u>2019</u>	Renewed/ <u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31, <u>2020</u>
<u>2020</u>						
<u>General Capital Fund</u>						
Acq of New Additional or Replace Equip. Road, Curb, Drainage and Sidewalk	1.19%	4/30/2021	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000
Improvement Program	1.19%	4/30/2021	800,000	800,000	800,000	800,000
Replacement of Turf Field at Memorial Field	1.19%	4/30/2021	<u>820,000</u>	<u>820,000</u>	<u>820,000</u>	<u>820,000</u>
Total General Capital Fund			<u>\$ 1,970,000</u>	<u>\$ 1,970,000</u>	<u>\$ 1,970,000</u>	<u>\$ 1,970,000</u>

Water Utility Capital Fund

Installation of New Well and Pumping Station	1.19%	4/30/2021	\$ 97,400	\$ 96,100	\$ 97,400	\$ 96,100
Replacement of Water Main - Glen Road	1.19%	4/30/2021	<u>498,300</u>	<u>498,300</u>	<u>498,300</u>	<u>498,300</u>
Total Water Utility Capital Fund			<u>\$ 595,700</u>	<u>\$ 594,400</u>	<u>\$ 595,700</u>	<u>\$ 594,400</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

Bond Anticipation Notes

<u>Purpose</u>	<u>Rate</u> <u>(%)</u>	<u>Maturity</u> <u>Date</u>	Balance December 31, <u>2018</u>	<u>Renewed/</u> <u>Issued</u>	<u>Retired/</u> <u>Redeemed</u>	Balance, December 31, <u>2019</u>
<u>2019</u>						
<u>General Capital Fund</u>						
Acq of New Additional or Replace Equip. Road, Curb, Drainage and Sidewalk	2.75%	5/1/2020		\$ 350,000		\$ 350,000
Improvement Program	2.75%	5/1/2020		800,000		800,000
Replacement of Turf Field at Memorial Field	2.75%	5/1/2020	-	820,000	-	820,000
Total General Capital Fund			<u>\$ -</u>	<u>\$ 1,970,000</u>	<u>\$ -</u>	<u>\$ 1,970,000</u>

Water Utility Capital Fund

Installation of New Well and Pumping Station	2.75%	5/1/2020	\$ 98,700	\$ 97,400	\$ 98,700	\$ 97,400
Replacement of Water Main - Glen Road	2.75%	5/1/2020	<u>498,300</u>	<u>498,300</u>	<u>498,300</u>	<u>498,300</u>
Total Water Utility Capital Fund			<u>\$ 597,000</u>	<u>\$ 595,700</u>	<u>\$ 597,000</u>	<u>\$ 595,700</u>

Swim Pool Utility Capital Fund

Installation of Slide and Volleyball Court at Municipal Pool			<u>\$ 13,000</u>	<u>\$ -</u>	<u>\$ 13,000</u>	<u>\$ -</u>
Total Swim Pool Utility Capital Fund			<u>\$ 13,000</u>	<u>\$ -</u>	<u>\$ 13,000</u>	<u>\$ -</u>

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

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.

In addition to the debt shown in the above schedule, municipalities may issue debt to finance emergency appropriations. This debt which is not included in the Borough's statutory debt limit calculation is reported in the Current Fund for the year 2020 as follows:

Emergency Notes

Any local unit may borrow money and issue its negotiable notes to meet an emergency appropriation. All emergency notes, and any renewals thereof, shall mature not later than the last day of the fiscal year following the fiscal year in which the notes were issued and the emergency appropriation authorized.

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance, December 31, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, December 31, 2020</u>
<u>2020</u>						
<u>Current Fund</u>						
Legal Services and Costs-COAH	1.00%	4/1/2021	\$ -	\$ 200,000	\$ -	\$ 200,000
Total			\$ -	\$ 200,000	\$ -	\$ 200,000

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/Acquisition</u>
<u>2020</u>		
Electric Bucket Truck	\$230,027	2021
Water Well No. 21 Building Design	114,533	2021
Acquisition of Vacuum Circuit Breakers & Equipment	77,708	2021
Acquisition of Police Vehicles	79,854	2021
Acquisition of Water Meters -	68,010	2022
<u>2019</u>		
Various Road Improvement Projects	\$375,902	2020
Generators for Water Wells and Pump Stations	330,278	2020
Electric Bucket Truck	230,027	2021

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 11 OTHER LONG-TERM LIABILITIES

A. Compensated Absences

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

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$219,402 and \$227,799 at December 31, 2020 and 2019, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2020 and 2019, 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, 2020 and 2019 were as follows:

	Balance, January 1 <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2020</u>	Due Within <u>One Year</u>
<u>2020</u>					
Compensated Absences	\$ 227,799		\$ 8,397	\$ 219,402	\$ 25,000
Net Pension Liability - PERS	9,360,074	\$ 173,020	599,306	8,933,788	
Net Pension Liability - PFRS	8,571,908	1,466,791	798,871	9,239,828	
Net OPEB Liability	40,167,459	3,979,701	940,673	43,206,487	-
Total	<u>\$ 58,327,240</u>	<u>\$ 5,619,512</u>	<u>\$ 2,347,247</u>	<u>\$ 61,599,505</u>	<u>\$ 25,000</u>
	Balance, January 1 <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2019</u>	Due Within <u>One Year</u>
<u>2019</u>					
Compensated Absences	\$ 228,167		\$ 368	\$ 227,799	\$ 25,000
Net Pension Liability - PERS	10,713,835		1,353,761	9,360,074	
Net Pension Liability - PFRS	9,221,519	\$ 57,915	707,526	8,571,908	
Net OPEB Liability	35,740,109	5,391,454	964,104	40,167,459	-
Total	<u>\$ 55,903,630</u>	<u>\$ 5,449,369</u>	<u>\$ 3,025,759</u>	<u>\$ 58,327,240</u>	<u>\$ 25,000</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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, 2020 AND 2019**

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, 2020 AND 2019**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Investment Valuation

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

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

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2020 and 2019 is \$16.4 billion and \$18.1 billion, respectively, and the plan fiduciary net position as a percentage of the total pension liability is 58.32% and 56.27%, respectively. The collective net pension liability of the participating employers for local PFRS at June 30, 2020 and 2019 is \$14.9 billion and \$14.2 billion, respectively and the plan fiduciary net position as a percentage of total pension liability is 63.52% and 65.00%, respectively.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2019 and 2018 which were rolled forward to June 30, 2020 and 2019, respectively.

Actuarial Methods and Assumptions

In the July 1, 2019 and 2018 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 2020 and 2019 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee's annual compensation.

For the years ended December 31, 2020 and 2019 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 2020, 2019 and 2018 were equal to the required contributions.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions (Contributions)

During the years ended December 31, 2020, 2019 and 2018, 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>
2020	\$ 707,526	\$ 505,296	\$ 1,507
2019	666,245	541,243	753
2018	577,066	490,732	15,291

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

In addition for the years ended December 31, 2020, 2019 and 2018 the Borough contributed for long-term disability insurance premiums (LTDI) \$1,729, \$2,593 and \$7,178, 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, 2020 and 2019. Employer allocation percentages have been rounded for presentation purposes.

Public Employees Retirement System (PERS)

At December 31, 2020 and 2019, the Borough reported a liability of \$8,933,788 and \$9,360,074, respectively, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020 and 2019, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 and 2018, respectively. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2020, the Borough's proportionate share was .05478 percent, which was an increase of .00283 percent from its proportionate share measured as of June 30, 2019 of .05195 percent.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

For the years ended December 31, 2020 and 2019, the pension system has determined the Borough's pension expense to be \$531,559 and \$730,405, respectively, for PERS based on the actuarial valuations which are more than the actual contribution reported in the Borough's financial statements of \$505,296 and \$541,243, respectively. At December 31, 2020 and 2019, 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>2020</u>		<u>2019</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	\$ 162,670	\$ 31,594	\$ 168,001	\$ 41,349
Changes of Assumptions	289,822	3,740,662	934,638	3,248,852
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	305,364			147,752
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	922,754	400,389	807,905	606,085
Total	<u>\$ 1,680,610</u>	<u>\$ 4,172,645</u>	<u>\$ 1,910,544</u>	<u>\$ 4,044,038</u>

At December 31, 2020 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense (benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2021	\$ (902,055)
2022	(845,331)
2023	(546,396)
2024	(162,403)
2025	<u>(35,850)</u>
	<u>\$ (2,492,035)</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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, 2020 was based on the June 30, 2020 measurement date as determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The total pension liability reported for the year ended December 31, 2019 was based on the June 30, 2019 measurement date as determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<u>PERS</u>	<u>2020 and 2019</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2020 and 2019.

The actuarial assumptions used in the July 1, 2019 and 2018 valuations were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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, 2020 and 2019, as reported for the years ended December 31, 2020 and 2019, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>2020</u>		<u>2019</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	3.00%	3.40%	3.00%	4.67%
Cash Equivalents	4.00%	0.50%	5.00%	2.00%
U.S. Treasuries	5.00%	1.94%	5.00%	2.68%
Investment Grade Credit	8.00%	2.67%	10.00%	4.25%
US Equity	27.00%	7.71%	28.00%	8.26%
Non-US Developed Markets Equity	13.50%	8.57%	12.50%	9.00%
Emerging Markets Equity	5.50%	10.23%	6.50%	11.37%
High Yield	2.00%	5.95%	2.00%	5.37%
Real Assets	3.00%	9.73%	2.50%	9.31%
Private Credit	8.00%	7.59%	6.00%	7.92%
Real Estate	8.00%	9.56%	7.50%	8.33%
Private Equity	13.00%	11.42%	12.00%	10.85%

Discount Rate

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

<u>Calendar Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2020	7.00%
2019	June 30, 2019	6.28%

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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>2020</u>	<u>2019</u>
Period of Projected Benefit Payments for which the Following Rates were Applied:		
Long-Term Expected Rate of Return	All Periods	Through June 30, 2057
Municipal Bond Rate *	Not Applicable	From July 1, 2057 and Thereafter

* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. 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, 2020 and 2019 calculated using the discount rate of 7.00% and 6.28%, 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 6.00% and 5.28%, respectively or 1-percentage-point higher 8.00% and 7.28%, respectively than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
<u>2020</u>			
Borough's Proportionate Share of the PERS Net Pension Liability	<u>\$ 11,246,149</u>	<u>\$ 8,933,788</u>	<u>\$ 6,971,687</u>
	<u>1% Decrease (5.28%)</u>	<u>Current Discount Rate (6.28%)</u>	<u>1% Increase (7.28%)</u>
<u>2019</u>			
Borough's Proportionate Share of the PERS Net Pension Liability	<u>\$ 11,823,294</u>	<u>\$ 9,360,074</u>	<u>\$ 7,284,462</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2020 and 2019. 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, 2020 AND 2019

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, 2020 and 2019, the Borough reported a liability of \$9,239,828 and \$8,571,908, respectively, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2020 and 2019, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 and 2018, respectively. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2020, the Borough's proportionate share was .07151 percent, which was an increase of .00147 percent from its proportionate share measured as of June 30, 2019 of .07004 percent.

For the years ended December 31, 2020 and 2019, the pension system has determined the Borough pension expense to be \$750,439 and \$1,051,896, respectively, for PFRS based on the actuarial valuations which are less than the actual contribution reported in the Borough's financial statements of \$707,526 and \$666,245, respectively. At December 31, 2020 and 2019, 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:

	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 93,153	\$ 33,161	\$ 72,358	\$ 54,270
Changes of Assumptions	23,252	2,477,143	293,720	2,770,362
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	541,774			116,147
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	908,325	105,314	1,096,127	286,892
Total	\$ 1,566,504	\$ 2,615,618	\$ 1,462,205	\$ 3,227,671

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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, 2020 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense (benefit) as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2021	\$ (555,610)
2022	(290,696)
2023	(136,284)
2024	(19,080)
2025	<u>(47,444)</u>
	<u>\$ (1,049,114)</u>

Actuarial Assumptions

The Borough's total pension liability reported for the year ended December 31, 2020 was based on the June 30, 2020 measurement date as determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The total pension liability reported for the year ended December 31, 2019 was based on the June 30, 2019 measurement date as determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

2020 and 2019

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through	All Future Years 3.25%-15.25% Based on Years of Service
Thereafter	Not Applicable
Investment Rate of Return	7.00%
Mortality Rate Table	Pub - 2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2020 and 2019.

The actuarial assumptions used in the July 1, 2019 and 2018 valuations were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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, 2020 and 2019, as reported for the years ended December 31, 2020 and 2019, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>2020</u>		<u>2019</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	3.00%	3.40%	3.00%	4.67%
Cash Equivalents	4.00%	0.50%	5.00%	2.00%
U.S. Treasuries	5.00%	1.94%	5.00%	2.68%
Investment Grade Credit	8.00%	2.67%	10.00%	4.25%
US Equity	27.00%	7.71%	28.00%	8.26%
Non-US Developed Markets Equity	13.50%	8.57%	12.50%	9.00%
Emerging Markets Equity	5.50%	10.23%	6.50%	11.37%
High Yield	2.00%	5.95%	2.00%	5.37%
Real Assets	3.00%	9.73%	2.50%	9.31%
Private Credit	8.00%	7.59%	6.00%	7.92%
Real Estate	8.00%	9.56%	7.50%	8.33%
Private Equity	13.00%	11.42%	12.00%	10.85%

Discount Rate

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

<u>Calendar Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2020	7.00%
2019	June 30, 2019	6.85%

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

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>2020</u>	<u>2019</u>
Period of Projected Benefit Payments for which the Following Rates were Applied:		
Long-Term Expected Rate of Return	All Periods	Through June 30, 2076
Municipal Bond Rate *	Not Applicable	From July 1, 2076 and Thereafter

* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. 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, 2020 and 2019 calculated using the discount rate of 7.00% and 6.85%, 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 6.00% and 5.85%, respectively or 1-percentage-point higher 8.00% and 7.85%, respectively than the current rate:

<u>2020</u>	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Borough's Proportionate Share of the PFRS Net Pension Liability	\$ 12,287,069	\$ 9,239,828	\$ 6,708,861
<u>2019</u>	<u>1% Decrease (5.85%)</u>	<u>Current Discount Rate (6.85%)</u>	<u>1% Increase (7.85%)</u>
Borough's Proportionate Share of the PFRS Net Pension Liability	\$ 11,586,096	\$ 8,571,908	\$ 6,077,233

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2020 and 2019. 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, 2020 AND 2019**

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, 2020 and 2019, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,433,979 and \$1,353,521, respectively. For the years ended December 31, 2020 and 2019, 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 \$162,513 and \$157,268, respectively, which are more than the actual contributions the State made on behalf of the Borough of \$110,344 and \$91,199, respectively. At December 31, 2020 (measurement date June 30, 2020) the State's share of the PFRS net pension liability attributable to the Borough was .07151 percent, which was an increase of .00147 percent from its proportionate share measured as of December 31, 2019 (measurement date June 30, 2019) of .07004 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, 2020 AND 2019

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS

Borough Administered Post-Retirement Health Benefits Program

Plan Description

The Borough provides a post employment healthcare plan for its eligible retirees and their dependents. Effective June 1, 2017 the Borough changed from the State Health Benefit Program to a private plan. The plan is a single-employer defined benefit healthcare plan administered by the Bergen Municipal Employees Benefit Fund (BMED) for the Borough. In accordance with Borough employment contracts and personnel policies, the Borough can amend the benefit terms and financing requirements of the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No.75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Benefits Provided

The Borough provides postretirement healthcare insurance benefits for retirees and their dependents who meet certain eligibility requirements at the time of retirement at the same cost to the retiree as there would be, if any, if they remained an employee. Coverage for a retiree's surviving spouse and/or dependents are eligible for subsidized coverage upon the death of the retiree. Police who have at least twenty-five (25) years of service credit in PFRS with at least fifteen (15) years of that service in Park Ridge hired on or before June 1, 1992, and twenty (20) years of that service in Park Ridge hired subsequent to June 1, 1992 and prior to January 1, 2013 at the time of retirement are eligible for employer provided post-retirement health coverage. Park Ridge Utility Employees Association members who qualify for service retirement as defined by PERS hired prior to January 1, 2013 and who have a minimum of fifteen (15) years of continuous service with the Borough of Park Ridge at the time of retirement are eligible for employee provided post-retirement health coverage. All other employees hired prior to January 1, 2013 who retire and reach the age of 62 years or older with at least fifteen (15) years of service with the Borough at the time of retirement are eligible for employer provided post-retirement health coverage. Employees hired on or after January 1, 2013 are not eligible to receive post-retirement health coverage after leaving service with the Borough.

Employees Covered by Postemployment Benefits

At December 31, 2020 and 2019, the following employees were covered by postemployment health care benefits:

	<u>2020</u>	<u>2019</u>
Active Employees	68	60
Inactive Employees or Beneficiaries Currently Receiving Benefits	<u>87</u>	<u>82</u>
	<u>155</u>	<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, 2020 AND 2019

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Borough Administered Post-Retirement Health Benefits Program (Continued)

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

At December 31, 2020 and 2019, the Borough's total OPEB liabilities were \$43,206,487 and \$40,167,459, respectively. Net OPEB liability was measured as of December 31, 2020 and 2019, respectively, and the OPEB liability was determined by an actuarial valuation as of these dates, respectively.

For the year ended December 31, 2020 and 2019, the Borough has determined it's OPEB expense to be \$1,876,359 and \$2,143,747, respectively, based on the actuarial valuations which were more than the actual contributions reported in the Borough's financial statements of \$940,673 and \$964,104, respectively. At December 31, 2020 and 2019, the Borough's deferred outflows of resources or deferred inflows and resources related to the OPEB plan which are not reported on the Borough's financial statements are from the following sources:

	<u>2020</u>		<u>2019</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				
Changes of Assumptions	\$ 5,351,048		\$ 3,247,706	
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	\$ -	-	\$ -
Total	<u>\$ 5,351,048</u>	<u>\$ -</u>	<u>\$ 3,247,706</u>	<u>\$ -</u>

At December 31, 2020 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2021	\$ 516,526
2022	516,526
2023	516,526
2024	516,526
2025	516,526
Thereafter	<u>2,768,418</u>
	<u>\$ 5,351,048</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

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)

Borough Administered Post-Retirement Health Benefits Program (Continued)

Actuarial Assumptions

The Borough's total OPEB liability reported for the year ended December 31, 2020 was based on the December 31, 2020 measurement date as determined by an actuarial valuation as of December 31, 2020. The total OPEB liability reported for the year ended December 31, 2019 was based on the December 31, 2019 measurement date as determined by an actuarial valuation as of December 31, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

December 31, 2020

<i>Mortality</i>	<i>RP 2000 Combined Healthy Male Mortality Rates Set Forward One Year and Adjusted for Generational Improvement</i>
<i>Turnover</i>	<i>NJ State Pensions Ultimate Withdrawal Rates – prior to benefits eligibility</i>
<i>Assumed Retirement Age</i>	<i>At first eligibility after the completion of both 15 years of service and age 62, or 25 years of service if earlier.</i>
<i>Full Attribution Period</i>	<i>Service to Assumed Retirement Age</i>
<i>Annual Discount Rate</i>	<i>2.12% Based on the Bond Buyer 20 Index December 31, 2020</i>
<i>CPI Increase</i>	<i>2.5%</i>
<i>Rate of Salary Increase</i>	<i>2.5%</i>
<i>Medical Trend</i>	<i>Medical: 5.6% in 2020, reducing by 0.1% per annum, leveling at 5% per annum in 2026 Drug: 9.0% in 2020, reducing by 0.5% per annum to 2022 and 1.0% per annum thereafter, leveling at 5% per annum in 2026</i>
<i>Medical Cost Aging Factor</i>	<i>NJ SHBP Medical Morbidity Rates</i>

- **Attribution Period** – The attribution period begins with the date of hire and ends with the full benefits eligibility date.
- **Per Capita Cost Methods** – The valuation reflects per capita net premium costs based on actual 2020 medical premiums and the plan option selected. The age specific cost was derived based on per person costs at the average age of the active population (47) and scaled to each age based on the medical cost aging factors. At age 65, Medicare 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 increased annually by the rate of medical trend.
- **Actuarial Valuation Method** – Entry Age Normal Funding Method based on a level percentage of salary. 2020 salaries were reported as \$6.283 million.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

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)

Borough Administered Post-Retirement Health Benefits Program (Continued)

Actuarial Assumptions (Continued)

December 31, 2019

<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>2.74% Based on the Bond Buyer 20 Index December 31, 2019</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: 5.7% in 2019, reducing by 0.1% per annum, leveling at 5% per annum in 2026 Drug: 9.5% in 2019, 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>

- 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 2019 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 (48) and scaled to each age based on the medical cost aging factors. At age 65, Medicare becomes the primary payor of medical benefits and 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 \$5.566 million.

The actuarial assumptions used in the December 31, 2020 and 2019 valuation were based on the results of an actuarial experience study as of December 31, 2020 and 2019, respectively.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Borough Administered Post-Retirement Health Benefits Program (Continued)

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

Changes in the Total OPEB Liability

The change in the Borough's OPEB liability for the years ended December 31, 2020 and 2019 based on measurement date of December 31, 2020 and 2019, respectively, are as follows:

	Total OPEB Liability 2020	Total OPEB Liability 2019
Balance - Beginning of Year	\$ 40,167,459	\$ 35,740,109
Changes for the Year:		
Service Cost	\$ 264,874	\$ 403,611
Interest on the Total OPEB Liability	1,094,959	1,462,128
Changes of Benefit Terms		
Differences Between Expected and Actual Experience		
Changes in Assumptions	2,619,868	3,525,715
Benefit Payments	(940,673)	(964,104)
Net Changes	3,039,028	4,427,350
Balance - End of Year	\$ 43,206,487	\$ 40,167,459

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Borough's net OPEB liability as of December 31, 2020 and 2019 calculated using the discount rate of 2.12% and 2.74%, 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 1.12% and 1.74%, respectively or 1-percentage-point higher 3.12% and 3.74%, respectively than the current rate:

	1% Decrease (1.12%)	Current Discount Rate (2.12%)	1% Increase (3.12%)
<u>2020</u>			
Net OPEB Liability	\$ 46,998,443	\$ 43,206,487	\$ 40,018,028
	1% Decrease (1.74%)	Current Discount Rate (2.74%)	1% Increase (3.74%)
<u>2019</u>			
Net OPEB Liability	\$ 43,676,208	\$ 40,167,459	\$ 37,248,983

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

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)**

Borough Administered Post-Retirement Health Benefits Program (Continued)

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

The following presents the Borough's net OPEB liability as of December 31, 2020 and 2019 calculated using the healthcare trend rates as disclosed above as well as what the Borough's net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
<u>2020</u>			
Net OPEB Liability	<u>\$ 39,662,601</u>	<u>\$ 43,206,487</u>	<u>\$ 47,439,369</u>
	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
<u>2019</u>			
Net OPEB Liability	<u>\$ 36,859,254</u>	<u>\$ 40,167,459</u>	<u>\$ 44,146,507</u>

State Administered Post-Retirement Health Benefits Program

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

Plan Description and Benefits Provided

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

State Health Benefit Program Fund – Local Government Retired (the Plan) (including Prescription Drug Program Fund) – The Plan is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. 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>.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

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

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

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

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

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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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, 2020 was not available and for 2019 is \$13.5 billion and the plan fiduciary net position as a percentage of the total OPEB liability is 1.98% at June 2019.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2018 which was rolled forward to June 30, 2019.

Actuarial Methods and Assumptions

In the June 30, 2018 OPEB actuarial valuation, the actuarial assumptions and methods used in this valuation were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contribution

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

The employers participating in the OPEB plan made contributions of \$346.4 million and the State of New Jersey, as the non-employer contributing entity, contributed \$43.9 million for fiscal years 2019.

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

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

Under GASB Statement No. 75 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB 75 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2020 for the measurement date of June 30, 2020 was not available as of the date of audit. Accordingly, the State's Division of Local Government Services issued Local Finance Notice 2021-10 which authorizes and permits New Jersey municipalities to present the most recent available audited GASB 75 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB 75 financial information for the year ended December 31, 2020 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal year ended June 30, 2019. 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 of periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989. The amounts contributed on behalf of the Borough by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Accordingly, the Borough's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 75 is zero percent and the State's proportionate share is 100% of OPEB under this legislation.

At December 31, 2019, the State's proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$3,892,372. For the years ended December 31, 2019 the plan has determined the State's proportionate share of the OPEB expense attributable to the Borough for the OPEB special funding situation is \$51,594. At December 31, 2019, (measurement date June 30, 2019), the State's share of the OPEB liability attributable to the Borough was .07044 percent, which was an increase of .00006 percent from its proportionate share measured as of December 31, 2018 (measurement date June 30, 2018) of .07038 percent. The State's proportionate share attributable to the Borough was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Special Funding Situation (Continued)

Actuarial Assumptions

The State's total OPEB liability attributable to the Borough reported for the year ended December 31, 2019 was based on the June 30, 2019 measurement date as determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2019</u>
Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
PFRS:	
Initial Fiscal Year Applied Through	Rate for All Future Years
Rate	3.25% to 15.25%
Rate Thereafter	Not Applicable
Mortality	
PERS	Pub-2010 General Classification Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2019.
PFRS	Pub-2010 Safety Classification Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2019.
Long-Term Rate of Return	2.00%

*Salary increases are based on the defined benefit pension plan that the member is enrolled in and for 2019 the members years of service.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

For the June 30, 2019 measurement date healthcare cost trend rates pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.

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

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

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 2.00% as of June 30, 2019.

Discount Rate

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

<u>Calendar Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2019	3.50%

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, 2020 AND 2019

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</u> <u>December 31</u>	<u>Borough</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2020	NONE	\$ 9,035	\$ 11,624	\$ 95,030
2019	NONE	8,447	14,971	97,277
2018	NONE	9,173	8,220	101,909

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

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, 2020 and 2019. 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, 2020 and 2019, the Borough reserved \$530,393 and \$421,356, 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, 2020 and 2019, 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, 2020 and 2019, 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.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

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

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

The Borough of Park Ridge has contributed \$1,705 and \$1,539 for 2020 and 2019, respectively, for each eligible volunteer fire department member into the Plan. The Borough also contributed a one-third (1/3) share of \$1,705 and \$1,539 for 2020 and 2019, for each eligible volunteer Tri-Boro Ambulance Corp member into the Plan. In addition, the Boroughs of Montvale and Woodcliff Lake also contributed one-third (1/3) share each of \$1,705 and \$1,539 for 2020 and 2019, respectively, for each Tri-Boro Ambulance Corp. member into the plan. The total Borough contributions were \$51,719 and \$46,157 for 2020 and 2019, respectively. The total contributions from the Boroughs of Montvale and Woodcliff Lake were \$21,596 and \$24,616 for 2020 and 2019, 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, 2020 and 2019, 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).

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 18 TAX ABATEMENTS (Continued)

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, 2019 and 2018 the Borough abated property taxes totaling \$120,428 and \$117,053, respectively, under the NJHMFA program. The Borough received \$12,421 and \$9,638 in PILOT payments under this program for the years ended December 31, 2020 and 2019, respectively.

NOTE 19 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, which was first discovered in China and has since spread to other countries, including the United States (and to the Borough) (the “COVID-19 Pandemic”). On March 13, 2020, the President of the United States declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy, of the State of New Jersey, also instituted mandatory measures via various executive orders to contain the spread of the virus, including closing schools and nonessential businesses and limiting social gatherings. These measures, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey’s economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the Governor’s pandemic-related executive orders in early July. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) will terminate on January 1, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place. Recently, the United States Congress has passed relief and stimulus legislation including the American Rescue Plan Act signed into law by President Biden on March 12, 2021, comprising of \$1.9 trillion in funding to address the COVID-19 Pandemic. This legislation is intended to address the financial impact of the pandemic on the U.S. economy and alleviate the health effects of the COVID-19 pandemic. It is too early to predict if the legislation will have its intended affect.

In compliance with the Governor’s executive orders, the Borough has instituted necessary precautions and procedures, so as to allow the Borough to continue to provide services during this time. The Borough is functioning administratively, and its departments continue to operate both remotely and on-site, where safe and practicable. The Borough will continue to collect property taxes and other municipal revenues. Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Borough cannot predict how the outbreak will impact the financial condition or operations of the Borough, or if there will be any impact on the assessed values of property within the Borough or deferral of tax payments to municipalities. The Borough cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease. At this time, it is not possible to predict any future financial impacts as a result of this pandemic on the Borough’s operations; however, such amounts, if any, could be material.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 20 SUBSEQUENT EVENTS

Debt Authorized

On February 9, 2021 and August 26, 2021 the Borough adopted bond ordinances authorizing the issuance of \$640,000 and \$1,127,500, respectively, in Bonds or bond anticipation notes to fund certain general capital projects and acquisitions. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

Bond Anticipation Notes

On April 30, 2021 the Borough issued bond anticipation notes in the amount of \$4,056,700 to temporarily finance expenditures related to various general and water utility capital projects and acquisitions. The Borough awarded the sale of said notes to TD Securities, New York, New York at an interest rate of 1.00%. These notes dated April 30, 2021 will mature on April 29, 2022.

CURRENT FUND

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

Balance, December 31, 2019		\$ 3,797,779
Increased by:		
Non-Budget Revenue	\$ 400,518	
Taxes Receivable	46,887,284	
Revenue Accounts Receivable	2,630,369	
NJ Senior Citizen and Veteran's Deductions	61,053	
Grants Receivable	39,854	
Prepaid Taxes	374,130	
Tax Overpayments	62,075	
Fees Payable	15,864	
Emergency Note Payable	200,000	
Receipts from Animal Control Trust Fund	8,557	
Receipts from Other Trust Fund	22,568	
Receipts from General Capital Fund	62,062	
Receipts from Public Assistance Fund	119	
	<u>50,764,453</u>	
		54,562,232
Decreased by Disbursements:		
2020 Budget Appropriations	14,113,284	
2019 Appropriation Reserves	258,307	
Petty Cash	750	
Encumbrances Payable	242,658	
County Taxes Payable	4,631,960	
Local District School Tax Payable	30,777,130	
Tax Overpayments	62,075	
Payments to Open Space Preservation Trust Fund	112,157	
Fees Payable	21,369	
Other Accounts Receivable	687	
Reserve for Appropriated Grants	2,457	
Reserve for Tax Appeals	15,963	
Payments to General Capital Fund	5,716	
	<u>50,244,513</u>	
Balance, December 31, 2020		\$ <u>4,317,719</u>

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

Balance, December 31, 2019	<u>\$ 275</u>
Balance, December 31, 2020	<u>\$ 275</u>
<u>Analysis of Balance</u>	
Tax Office	<u>\$ 275</u>

STATEMENT OF PETTY CASH FUNDS

Increased by:	
Disbursements to Treasurer	<u>\$ 750</u>
Balance, December 31, 2020	<u>\$ 750</u>

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

Balance, December 31, 2019	\$ 3,583
Increased by:	
Senior Citizens' Deductions per Tax Duplicate 2020	\$ 5,000
Veterans' Deductions per Tax Duplicate 2020	55,750
Senior Citizens/Veterans Deductions Allowed by Tax Collector - 2020	<u>250</u>
	<u>61,000</u>
	64,583
Decreased by:	
Receipts from State of New Jersey	<u>61,053</u>
Balance, December 31, 2020	<u>\$ 3,530</u>

BOROUGH OF PARK RIDGE
STATEMENT OF GRANT RECEIVABLES

	Balance, December 31, <u>2019</u>	Accrued in <u>2020</u>	<u>Received</u>	<u>Cancelled</u>	Balance, December 31, <u>2020</u>
Mun. Alliance on Alc. and Drug Abuse	\$ 9,876			\$ 9,876	
Bulletproof Vest Partnership Grant	382				\$ 382
Bergen County Forfeiture Grant		\$ 11,417	\$ 11,417		
Clean Communities Program		17,660	17,660		
Drunk Driving Enforcement Fund		6,182	6,182		
Body Armor Grant	2,095		2,095		
JIF Safety Award	-	2,500	2,500	-	-
	<u>\$ 12,353</u>	<u>\$ 37,759</u>	<u>\$ 39,854</u>	<u>\$ 9,876</u>	<u>\$ 382</u>
2019 Appropriation Reserves					<u>\$ 9,876</u>

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

<u>Year</u>	Balance, December 31, <u>2019</u>	2020 <u>Levy</u>	<u>Cash Collections</u>		Senior Citizens' and Veterans' Deductions <u>Allowed</u>	Tax Overpayments <u>Applied</u>	Remitted, Abated or <u>Cancelled</u>	Balance, December 31, <u>2020</u>
			<u>2019</u>	<u>2020</u>				
2019	\$ 828,696			\$ 828,693				\$ 3
2020	-	\$ 46,881,615	\$ 461,648	46,058,591	\$ 61,000	\$ 294	\$ 55,345	244,737
	<u>\$ 828,696</u>	<u>\$ 46,881,615</u>	<u>\$ 461,648</u>	<u>\$ 46,887,284</u>	<u>\$ 61,000</u>	<u>\$ 294</u>	<u>\$ 55,345</u>	<u>\$ 244,740</u>

Analysis of 2020 Property Tax Levy

TAX YIELD

General Purpose Tax	\$ 46,847,211
Added and Omitted Taxes (54:4-63.10 et seq.)	<u>34,404</u>
	<u>\$ 46,881,615</u>

TAX LEVY

Local District School Taxes	\$ 30,766,131
County Taxes - General	\$ 4,426,730
County Open Space Preservation Tax	187,689
Due County for Added and Omitted Taxes (54:4-63.10 et seq.)	<u>3,388</u>
	4,617,807
Municipal Open Space Tax	112,075
Municipal Open Space Tax-Added Taxes	<u>82</u>
	112,157
Local Tax for Municipal Purposes	10,725,748
Minimum Library Tax	623,934
Add Additional Tax Levied	<u>35,838</u>
	<u>11,385,520</u>
	<u>\$ 46,881,615</u>

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

Balance, December 31, 2019	<u>\$ 100,650</u>
----------------------------	-------------------

Balance, December 31, 2020	<u><u>\$ 100,650</u></u>
----------------------------	--------------------------

BOROUGH OF PARK RIDGE
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, December 31, <u>2019</u>	Accrued in <u>2020</u>	Collected in <u>2020</u>	Balance, December 31, <u>2020</u>
Borough Clerk				
Licenses				
Alcoholic Beverages	\$	19,315	\$	19,315
Fire Code Department				
Fees and Permits		42,297	42,297	
Health Officer and Registrar				
Fees and Permits		18,408	18,408	
Municipal Court				
Fines and Costs		32,661	32,661	
Interest and Cost on Taxes		201,642	201,642	
Interest on Investments		29,397	29,397	
Insurance Fund Dividends		25,205	25,205	
Hotel Tax		108,422	108,422	
Recycling Program		12,325	12,325	
Cable Television Franchise Fee		143,052	143,052	
Water Utility Rental Fees		105,000	105,000	
Electric Utility Rental Fees		30,000	30,000	
Pistol Range Fee		28,500	28,500	
Tri-Boro Safety Corps		64,197	64,197	
Consolidated Municipal Property Tax Relief Aid		16,161	16,161	
Energy Receipts Tax		366,437	366,437	
Watershed Moratorium Offset Aid		1,598	1,598	
Uniform Construction Code Fees		388,535	388,535	
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		14,369	14,369	
Library Reimbursements		61,000	61,000	
Excess Sewer User Fees	\$ 19,612	63,497	77,007	\$ 6,102
Sprint Cell Tower Rent		96,328	96,328	
General Capital Fund Balance (Surplus)	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
	<u>\$ 19,612</u>	<u>\$ 2,673,346</u>	<u>\$ 2,686,856</u>	<u>\$ 6,102</u>
Cash Receipts			\$ 2,630,369	
Due from Animal Control Trust Fund			61	
Due from General Capital Fund			56,346	
Due from Public Assistance Fund			<u>80</u>	
			<u>\$ 2,686,856</u>	

EXHIBIT A-12

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

Increased by:

Cash Disbursements

\$ 687

Balance, December 31, 2020

\$ 687

EXHIBIT A-13

STATEMENT OF DEFERRED CHARGES

	Balance, December 31, <u>2019</u>	Amount Resulting from 2020	Amount Raised in <u>2020</u>	Balance, December 31, <u>2020</u>
Emergency Authorization	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>

EXHIBIT A-14

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>	Amount Resulting from 2020	Balance, December 31, <u>2020</u>
12/8/2020	COVID-19 Revenue Loss	\$ 260,000	\$ 52,000	\$ 260,000	\$ 260,000
				<u>\$ 260,000</u>	<u>\$ 260,000</u>

BOROUGH OF PARK RIDGE
STATEMENT OF 2019 APPROPRIATION RESERVES

	Balance, December 31, <u>2019</u>	Encumbrance Payable <u>Cancelled</u>	Balance After <u>Modification</u>	<u>Expended</u>	Balance <u>Lapsed</u>
Salaries and Wages					
General Administration	\$ 224		\$ 224	\$ 3	\$ 221
Municipal Clerk	1,822		1,822		1,822
Financial Administration	188		188		188
Revenue Administration	10,425		10,425		10,425
Tax Assessment Administration	650		650	42	608
Planning Board	997		997		997
Zoning Board Adjustment	519		519		519
Zoning Officer	1,133		1,133		1,133
Housing Task Force	480		480		480
Uniform Construction Code	1,273		1,273		1,273
Police	60,563		60,563	1,552	59,011
Police Reserve	2,300		2,300		2,300
Tri-Borough Ambulance	20,000		20,000	20,000	
Emergency Management Services	37		37		37
Fire	275		275		275
Fire Prevention/Uniform Fire Code	6,041		6,041		6,041
Road Repairs and Maintenance	30,587		30,587	325	30,262
Sewer System	6,286		6,286		6,286
Public Buildings & Grounds	2,663		2,663	354	2,309
Maintenance of Vehicles	1,810		1,810		1,810
Board of Health	9,245		9,245		9,245
Public Assistance	311		311		311
Recreation	1,872		1,872		1,872
Senior Citizen	5,236		5,236		5,236
Park Ridge Television	367	-	367	-	367
Total Salaries & Wages	165,304	-	165,304	22,276	143,028
Other Expenses					
General Administration	\$ 1,440	\$ 45	1,485		1,485
Municipal Clerk	7,322		7,322	2,645	4,677
Mayor and Council	4,215		4,215	698	3,517
Financial Administration	6,482		6,482	6,145	337
Audit Services	-	24,149	24,149		24,149
Revenue Administration	272		272	206	66
Tax Assessment Administration					
Other Expenses	3,379	1,750	5,129		5,129
Legal Services & Costs	-	65,049	65,049		65,049
Engineering Services & Costs	7,259		7,259		7,259
Planning Board	3,589		3,589	498	3,091
Zoning Board of Adjustment	4,879		4,879	230	4,649
Zoning Officer	1,289	25	1,314		1,314
Housing Task Force	500		500	150	350
Uniform Construction Code	2,557	281	2,838		2,838
Insurance					
General Liability	5,014		5,014		5,014
Group Insurance for Employees	208,274		208,274	148,479	59,795
Group Insurance Waiver for Employees	9,940		9,940		9,940
Tri-Boro Ambulance	727		727		727
Police	8,702	2,610	11,312		11,312
Police Reserve	5,170		5,170	776	4,394
Pistol Range	5,449	2,968	8,417		8,417

**BOROUGH OF PARK RIDGE
STATEMENT OF 2019 APPROPRIATION RESERVES**

	Balance, December 31, 2019	Encumbrance Payable Cancelled	Balance After Modification	Expended	Balance Lapsed
Emergency Management Services	\$ 43		\$ 43		\$ 43
Fire	3,455	\$ 1,277	4,732		4,732
Fire Hydrant Services	64		64		64
TriBoro Safety Corps	979		979	\$ 865	114
Fire Prevention/Uniform Fire Codes	324		324	224	100
Municipal Court	15,441	1,664	17,105		17,105
Road Repairs and Maintenance	11,450	3,220	14,670		14,670
Solid Waste Collection - Sanitation	1,776		1,776		1,776
Solid Waste Collection - Recycling	18,352		18,352	717	17,635
Public Buildings & Grounds	3,679	1,444	5,123		5,123
Maintenance of Vehicles	1,431	5,021	6,452		6,452
Board of Health	7,874	8	7,882		7,882
Public Assistance	1,300		1,300		1,300
Contribution to Social Service Agencies	9,000		9,000	9,000	
Municipal Services Act	9,477		9,477	9,477	
Park Ridge Television	73		73		73
Recreation	3,004		3,004	1,316	1,688
Electric	14,432		14,432	5,732	8,700
Telephone/Communication	3,711		3,711	40	3,671
Water	4,927		4,427	539	3,888
Gas and Oil	1,200		1,700	1,611	89
Gasoline	3,089		3,089	3,089	
Sewer System					
Other Expenses	1,889		1,889		1,889
Shade Tree	11,708		11,708	9	11,699
Landfill/Solid Waste Disposal Costs					
Dumping Fees	22,863	14,754	37,617		37,617
Recycling Tax	11,000		11,000	10,767	233
Social Security System	8,679		8,679		8,679
Deferred Contribution Retirement Plan	9,257		9,257		9,257
Public Employees Retirement System	16,603		16,603		16,603
Bergen County Utilities Authority-Sewer Fees	4,010		4,010		4,010
Celebration of Public Events	1,540		1,540		1,540
Fire Department LOSAP		20,768	20,768		20,768
Tri-Borough Ambulance LOSAP		7,692	7,692		7,692
Municipal Alliance	9,876		9,876	-	9,876
Body Armor Fund Grant	4,324		4,324	4,324	
Bulletproof Vest Partnership Program	382		382	382	
Clean Communities Grant	19,586		19,586	19,586	
Alcohol and Rehabilitation Fund	161		161	161	
Mini Grant - Bergen County	400		400	400	
Recycling Tonnage Grant - Reserve	13,509		13,509	13,509	
JIF Safety Award Grant	151	-	151	151	-
Total Other Expenses	537,478	152,725	690,203	241,726	448,477
Total	\$ 702,782	\$ 152,725	\$ 855,507	\$ 264,002	\$ 591,505
Cash Disbursements				\$ 258,307	
Transferred to Appropriated Grant Reserves				5,695	
Lapsed to Operations					\$ 581,629
Cancelled to Grants Receivable				-	9,876
				\$ 264,002	\$ 591,505

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

Balance, December 31, 2019		\$ 410,210
Increased by:		
Charges to 2020 Budget Appropriations	\$ 264,055	
Charges to Appropriated Grant Reserves	<u>3,232</u>	
		<u>267,287</u>
		677,497
Decreased by:		
Payments	242,658	
Cancellations Restored to Appropriation Reserves	152,725	
Transferred to Accounts Payable	<u>14,827</u>	
		<u>410,210</u>
Balance, December 31, 2020		<u>\$ 267,287</u>

EXHIBIT A-17

STATEMENT OF ACCOUNTS PAYABLE

Increased by:		
Transferred from Encumbrances Payable		<u>\$ 14,827</u>
Balance, December 31, 2020		<u>\$ 14,827</u>

EXHIBIT A-18

STATEMENT OF TAX OVERPAYMENTS

Balance, December 31, 2019		\$ 294
Increased by:		
Overpayments in 2020		<u>62,075</u>
		62,369
Decreased by:		
Overpayments Refunded	\$ 294	
Refunds Applied to 2020 Taxes Receivable	<u>62,075</u>	
		<u>62,369</u>

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

Balance, December 31, 2019	\$ 461,648
Increased by:	
Collection of 2021 Taxes	<u>374,130</u>
	835,778
Decreased by:	
Applied to 2020 Taxes Receivable	<u>461,648</u>
Balance, December 31, 2020	<u>\$ 374,130</u>

STATEMENT OF COUNTY TAXES PAYABLE

Balance, December 31, 2019	\$ 17,541
Increased by:	
2020 Levy	
General County	\$ 4,426,730
County Open Space Preservation	187,689
Added and Omitted Taxes (RS 54:4-63.1 et seq.)	<u>3,388</u>
	<u>4,617,807</u>
	4,635,348
Decreased by:	
Payments	<u>4,631,960</u>
Balance, December 31, 2020	<u>\$ 3,388</u>

STATEMENT OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Balance, December 31, 2019	\$ 10,999
Increased by:	
2020 Calendar Year Levy	<u>30,766,131</u>
	30,777,130
Decreased by:	
Payments	<u>30,777,130</u>

**BOROUGH OF PARK RIDGE
MUNICIPAL OPEN SPACE TAXES PAYABLE**

Increased by:

2020 Levy	\$ 112,075	
Added and Omitted Taxes (RS 54:4-63.1 et seq.)	<u>82</u>	
		112,157

Decreased by:

Payments to Open Space Preservation Trust Fund	\$ <u>112,157</u>	
------------------------------------------------	-------------------	--

EXHIBIT A-23

STATEMENT OF EMERGENCY NOTE

<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Increased</u>	Balance December 31, <u>2020</u>
COAH Legal Costs	12/1/2020	4/1/2021	1.00%	\$ <u>200,000</u>	\$ <u>200,000</u>
		Issued for Cash		\$ <u>200,000</u>	

EXHIBIT A-24

STATEMENT OF FEES PAYABLE

	Balance, December 31 <u>2019</u>	Fees <u>Collected</u>	<u>Payments</u>	Cancelled to <u>Operations</u>	Balance, December 31, <u>2020</u>
Due State of New Jersey					
Marriage License Fees	\$ 2,831	\$ 528	\$ 550	\$ 2,559	\$ 250
State Construction Fees	<u>15,459</u>	<u>15,336</u>	<u>20,819</u>	<u>6,454</u>	<u>3,522</u>
	<u>\$ 18,290</u>	<u>\$ 15,864</u>	<u>\$ 21,369</u>	<u>\$ 9,013</u>	<u>\$ 3,772</u>

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

Balance, December 31, 2019	\$ 421,356
Increased by:	
Transferred from 2020 Tax Collections	<u>125,000</u>
	546,356
Decreased by:	
Tax Judgments Refunded	<u>15,963</u>
Balance, December 31, 2020	<u>\$ 530,393</u>

STATEMENT OF MISCELLANEOUS RESERVES

	Balance, December 31, <u>2019</u>	Cancelled to <u>Operations</u>	Balance, December 31, <u>2020</u>
Planning Consultant	<u>\$ 6,250</u>	<u>\$ 6,250</u>	<u>\$ -</u>
	<u>\$ 6,250</u>	<u>\$ 6,250</u>	<u>\$ -</u>

BOROUGH OF PARK RIDGE
STATEMENT OF RESERVE FOR APPROPRIATED GRANTS

	Balance, December 31, <u>2019</u>	Transferred from 2019 Appropriation <u>Reserves</u>	Paid or Charged	Balance, December 31, <u>2020</u>
Occupant Protection Grant	\$ 4,402			\$ 4,402
Clean Communities Grant	1,865	\$ 277	\$ 1,865	277
Alcohol Education and Rehab.-DWI Court	3,243	161		3,404
Domestic Violence Grant	2,178			2,178
Federal Forestry Grant	3,000			3,000
Body Armor Replacement Fund	2,967	4,324	3,232	4,059
Bulletproof Vest Partnership Grant		382		382
Municipal Alliance on Alcoholism & Drug Abuse	1,378		592	786
Bergen County Green Team Grant	26			26
JIF Safety Grant		151		151
Bergen County Mini Grant	<u>300</u>	<u>400</u>	<u>-</u>	<u>700</u>
	<u>\$ 19,359</u>	<u>\$ 5,695</u>	<u>\$ 5,689</u>	<u>\$ 19,365</u>
Cash Disbursements			\$ 2,457	
Encumbrances Payable			<u>3,232</u>	
			<u>\$ 5,689</u>	

EXHIBIT A-28

STATEMENT OF RESERVE FOR GRANTS - UNAPPROPRIATED

	Balance, December 31, <u>2019</u>	Realized in 2020 <u>Budget</u>	Balance, December 31, <u>2020</u>
Recycling Tonnage Grant	\$ 13,554	\$ 13,554	\$ -
	<u>\$ 13,554</u>	<u>\$ 13,554</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, 2019	\$ 17,145	\$ 1,442,818	\$ 103,524	\$ 322,632	\$ 400,997
Increased by Receipts:					
Developers Escrow		\$ 203,036			
Receipts from Current Fund				\$ 112,157	
Receipts from General Capital Fund				34,991	
Receipts for General Capital Fund		16			
Unemployment - Employee Contributions			\$ 9,035		
Payroll Deposits		10,211,863			
Due to State of NJ - Registration Fees	\$ 614				
Dog License Fees	4,983				
Cat License Fees	205				
Police Outside Duty Receivable		461,435			
Miscellaneous Reserves and Deposits		191,951			
Interest on Deposits	61		342	1,023	\$ 1,355
Developers Fees	-	-	-	-	12,043
	<u>5,863</u>	<u>11,068,301</u>	<u>9,377</u>	<u>148,171</u>	<u>13,398</u>
	23,008	12,511,119	112,901	470,803	414,395
Decreased by Disbursements:					
Developers Escrow		224,168			
Payroll Payments		10,201,980			
Payments to Current Fund	8,557	22,568			
Payments to General Capital Fund				74,190	
Payments to Unemployment Insurance Trust Fund					
Dog License Fees Paid to State of NJ	624				
Reserve for Animal Control Expenditures	1,172				
Due to State - Unemployment Claims			12,912		
Miscellaneous Reserves and Deposits		605,962			
Reserve for Open Space Expenditures				21,794	
Reserve for Affordable Housing Expenditures	-	-	-	-	2,763
	<u>10,353</u>	<u>11,054,678</u>	<u>12,912</u>	<u>95,984</u>	<u>2,763</u>
Balance, December 31, 2020	<u>\$ 12,655</u>	<u>\$ 1,456,441</u>	<u>\$ 99,989</u>	<u>\$ 374,819</u>	<u>\$ 411,632</u>

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

Balance, December 31, 2019	\$ 164
Increased by:	
State Fees Collected	<u>614</u>
	778
Decreased by:	
Payments to State	<u>624</u>
Balance, December 31, 2020	<u>\$ 154</u>

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

Balance, December 31, 2019	\$ 3,256
Increased by:	
Interest on Deposits	\$ 61
Statutory Excess in Reserve	<u>5,240</u>
	<u>5,301</u>
	8,557
Decreased by:	
Payments to Current Fund	<u>8,557</u>

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

Balance, December 31, 2019	\$ 13,725
Increased by:	
Dog License Fees	\$ 4,983
Cat License Fees	<u>205</u>
	<u>5,188</u>
	18,913
Decreased by:	
Disbursements for Expenditures Under R.S. 4:19-15.11:	1,172
Statutory Excess Due to Current Fund	<u>5,240</u>
	<u>6,412</u>
Balance, December 31, 2020	<u>\$ 12,501</u>

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

Increased by:		
2020 Levy	\$	112,075
Added and Omitted Taxes		<u>82</u>
	\$	112,157
Decreased by:		
Receipts from Current Fund	\$	<u>112,157</u>

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

Balance, December 31, 2019	\$	6,247
Increased by:		
Unemployment Claims		<u>11,624</u>
		17,871
Decreased by:		
Payments to State		<u>12,912</u>
Balance, December 31, 2020	\$	<u>4,959</u>

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

Balance, December 31, 2019	\$	97,277
Increased by:		
Employee Contributions	\$	9,035
Interest on Deposits		<u>342</u>
		<u>9,377</u>
		106,654
Decrease by:		
Unemployment Claims Due to State		<u>11,624</u>
Balance, December 31, 2020	\$	<u>95,030</u>

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

Balance, December 31, 2019		\$ 248,442
Increased by:		
Municipal Open Space Tax Levy	\$ 112,075	
Municipal Open Space Added Taxes	<u>82</u>	
	\$ 112,157	
Funded General Capital Improvement Authorization Cancelled - Ord 19-02	34,991	
Interest on Deposits	<u>1,023</u>	
		<u>148,171</u>
		396,613
Decreased by:		
Disbursements for Open Space Expenditures		<u>21,794</u>
Balance, December 31, 2020		<u>\$ 374,819</u>

EXHIBIT B-11

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

Balance, December 31, 2019		\$ 400,997
Increased by:		
Developers Fees	\$ 12,043	
Interest on Deposits	<u>1,355</u>	
		<u>13,398</u>
		414,395
Decreased by:		
Disbursements for Affordable Housing Expenditures		<u>2,763</u>
Balance, December 31, 2020		<u>\$ 411,632</u>

EXHIBIT B-12

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

Balance, December 31, 2019		\$ 18,245
Increased by:		
Police Outside Duty Billings		<u>446,942</u>
		465,187
Decreased by:		
Cash Receipts		<u>461,435</u>
Balance, December 31, 2020		<u>\$ 3,752</u>

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

Balance, December 31, 2019	\$ 650,356
Increased by:	
Cash Receipts	<u>203,036</u>
	853,392
Decreased by:	
Balance, December 31, 2020	<u>\$ 629,224</u>

EXHIBIT B-14

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

Balance, December 31, 2019	\$ 22,641
Decreased by:	
Payroll Disbursements	<u>10,201,980</u>
Payments Made for Current Fund	
Balance, December 31, 2020	<u>\$ 32,524</u>

EXHIBIT B-15

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

Balance, December 31, 2019	\$ 22,568
Decreased by:	
Payments to Current Fund	<u>22,568</u>

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

	Balance, December 31, <u>2019</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2020</u>
Fire Prevention Penalty Fees	\$ 2,512	\$ 621		\$ 3,133
DARE Donations	25,308	5,400	\$ 10,631	20,077
Recreation Fees	119,617	15,098	22,807	111,908
Tax Sale Premiums	382,172	99,100	145,872	335,400
Fuel Depot Fees (Community Resale)	33,570	49,364	52,194	30,740
Open Bail Account	2,432			2,432
UCC Penalties	1,585			1,585
Outside Police Duty Fees	15,908	461,435	367,341	110,002
Storm Recovery Reserve	65,000			65,000
Accumulated Absences Reserve	50,048			50,048
Recreation Fees - Golden Age Club	3,305	2,514	798	5,021
Miscellaneous Fees and Deposits	<u>45,796</u>	<u>19,870</u>	<u>6,319</u>	<u>59,347</u>
	<u>\$ 747,253</u>	<u>\$ 653,402</u>	<u>\$ 605,962</u>	<u>\$ 794,693</u>
Cash Receipts		\$ 191,951		
Due from General Capital Fund		16		
Police Outside Duty Receivable-Collections		461,435		
Cash Disbursements		<u>-</u>	<u>\$ 605,962</u>	
		<u>\$ 653,402</u>	<u>\$ 605,962</u>	

Analysis of Miscellaneous Fees and Deposits - December 31, 2020

Recreation Fees - Mayor's Golf Outing	\$ 20,200
Park Ridge TV Donations	110
Borough 125th Anniversary Donations	13,581
DARE Donations - Junior Police Academy	24,995
Other Deposits	<u>461</u>
	<u>\$ 59,347</u>

GENERAL CAPITAL

BOROUGH OF PARK RIDGE
STATEMENT OF GENERAL CAPITAL CASH AND INVESTMENTS

Balance, December 31, 2019		\$ 2,131,368
Increased by Receipts:		
Grants Receivable	\$ 60,498	
Reserve for Community Center	298,000	
2020 Budget Appropriations - Capital Improvement Fund	56,700	
Interest Earned	6,346	
Receipts from Current Fund	5,716	
Receipts from Open Space Preservation Trust Fund	<u>74,190</u>	
		<u>501,450</u>
		2,632,818
Decreased by Disbursements:		
Improvement Authorizations	757,970	
Contracts Payable	601,849	
Reserve for Preliminary Expenses	31,455	
Payments to Current Fund	62,062	
Payments to Other Trust Fund	16	
Payments to Open Space Preservation Trust Fund	34,991	
Payments to Water Utility Capital Fund	<u>4,516</u>	
		<u>1,492,859</u>
Balance, December 31, 2020		<u>\$ 1,139,959</u>

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

	Balance, December 31, <u>2020</u>
Fund Balance	\$ 53,951
Capital Improvement Fund	19,988
Reserve for Community Center	488,675
Reserve for Sewer Improvements	208,260
Reserve for Payment of Debt	100
Encumbrances Payable	410,423
Grants Receivable	(343,998)
Excess Note Proceeds	20,986

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	59,986
16-11	Various Improvements and Acq. Of Equipment	41,415
16-15	Various Improvements and Acq. Of Equipment	175,670
17-02	Various Improvements and Acquisition of Equipment	29,335
17-10	Various Capital Improvements and Acquisitions	3,547
18-10	Refurbishment of the Police Pistol Range	(8,369)
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
19-08	2019 Road, Curb, Drainage and Sidewalk Program	94,820
19-09	Improvements to Turf Field at Memorial Field	6,570
19-10	2019 Road, Curb, Drainage and Sidewalk Program	(18,875)
19-15	Acquisition of New Additional or Replacement Equip	(123,464)
19-24	Various Capital Improvements and Acquisitions	1,052
20-04	Various Equipment Purchases	5,999
20-05	2020 Road, Curb, Drainage and Sidewalk Improvements	34,562
20-06	Acquisition of New Additional or Replacement Equipment	(161,521)
		<u>\$ 1,139,959</u>

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

Ord. No.	Agency	Balance, December 31, 2019	2020 Awards	Cash Receipts	Cancelled	December 31, 2020	Balance Pledged To:	
							Improvement Authorization	Reserve
16-11	DEP - Woodcliff Lake Reservoir Walkway	\$ 24,000				\$ 24,000		\$ 24,000
16-15	DOT - Mill Road Improvements	17,269				17,269	\$ 17,269	
16-15	DOT - Park Avenue Improvements	220,000				220,000	220,000	
19-09	County of Bergen Open Space - Memorial Field Turf		\$ 81,656			81,656		81,656
19-10	County of Bergen - 2019 Road Repaving	83,500		\$ 60,498	\$ 23,002			
19-10	DOT - Quackenbush to Pascack Improvements	106,729				106,729	106,729	
20-05	DOT - 2020 Road Program	-	215,000	-	-	215,000	-	215,000
		<u>\$ 451,498</u>	<u>\$ 296,656</u>	<u>\$ 60,498</u>	<u>\$ 23,002</u>	<u>\$ 664,654</u>	<u>\$ 343,998</u>	<u>\$ 320,656</u>
	Reserve for Grants Receivable		<u>\$ 296,656</u>					
				Improvement Authorizations	<u>\$ 23,002</u>			

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

Increased by:	
Payments to Current Fund	\$ 62,062
Decreased by:	
Interest Earned	\$ 6,346
Anticipated Revenue - General Capital Fund Balance	50,000
Receipts from Current Fund	<u>5,716</u>
	<u>\$ 62,062</u>

STATEMENT OF DUE FROM OPEN SPACE PRESERVATION TRUST FUND

Balance, December 31, 2019	\$ 74,190
Increased by:	
Payments to Open Space Preservation Trust Fund	<u>34,991</u>
	109,181
Decreased by:	
Receipts from Open Space Preservation Trust Fund	\$ 74,190
Funded Improvement Authorizations Cancelled - Ord 19-02	<u>34,991</u>
	<u>109,181</u>

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2019	\$ 10,999,329
Decreased by:	
2020 Budget Appropriations	
General Serial Bonds	\$ 1,535,000
Green Trust Loan	<u>91,592</u>
	<u>1,626,592</u>
Balance, December 31, 2020	<u>\$ 9,372,737</u>

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

		Analysis of Balance December 31, 2020					
Ord. No.	Improvement Description	Balance, December 31, 2019	2020 Authori- zations	Improvement Authorizations Cancelled	Balance, December 31, 2020	Financed by Bond Anticipation Notes	Unexpended Improvement Authorizations
18-09	Acquisition of Equipment	\$ 329,014			\$ 329,014	\$ 329,014	
18-10	Refurbishment of the Police Pistol Range	9,072		\$ 703	8,369		\$ 8,369
18-12	Acquisition of an SUV for Police Department	38,000		3,194	34,806		34,806
18-14	Acquisition of a Hydraulic Lift Trailer	14,200			14,200		14,200
18-16	Repair of the 55 Park Avenue Bridge	157,703			157,703		\$ 157,703
19-08	2019 Road, Curb, Drainage and Sidewalk Program	803,700			803,700	800,000	3,700
19-09	Improvements to Turf Field at Memorial Field	824,600			824,600	820,000	4,600
19-10	2019 Road, Curb, Drainage and Sidewalk Program	159,315		68,435	90,880		72,005
19-15	Acquisition of New Additional or Replacement Equip	138,700		15,236	123,464		123,464
20-05	2020 Road, Curb, Drainage and Sidewalk Improvements		\$ 665,000		665,000		665,000
20-06	Acquisition of New Additional or Replacement Equipment	-	214,353	-	214,353	-	52,832
		<u>\$ 2,474,304</u>	<u>\$ 879,353</u>	<u>\$ 87,568</u>	<u>\$ 3,266,089</u>	<u>\$ 1,949,014</u>	<u>\$ 955,840</u>
						\$ 1,970,000	
						20,986	
						<u>\$ 1,949,014</u>	
						Improvement Authorizations - Unfunded	\$ 1,057,230
						Less: Unexpended Proceeds of Bond Anticipation Notes:	
						Ord. 19-08	94,820
						Ord. 19-09	<u>6,570</u>
							<u>\$ 955,840</u>

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

Balance, December 31, 2019		\$ 642,144
Increased by:		
Charges to Improvement Authorizations	\$ 382,553	
Charges to Preliminary Expenses	<u>27,870</u>	
		<u>410,423</u>
		1,052,567
Decreased by:		
Cash Disbursements	\$ 601,849	
Cancellations Restored to Improvement Authorizations	<u>40,295</u>	
		<u>642,144</u>
Balance, December 31, 2020		<u>\$ 410,423</u>

EXHIBIT C-10

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2019	\$ 9,569
Increased by:	
2020 Budget Appropriation	<u>56,700</u>
	66,269
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>46,281</u>
Balance, December 31, 2020	<u>\$ 19,988</u>

BOROUGH OF PARK RIDGE
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance Amount	Balance, December 31, 2019		2020 Authorizations			Contracts Payable Canceled	Paid or Charged	Authorizations Canceled	Balance, December 31, 2020	
			Funded	Unfunded	Deferred Charges Unfunded	Fund Balance	Capital Improvement Fund				Funded	Unfunded
07-7A-08-8F	Repairs of Mill Pond Dam	\$ 1,293,800	\$ 48,977								\$ 48,977	
07-7B	Engineering & Design for Dredging Mill Pond	200,000	59,986								59,986	
15-01	Various Improvements & Acquisition of Equip.	1,300,000	98							\$ 98		
15-10	Various Improvements & Acquisition of Equip.	20,000	7,029							7,029		
16-11	Various Improvements and Acq. Of Equipment	253,737	41,415								41,415	
16-15	Various Improvements and Acq. Of Equipment	461,567	179,670							4,000	175,670	
17-02	Various Improvements and Acq. Of Equipment	1,324,400	66,557					\$ 37,222			29,335	
17-10	Various Capital Improvements and Acquisitions	82,881	19,969					828		15,594	3,547	
18-10	Refurbishment of the Police Pistol Range	68,000		\$ 703						703		
18-12	Acquisition of an SUV for Police Department	40,000		3,194						3,194		
18-16	Repair of the 55 Park Avenue Bridge	325,000	140,876	157,703							140,876	\$ 157,703
19-02	Sulak Lane Basketball Court Improvements	195,000	36,307						1,316	34,991		
19-04	Park Ave ADA Curb Cut Improvements	42,000	35,350						35,350			
19-08	2019 Road, Curb, Drainage and Sidewalk Program	846,000		59,294				\$ 39,226				98,520
19-09	Improvements to Turf Field at Memorial Field	868,000		741,766					730,596			11,170
19-10	2019 Road, Curb, Drainage and Sidewalk Program	540,000	91,914	159,315					87,787	91,437		72,005
19-15	Acquisition of New Additional or Replacement Equip	146,000		15,207				29		15,236		
19-18	Acquisition of an SUV for Police Department	58,000						1,040		1,040		
19-24	Various Capital Improvements and Acquisitions	171,200	54,248						44,104	9,092	1,052	
19-28	Borough Hall Improvements	20,000	1,195						426	769		
20-04	Various Equipment Purchases	35,653				\$ 35,653			29,654		5,999	
20-05	2020 Road, Curb, Drainage and Sidewalk Improvements	700,000			\$ 665,000		\$ 35,000		438		34,562	665,000
20-06	Acquisition of New Additional or Replacement Equipment	225,634	-	-	214,353	-	11,281	-	172,802	-	-	52,832
			<u>\$ 783,591</u>	<u>\$ 1,137,182</u>	<u>\$ 879,353</u>	<u>\$ 35,653</u>	<u>\$ 46,281</u>	<u>\$ 40,295</u>	<u>\$ 1,140,523</u>	<u>\$ 183,183</u>	<u>\$ 541,419</u>	<u>\$ 1,057,230</u>
					Cash Disbursed				\$ 757,970			
					Contracts Payable				382,553			
					Deferred Charges Unfunded					\$ 87,568		
					Due to Open Space Trust Fund					34,991		
					Due to Other Trust Fund					16		
					Grants Receivable					23,002		
					Fund Balance				-	37,606		
									<u>\$ 1,140,523</u>	<u>\$ 183,183</u>		

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

<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, 2019</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2020</u>
18-09	Acquisition of New Additional or Replacement Equipment	5/1/2019	5/1/2019 5/1/2020	5/1/2020 4/30/2021	2.75 % 1.19	\$ 350,000		\$ 350,000	\$ 350,000	\$ 350,000
19-08	2019 Road, Curb, Drainage and Sidewalk Imprvt Program	5/1/2019	5/1/2019 5/1/2020	5/1/2020 4/30/2021	2.75 1.19	800,000		800,000	800,000	800,000
19-09	Replacement and Expansion of Turf at Memorial Field	5/1/2019	5/1/2019 5/1/2020	5/1/2020 4/30/2021	2.75 1.19	820,000 -		820,000 -	820,000 -	820,000
						<u>\$ 1,970,000</u>	<u>\$ 1,970,000</u>	<u>\$ 1,970,000</u>	<u>\$ 1,970,000</u>	
Renewals							<u>\$ 1,970,000</u>	<u>\$ 1,970,000</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, 2020</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2019</u>	<u>Decreased</u>	<u>Balance, December 31, 2020</u>
			<u>Date</u>	<u>Amount</u>				
General Improvements	10/15/2007	\$ 4,827,000	2021	\$ 325,000	3.875 %			
			2022	350,000	3.875			
			2023	327,000	4.000	\$ 1,327,000	\$ 325,000	\$ 1,002,000
General Improvements	8/15/2012	3,215,000	2021-2022	250,000	2.000			
			2023-2026	300,000	2.000	1,925,000	225,000	1,700,000
General Refunding	2/15/2013	3,035,000	2021	350,000	4.000			
			2022	340,000	4.000	1,040,000	350,000	690,000
General Improvements	8/15/2013	2,207,000	2021	270,000	3.000			
			2022	280,000	3.000			
			2023	277,000	3.000	1,087,000	260,000	827,000
General Improvements	5/15/2018	4,880,000	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	<u>4,530,000</u>	<u>375,000</u>	<u>4,155,000</u>
						<u>\$ 9,909,000</u>	<u>\$ 1,535,000</u>	<u>\$ 8,374,000</u>
Paid by Budget Appropriation							<u>\$ 1,535,000</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 2020</u>		<u>Interest Rate</u>		<u>Balance, December 31, 2019</u>	<u>Decreased</u>	<u>Balance, December 31, 2020</u>
			<u>Date</u>	<u>Amount</u>					
Memorial Field Improvements	10/20/2008	\$ 500,000	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				
							\$ 221,086	\$ 29,730	\$ 191,356
Mill Pond Dam Improvements	7/9/2012	1,156,000	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				
							869,243	61,862	807,381
							<u>\$ 1,090,329</u>	<u>\$ 91,592</u>	<u>\$ 998,737</u>
Paid by Budget Appropriation								<u>\$ 91,592</u>	

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

Increased by:

Funded Improvement Authorization Cancelled - Ord 19-24	\$ 16
UCC Fire Prevention Penalties	

Decreased by:

Payments to Other Trust Fund	<u>16</u>
------------------------------	-----------

EXHIBIT C-16

STATEMENT OF RESERVE FOR PRELIMINARY EXPENSES

<u>Purpose</u>	<u>Transfer from Reserve for Community Center</u>	<u>Paid or Charged</u>	<u>Balance December 31, 2020</u>
Community Center Project	<u>\$ 59,325</u>	<u>\$ 59,325</u>	<u>\$ -</u>
	Cash Disbursements	\$ 31,455	
	Encumbrances Payable	<u>27,870</u>	
		<u>\$ 59,325</u>	

EXHIBIT C-17

STATEMENT OF RESERVE FOR COMMUNITY CENTER

Balance, December 31, 2019	\$ 250,000
Increased by:	
Redevelopers Contribution Received	<u>298,000</u>
	548,000
Decreased by:	
Transfer to Preliminary Expenses	<u>59,325</u>
Balance, December 31, 2020	<u>\$ 488,675</u>

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

Balance, December 31, 2019	<u>\$ 208,260</u>
Balance, December 31, 2020	<u>\$ 208,260</u>

STATEMENT OF RESERVE FOR PAYMENT OF DEBT

Balance, December 31, 2019	<u>\$ 100</u>
Balance, December 31, 2020	<u>\$ 100</u>

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

Ord. No.	Description	Balance December 31, 2019	2020 Authorizations	Improvement Authorizations Cancelled	Balance December 31, 2020
18-10	Refurbishment of the Police Pistol Range	\$ 9,072		\$ 703	\$ 8,369
18-12	Acquisition of an SUV for Police Depart.	38,000		3,194	34,806
18-14	Acquisition of a Hydraulic Lift Trailer	14,200			14,200
18-16	Repair of the 55 Park Avenue Bridge	157,703			157,703
19-08	2019 Road, Curb, Drainage and Sidewalk Imprvts	3,700			3,700
19-09	Improvements to Turf Field at Memorial Field	4,600			4,600
19-10	2019 Road, Curb, Drainage and Sidewalk Imprvts	159,315		68,435	90,880
19-15	Acquisition of New Additional or Replacement Equipment	138,700		15,236	123,464
20-05	2020 Road, Curb, Drainage and Sidewalk Improvements		\$ 665,000		665,000
20-06	Acquisition of New Additional or Replacement Equipment	-	214,353	-	214,353
		<u>\$ 525,290</u>	<u>\$ 879,353</u>	<u>\$ 87,568</u>	<u>\$ 1,317,075</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, 2019	\$ 2,500,481	\$ 358,634
Increased by Receipts:		
Water Usage Charges Receivable	\$ 3,463,164	
Other Charges Receivable	123,421	
Mobile Antenna Rent	179,750	
Non-Budget Revenue	21,457	
Overpayments	32,492	
Woodcliff Lake Surcharge Receivable	104,323	
Interest Earned		933
Received from General Capital Fund		4,516
Received from Water Utility Operating Fund		105,000
Received from Water Utility Capital Fund	933	
Receipts from Electric Operating Utility Fund	68,477	
Received From Utility Trust Fund	<u>1,680</u>	<u>-</u>
	<u>3,995,697</u>	<u>110,449</u>
	6,496,178	469,083
Decreased by Disbursements:		
2020 Budget Appropriations	3,163,302	
2019 Appropriation Reserves	31,559	
Encumbrances Payable	146,756	308,812
Improvement Authorizations		108,373
Interest on Bonds and Notes	61,886	
Payments made to Water Utility Operating Fund		933
Payments made to Water Utility Capital Fund	<u>105,000</u>	<u>-</u>
	<u>3,508,503</u>	<u>418,118</u>
Balance, December 31, 2020	<u>\$ 2,987,675</u>	<u>\$ 50,965</u>

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

		Balance, December 31, <u>2020</u>
Fund Balance		\$ 64,479
Capital Improvement Fund		166,669
Encumbrances Payable		140,477
Due to Water Utility Operating Fund		124,078
Improvement		/
<u>Authorizations:</u>	<u>Description</u>	
<u>Ord.</u>		
<u>No.</u>		
2012-9	Various Public Improvements/Acquisitions	81,988
2014-15	Various Public Improvements/Acquisitions	(100,867)
2014-21	Installation of New Well and Pumping Station	(304,034)
2017-17	Replacement of Water Main at Glen Road	(89,206)
2019-06	Acquisition of Water Distribution Equipment and Machinery	12
2019-17	Various Improvements	(179,621)
2020-07	Acquisition of Water Distribution Equipment and Machinery	<u>146,990</u>
		<u>\$ 50,965</u>

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

Balance, December 31, 2019		\$ 230,301
Increased by:		
Water Usage Charges Levied		<u>3,521,580</u>
		3,751,881
Decreased by:		
Water Usage Charges Collected:		
Cash Receipts	\$ 3,463,164	
Overpayments Applied	<u>28,294</u>	
		<u>3,491,458</u>
Balance, December 31, 2020		<u>\$ 260,423</u>

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

Balance, December 31, 2019		\$ 72,536
Increased by:		
Other Water Charges Levied		
Fire Sprinklers	\$ 88,153	
Hydrants	<u>42,933</u>	
		<u>131,086</u>
		203,622
Decreased by:		
Other Water Charges Collected:		
Fire Sprinklers	80,014	
Hydrants	<u>43,407</u>	
		<u>123,421</u>
Balance, December 31, 2020		<u>\$ 80,201</u>

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

Balance, December 31, 2019	\$ 44,674
Increased by:	
Surcharges Levied	<u>105,589</u>
	150,263
Decreased by:	
Surcharges Collected	<u>104,323</u>
Balance, December 31, 2020	<u>\$ 45,940</u>

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

		Additions by		
	Balance, December 31, <u>2019</u>	Budget Capital <u>Outlay</u>	<u>Ordinance</u>	Balance, December 31, <u>2020</u>
Source of Supply Plant:				
Structures and Improvements	\$ 336,184			\$ 336,184
Wells and Springs	5,119,340			5,119,340
Water Diversion Rights	551			551
Pumping Plant:				
Land and Land Rights	12,887			12,887
Structures and Improvements	568,810			568,810
Electric Pumping Equipment	832,127		221,487	1,053,614
Water Treatment Plant - Water				
Treatment Equipment	1,243,473		15,570	1,259,043
Computer Hardware/Software-Equipment	111,245			111,245
Transmission and Distribution Plant:				
Structures and Improvements	673,915			673,915
Distribution Reservoirs and Standpipes	908,591			908,591
Transmission and Distribution Mains	2,044,097		21,079	2,065,176
Services	236,634			236,634
Meters	975,443	\$ 68,010	79,619	1,123,072
Hydrants	421,139		25,795	446,934
Well Communication System-Equipment	18,864		11,894	30,758
General Plant:				
Structures and Improvements	176,138		17,162	193,300
Improvements to Utility Garage	102,218			102,218
Office Furniture and Equipment	209,803			209,803
Transportation Equipment	356,788			356,788
Other General Equipment	311,672			311,672
Tools-Equipment	154,570		15,985	170,555
Other Utility Assets:				
Other Tangible Property-Equipment	242,936			242,936
Meter Reading System	6,763			6,763
Pickup Trucks	179,688			179,688
Dump Trucks	170,332			170,332
Trailer Mounted Generator			79,580	79,580
New Hybrid Vehicles	37,456			37,456
Backhoe Loader	86,031			86,031
Valve Box Vacuum	20,441			20,441
	<u>\$ 15,558,136</u>	<u>\$ 68,010</u>	<u>\$ 488,171</u>	<u>\$ 16,114,317</u>

2020 Budget Appropriation \$ 68,010

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

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance, December 31, 2019</u>	<u>2020 Authorizations Deferred Reserve for Amortization</u>	<u>Costs to Fixed Capital</u>	<u>Authorizations Cancelled</u>	<u>Balance, December 31, 2020</u>
2012-9	Various Public Improvements & Acq.	\$ 81,988				\$ 81,988
2014-15	Various Public Improvements & Acq.	281,686		\$ 112,553		169,133
2014-21	Installation of New Well and Pumping Station	900,000				-
2015-11	Various Public Improvements & Acq.	32,507			\$ 32,507	900,000
2016-14	Acquisition of Water Distribution Equipment and Machinery	723		723		-
2017-17	Replacement of Water Main on Glen Road	212,494				212,494
2019-06	Acquisition of Water Distribution Equipment	200,000		195,274		4,726
2019-17	Various Improvements	196,000		179,621		16,379
2019-22	Acquisition of Technology Upgrades	20,000				20,000
2020-07	Acq of Water Distribution Equipment and Machinery	-	\$ 146,990	-	-	-
		<u>\$ 1,925,398</u>	<u>\$ 146,990</u>	<u>\$ 488,171</u>	<u>\$ 32,507</u>	<u>\$ 1,551,710</u>

EXHIBIT D-12

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

Balance, December 31, 2019 (Due From)	\$ 68,477
Increased by:	
Transferred from Other Liabilities - Water Utility Operating Fund	<u>66,597</u>
	135,074
Decreased by:	
Receipts from Electric Utility Operating Fund	<u>68,477</u>
Balance, December 31, 2020 (Due To)	<u>\$ 66,597</u>

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

Balance, December 31, 2019		\$ 119,078
Increased by:		
Interest Earned	\$ 933	
Receipts from Water Utility Operating Fund	<u>105,000</u>	
		<u>105,933</u>
		225,011
Decreased by:		
Payments to Water Utility Operating Fund	933	
2020 Budget Appropriation - Capital Improvement Fund	<u>100,000</u>	
		<u>100,933</u>
Balance, December 31, 2020		<u>\$ 124,078</u>

EXHIBIT D-14

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

Balance, December 31, 2019	\$ 4,516
Decreased by:	
Cash Receipts	<u>\$ 4,516</u>

EXHIBIT D-15

**STATEMENT OF OTHER LIABILITIES
WATER UTILITY OPERATING FUND**

Balance, December 31, 2019	\$ 66,597
Decreased by:	
Due to Electric Utility Operating Fund	<u>66,597</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF 2019 APPROPRIATION RESERVES
WATER UTILITY OPERATING FUND**

	Balance, December 31, <u>2019</u>	Cancelled <u>Restored</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING					
Salaries and Wages	\$ 72,567		\$ 72,567	\$ 380	\$ 72,187
Other Expenses	195,834	\$ 18,233	214,067		214,067
Group Insurance	<u>84,531</u>	<u>-</u>	<u>84,531</u>	<u>31,179</u>	<u>53,352</u>
Total Operating	<u>352,932</u>	<u>18,233</u>	<u>371,165</u>	<u>31,559</u>	<u>339,606</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures					
Contribution to					
Public Employees Retirement System	179		179		179
Social Security System (O.A.S.I.)	<u>9,447</u>	<u>-</u>	<u>9,447</u>	<u>-</u>	<u>9,447</u>
Total Deferred Charges and Statutory Expenditures	<u>9,626</u>	<u>-</u>	<u>9,626</u>	<u>-</u>	<u>9,626</u>
	<u>\$ 362,558</u>	<u>\$ 18,233</u>	<u>\$ 380,791</u>	<u>\$ 31,559</u>	<u>\$ 349,232</u>

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

Balance, December 31, 2019	\$ 164,989
Increased by:	
Charges to 2020 Budget Appropriations	<u>252,451</u>
	417,440
Decreased by:	
Cash Disbursements	\$ 146,756
Cancellations Restored to 2019 Appropriation Reserves	<u>18,233</u>
	<u>164,989</u>
Balance, December 31, 2020	<u>\$ 252,451</u>

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

Balance, December 31, 2019	\$ 425,671
Increased by:	
Charges to Improvement Authorizations	<u>23,618</u>
	449,289
Decreased by:	
Cash Disbursements	<u>308,812</u>
Balance, December 31, 2020	<u>\$ 140,477</u>

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

Balance, December 31, 2019	\$ 28,294
Increased by:	
Overpayments Received	<u>32,492</u>
	60,786
Decreased by:	
Overpayments Applied to Water Usage Charges Receivable	<u>28,294</u>
Balance, December 31, 2020	<u>\$ 32,492</u>

EXHIBIT D-20

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

Balance, December 31, 2019	\$ 22,649
Increased by:	
Budget Appropriation for Interest on Bonds and Notes	<u>55,311</u>
	77,960
Decreased by:	
Interest Paid	<u>61,886</u>
Balance, December 31, 2020	<u>\$ 16,074</u>

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

Ord. No.	Improvement Description	Ordinance Amount	Balance, December 31, 2019		2020 Authorizations		Paid or Charged	Authorizations Cancelled	Balance, December 31, 2020	
			Funded	Unfunded	Fund Balance				Funded	Unfunded
2012-9	Various Public Improvements and Acq.	1,085,000	\$ 81,988						\$ 81,988	
2014-15	Various Public Improvements and Acq.	470,000		\$ 169,133						\$ 169,133
2014-21	Installation of New Well and Pumping Station	900,000		593,778		\$ 97,812				495,966
2015-11	Various Public Improvements and Acq.	315,000	32,507				\$ 32,507			
2016-13	Acquisition of a Dump Truck	180,000								
2016-14	Acq of Water Distribution Equipment and Machinery	150,000	723			723				
2017-17	Replacement of Water Main at Glen Road	800,000		212,494						212,494
2019-06	Acq of Water Distribution Equipment and Machinery	200,000	14,276			14,264			12	
2019-17	Various Improvements	196,000		16,379						16,379
2019-22	Acquisition of Technology Upgrades	20,000	19,192			19,192				
2020-07	Acq of Water Distribution Equipment and Machinery	146,990	-	-	\$ 146,990	-	-	-	146,990	-
			<u>\$ 148,686</u>	<u>\$ 991,784</u>	<u>\$ 146,990</u>	<u>\$ 131,991</u>	<u>\$ 32,507</u>		<u>\$ 228,990</u>	<u>\$ 893,972</u>
						Cash Disbursements	\$ 108,373			
						Encumbrances Payable	<u>23,618</u>			
							<u>\$ 131,991</u>			

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturity of Bonds Outstanding at December 31, 2020</u>			<u>Balance, December 31, 2019</u>	<u>Decreased</u>	<u>Balance, December 31, 2020</u>
			<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>			
Water Utility Bonds	8/16/2012	\$ 1,250,000	2021-22	\$ 85,000	2.00%			
			2023-25	90,000	2.00%			
			2026	95,000	2.10%			
			2027	95,000	2.20%	\$ 715,000	\$ 85,000	\$ 630,000
Water Utility Bonds	8/15/2013	582,000	2021	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%	352,000	40,000	312,000
Water Utility Bonds	5/15/2018	790,000	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%	740,000	50,000	690,000
						<u>\$ 1,807,000</u>	<u>\$ 175,000</u>	<u>\$ 1,632,000</u>
Paid by Budget Appropriation							<u>\$ 175,000</u>	

**BOROUGH OF PARK RIDGE
STATEMENT OF BOND ANTICIPATION NOTES
WATER 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, 2019</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2020</u>
14-21	Installation of New Well and Pumping Facility - Woodcliff Lake	10/8/2015	5/1/2019 5/1/2020	5/1/2020 4/30/2021	2.75 % 1.19	\$ 97,400	\$ 96,100	\$ 97,400	\$ 96,100
17-17	Replacement of Water Main Glen Road - Woodcliff Lake	5/1/2018	5/1/2019 5/1/2020	5/1/2020 4/30/2021	2.75 % 1.19	498,300 -	498,300 -	498,300 -	498,300
						<u>\$ 595,700</u>	<u>\$ 594,400</u>	<u>\$ 595,700</u>	<u>\$ 594,400</u>
						Paid by Budget Appropriation		\$ 1,300	
						Renewals		<u>\$ 594,400</u>	<u>594,400</u>
								<u>\$ 594,400</u>	<u>\$ 595,700</u>

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

Balance, December 31, 2019	\$ 66,669
Increased by:	
2020 Budget Appropriation - Due from Water Utility Operating Fund	<u>100,000</u>
Balance, December 31, 2020	<u>\$ 166,669</u>

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

Balance, December 31, 2019	\$ 13,292,411
Increased by:	
Serial Bonds Paid by Operating Budget	\$ 175,000
Bond Anticipation Notes Paid by Budget	1,300
Capital Outlay Operating Budgets:	
2020 Budget Appropriations	68,010
Transfer from Deferred Reserve for Amortization	<u>195,997</u>
	<u>440,307</u>
	13,732,718
Decreased by:	
Funded Authorizations Cancelled to Fund Balance	<u>32,507</u>
Balance, December 31, 2020	<u>\$ 13,700,211</u>

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

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance, December 31, 2019</u>	<u>Fixed Capital Authorized</u>	<u>To Reserve for Amortization Fixed Capital</u>	<u>Balance, December 31, 2020</u>
2016-14	Acq. Of Water Distribution Equipment and Machinery	\$ 723		\$ 723	\$ -
2019-06	Acq. Of Water Distribution Equipment and Machinery	200,000		195,274	4,726
2019-22	Acquisition of Technology Upgrades	20,000			20,000
2020-07	Acq. Of Water Distribution Equipment and Machinery	<u>-</u>	<u>\$ 146,990</u>	<u>-</u>	<u>146,990</u>
		<u>\$ 220,723</u>	<u>\$ 146,990</u>	<u>\$ 195,997</u>	<u>\$ 171,716</u>
Water Utility Capital Fund Balance			<u>\$ 146,990</u>		

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

	Balance, December 31, <u>2019</u>	<u>Increased</u>	Realized in 2020 <u>Budget</u>	Balance, December 31, <u>2020</u>
Payment of Water Tank	\$ 9,201			\$ 9,201
Construction of Water Line	1,500			1,500
Woodcliff Lake Improvements	528,428	\$ 104,323	\$ 116,293	516,458
Handy Harmon Settlement	956,068	-	-	956,068
	<u>\$ 1,495,197</u>	<u>\$ 104,323</u>	<u>\$ 116,293</u>	<u>\$ 1,483,227</u>
Woodcliff Lake Surcharge Collected		<u>\$ 104,323</u>		

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

<u>Ord. No.</u>	<u>Purpose</u>	Balance, December 31, <u>2019</u>	Balance, December 31, <u>2020</u>
2014-15	Various Public Improvements & Acq.	\$ 270,000	\$ 270,000
2014-21	Installation of New Well and Pumping Station	800,000	800,000
2017-17	Replacement of Water Main Glen Road - WCL	301,700	301,700
2019-17	Various Improvements	<u>196,000</u>	<u>196,000</u>
		<u>\$ 1,567,700</u>	<u>\$ 1,567,700</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, 2019	\$ 1,726,021	\$ 761,526
Increased by Receipts:		
Light and Power Charges Receivable	\$ 8,673,645	
Other Charges Receivable	17,566	
Interest on Deposits		\$ 3,467
Non-Budget Revenue	73,638	
Petty Cash	300	
Overpayments	18,569	
2020 Budget Appropriation - Capital Improvement Fund		5,000
Receipts from Electric Utility Operating Fund		13,092
Receipts from Electric Utility Capital Fund	16,559	
Receipts from Utility Trust Fund	<u>1,051</u>	<u>-</u>
	<u>8,801,328</u>	<u>21,559</u>
	10,527,349	783,085
Decreased by Disbursements:		
2020 Appropriations	8,178,478	
2019 Appropriation Reserves	79,784	
Petty Cash	300	
Encumbrances Payable	416,962	72,254
Improvement Authorizations		172,077
Interest on Bonds	21,235	
Investments Purchased	200,000	
Payments to Water Utility Operating Fund	68,477	
Payments to Electric Utility Operating Fund		16,559
Payments to Electric Utility Capital Fund	<u>13,092</u>	<u>-</u>
	<u>8,978,328</u>	<u>260,890</u>
Balance, December 31, 2020	<u>\$ 1,549,021</u>	<u>\$ 522,195</u>

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

Balance,
December 31,
2020

Fund Balance	\$ 41,610
Capital Improvement Fund	102,500
Encumbrances Payable	343,555
Reserve for Capital Improvements	12,500
Improvement Authorizations:	
Ord.	
<u>No.</u>	<u>Description</u>
2019-16	Various Capital Improvements
	(149,715)
2019-23	Technology Update
	12,461
2019-26	Acquisition of Bucket Truck and Electric
	Distribution System Infrastructure Materials
	31,938
2019-27	Acquisition of Electric Metering Equipment and
	Related Expenses
	8,045
2020-08	Acquisition of Electric Distribution Infrastructure
	Equipment and Machinery
	<u>119,301</u>
	<u>\$ 522,195</u>

EXHIBIT E-7

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

Balance, December 31, 2019	\$ <u>75</u>
----------------------------	--------------

Balance, December 31, 2020	\$ <u>75</u>
----------------------------	--------------

EXHIBIT E-8

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

Increased by:	
Receipts from Treasurer	\$ 300

Decreased by:	
Returned to Treasurer	<u>300</u>

EXHIBIT E-9

**STATEMENT OF INVESTMENTS
ELECTRIC UTILITY OPERATING FUND**

Increased by:	
Emergency Note Issued to Current Fund	\$ <u>200,000</u>

Balance, December 31, 2020	<u>\$ 200,000</u>
----------------------------	-------------------

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

Balance, December 31, 2019		\$ 550,658
Increased by:		
Light and Power Charges Levied		<u>8,591,216</u>
		9,141,874
Decreased by:		
Light and Power Charges Collected	\$ 8,673,645	
Due from Water Utility Operating Fund	66,597	
Overpayments Applied	<u>23,019</u>	
		<u>8,763,261</u>
Balance, December 31, 2020		<u>\$ 378,613</u>

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

Balance, December 31, 2019		\$ 18,577
Increased by:		
Other Electric Charges Levied - Dusk to Dawn		<u>17,608</u>
		36,185
Decreased by:		
Other Electric Charges Collected - Dusk to Dawn		<u>17,566</u>
Balance, December 31, 2020		<u>\$ 18,619</u>

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

	Balance, December 31, <u>2019</u>	Additions By:		Balance, December 31, <u>2020</u>
		Budget Capital Outlay	Ordinance	
Structures and Improvements	\$ 1,437,375		\$ 95,117	\$ 1,532,492
Electric Wire Storage Shed	320,326			320,326
Regulating Station	6,102			6,102
Hydro Generator-Equipment	7,732			7,732
Mill Road Substation	932,713			932,713
Brae Boulevard Substation	1,691,727			1,691,727
Poles, Towers and Fixtures	543,669	14,610	38,844	597,123
Cable & Wires	1,169,355		5,774	1,175,129
Underground Conduit	128,992			128,992
Underground Conductors & Devices	204,226			204,226
Line Transformers	787,119		24,384	811,503
Installation of Customers' Services	8,817			8,817
Office Furniture, Etc.-Equipment	231,147	395		231,542
Vehicles/Equipment	1,135,274			1,135,274
Meters & Current Transformers	404,797		143	404,940
Street Lighting & Signal System	359,963	13,291	10,738	383,992
Tools, Shop & Garage Equipment	289,743	2,742		292,485
Computer Hardware/Software-Equipment	248,523			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	67,416			67,416
Store Equipment	12,880			12,880
Laboratory Equipment	6,397			6,397
Miscellaneous Equipment	89,935			89,935
Bear's Nest Village- Regulating Station	713,408			713,408
Construction of Additional Voltage Regulator	149,395			149,395
Construction of Mini-Substation	349,865			349,865
Recreational Lighting-Equipment	13,113			13,113
Scada System	117,028			117,028
Improvement to Utility Garage	225,962			225,962
Improvement to Electric System	226,522			226,522
Conversion Mill Road Substation & Museum	250,000			250,000
Replace Brae Road Transformer	244,881			244,881
Pick-up Trucks	64,113			64,113
Aerial Bucket Trucks	560,880			560,880
Mini Excavator and Trailer	65,105	-	-	65,105
	<u>\$ 13,302,057</u>	<u>\$ 31,038</u>	<u>\$ 175,000</u>	<u>\$ 13,508,095</u>
2020 Budget Appropriations		\$ 30,643		
2019 Appropriation Reserves		395		
		<u>\$ 31,038</u>		

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

Ord. No.	Improvement Description	Balance, December 31, 2019	2020 Authorizations		Balance, December 31, 2020
			Deferred Reserve for Amortization	Costs to Fixed Capital	
2019-07	Purchase of Electric Distribution Infrastructure Materials and Capital Improvements	\$ 175,000		\$ 175,000	
2019-16	Various Capital Improvements	226,000			\$ 226,000
2019-23	Technology Update	19,000			19,000
2019-26	Acquisition of Bucket Truck and Electric Distribution System Infrastructure Materials	262,000			262,000
2019-27	Acquisition of Electric Metering Equipment and Related Expenses	68,868			68,868
2020-08	Acquisition of Electric Distribution Infrastructure Equipment and Machinery	-	\$ 162,500	-	162,500
		<u>\$ 750,868</u>	<u>\$ 162,500</u>	<u>\$ 175,000</u>	<u>\$ 738,368</u>

EXHIBIT E-14

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

Increased by:		
Payments to Electric Utility Operating Fund		\$ 16,559
Decreased by:		
Interest Earned	\$ 3,467	
Receipts from Electric Utility Operating Fund	<u>13,092</u>	
		<u>16,559</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF 2019 APPROPRIATION RESERVES
ELECTRIC UTILITY OPERATING FUND**

	Balance, December 31, <u>2019</u>	Encumbrances <u>Restored</u>	Balance After <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING					
Salaries and Wages	\$ 15,054		\$ 15,054		\$ 15,054
Other Expenses	167,634	\$ 7,045	174,679		174,679
Group Health Insurance	80,259		80,259	\$ 68,693	11,566
Purchase of Electric Current	<u>194,693</u>	<u>-</u>	<u>194,693</u>	<u>10,696</u>	<u>183,997</u>
Total Operating	<u>457,640</u>	<u>7,045</u>	<u>464,685</u>	<u>79,389</u>	<u>385,296</u>
CAPITAL IMPROVEMENTS					
Capital Outlay	<u>47,946</u>	<u>-</u>	<u>47,946</u>	<u>395</u>	<u>47,551</u>
Total Capital Improvements	<u>47,946</u>	<u>-</u>	<u>47,946</u>	<u>395</u>	<u>47,551</u>
DEFERRED CHARGES AND STATUTORY					
Statutory Expenditures					
Contribution to					
Public Employees Retirement System	803		803	-	803
Social Security System (O.A.S.I.)	<u>3,163</u>	<u>-</u>	<u>3,163</u>	<u>-</u>	<u>3,163</u>
Total Deferred Charges and Statutory Expenditures	<u>3,966</u>	<u>-</u>	<u>3,966</u>	<u>-</u>	<u>3,966</u>
	<u>\$ 509,552</u>	<u>\$ 7,045</u>	<u>\$ 516,597</u>	<u>\$ 79,784</u>	<u>\$ 436,813</u>

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

Balance, December 31, 2019	\$ 424,007
Increased by:	
Charges to 2020 Budget Appropriations	<u>358,896</u>
	782,903
Decreased by:	
Cash Disbursements	\$ 416,962
Cancellations Restored to 2019 Appropriation Reserves	<u>7,045</u>
	<u>424,007</u>
Balance, December 31, 2020	<u>\$ 358,896</u>

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

Balance, December 31, 2019	\$ 302,282
Increased by:	
Charges to Improvement Authorizations	<u>113,527</u>
	415,809
Decreased by:	
Cash Disbursements	<u>72,254</u>
Balance, December 31, 2020	<u>\$ 343,555</u>

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

Balance, December 31, 2019	\$ 3,259
Increased by:	
Budget Appropriation for Interest on Bonds	<u>19,754</u>
	23,013
Decreased by:	
Interest Paid	<u>21,235</u>
Balance, December 31, 2020	<u>\$ 1,778</u>

**STATEMENT OF OVERPAYMENTS
ELECTRIC UTILITY OPERATING FUND**

Balance, December 31, 2019	\$ 23,019
Increased by:	
Overpayments Received	<u>18,569</u>
	41,588
Decreased by:	
Overpayments Applied to Light and Power Charges Receivable	<u>23,019</u>
Balance, December 31, 2020	<u>\$ 18,569</u>

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

Ord. No.	Improvement Description	Ordinance Amount	Balance, December 31, 2019		2020 Authorizations Reserve for Capital Improvements	Paid or Charged	Balance, December 31, 2020	
			Funded	Unfunded			Funded	Unfunded
2019-07	Purchase of Electric Distribution Infrastructure Materials and Capital Improvements	\$ 175,000	\$ 98,175			\$ 98,175		
2019-16	Various Capital Improvements	226,000		\$ 153,995		77,710		\$ 76,285
2019-23	Technology Update	19,000	18,191			5,730	\$ 12,461	
2019-26	Acquisition of Bucket Truck and Electric Distribution System Infrastructure Materials	262,000	31,938				31,938	
2019-27	Acquisition of Electric Metering Equipment and Related Expenses	68,868	68,835			60,790	8,045	
2020-08	Acquisition of Electric Distribution Infrastructure Equipment and Machinery	162,500	-	-	\$ 162,500	43,199	119,301	-
			<u>\$ 217,139</u>	<u>\$ 153,995</u>	<u>\$ 162,500</u>	<u>\$ 285,604</u>	<u>\$ 171,745</u>	<u>\$ 76,285</u>
					Cash Disbursements	\$ 172,077		
					Contracts Payable	113,527		
						<u>\$ 285,604</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, 2020</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2019</u>		<u>Balance, December 31, 2020</u>
			<u>Date</u>	<u>Amount</u>		<u>Decreased</u>		
Electric Utility Bonds	10/15/2007	\$ 1,693,000				\$ 168,000	\$ 168,000	
Electric Utility Bonds	5/16/2018	600,000	2021	\$ 60,000	2.50%			
			2022	60,000	2.50%			
			2023	60,000	2.50%			
			2024	65,000	2.50%			
			2025	65,000	3.00%			
			2026	65,000	3.00%			
			2027	70,000	3.00%			
			2028	70,000	3.00%			
						<u>565,000</u>	<u>50,000</u>	<u>\$ 515,000</u>
						<u>\$ 733,000</u>	<u>\$ 218,000</u>	<u>\$ 515,000</u>
			Paid by Budget Appropriation				<u>\$ 218,000</u>	

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

Balance, December 31, 2019	\$ 97,500
Increased by:	
2020 Budget Appropriation	<u>5,000</u>
Balance, December 31, 2020	<u>\$ 102,500</u>

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

Balance, December 31, 2019	\$ 175,000
Decreased by:	
Appropriation to Finance Improvement Authorization	<u>162,500</u>
Balance, December 31, 2020	<u>\$ 12,500</u>

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

Balance, December 31, 2019	\$ 12,569,057
Capital Outlay Operating Budget:	
2020 Budget Appropriations	\$ 30,643
2019 Appropriation Reserves	395
Transfer From Deferred Reserve for Amortization	<u>175,000</u>
	<u>424,038</u>
Balance, December 31, 2020	<u>\$ 12,993,095</u>

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

<u>Ord. No.</u>	<u>Improvement Description</u>	Balance, December 31, <u>2019</u>	Fixed Capital <u>Authorized</u>	To Reserve for Amortization <u>Fixed Capital</u>	Balance, December 31, <u>2020</u>
19-07	Purchase of Electric Distribution and Improvements	\$ 175,000		\$ 175,000	
19-23	Technology Update	19,000			\$ 19,000
19-26	Acq. of Bucket Truck and Electric Materials	262,000			262,000
19-27	Acq. of Metering Equipmetn	68,868			68,868
20-08	Acq. of Electric Distribution Equipment	-	\$ 162,500	-	162,500
		<u>\$ 524,868</u>	<u>\$ 162,500</u>	<u>\$ 175,000</u>	<u>\$ 512,368</u>
	Reserver for Capital Improvements		<u>\$ 162,500</u>		

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

<u>Ord. No.</u>	<u>Purpose</u>	Balance, December 31, <u>2019</u>	Balance, December 31, <u>2020</u>
2019-16	Various Capital Improvements	\$ 226,000	\$ 226,000
		<u>\$ 226,000</u>	<u>\$ 226,000</u>

UTILITY TRUST FUND

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

Balance, December 31, 2019		\$ 858,886
Increased by Receipts:		
Interest Earned	\$ 2,731	
Water and Electric Utility Deposit Payable	<u>142,044</u>	
		<u>144,775</u>
		1,003,661
Decreased by Disbursements:		
Deposits Payable	93,260	
Payments to Water Utility Operating Fund	1,680	
Payments to Electric Utility Operating Fund	<u>1,051</u>	
		<u>95,991</u>
Balance, December 31, 2020		<u>\$ 907,670</u>

**STATEMENT OF DEPOSIT PAYABLE
UTILITY TRUST FUND**

	Balance, December 31, <u>2019</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2020</u>
Water Utility Customers	\$ 547,896	\$ 54,355	\$ 43,607	\$ 558,644
Electric Utility Customers	<u>310,990</u>	<u>87,689</u>	<u>49,653</u>	<u>349,026</u>
	<u>\$ 858,886</u>	<u>\$ 142,044</u>	<u>\$ 93,260</u>	<u>\$ 907,670</u>
Cash Receipts		\$ 142,044		
Cash Disbursements		<u>-</u>	<u>\$ 93,260</u>	
		<u>\$ 142,044</u>	<u>\$ 93,260</u>	

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

Increased by:

Interest on Deposits	\$ 1,680
----------------------	----------

Decreased by:

Payments to Water Utility Operating Fund	<u>\$ 1,680</u>
------------------------------------------	-----------------

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

Increased by:

Interest on Deposits	\$ 1,051
----------------------	----------

Decreased by:

Payments to Electric Utility Operating Fund	<u>\$ 1,051</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, 2019	\$ 383,701	\$ 35,615
Increased by Receipts:		
Membership Fees	\$ 76,460	
Miscellaneous Revenue	18,049	
Interest Earned	-	\$ 120
Receipts from Swim Pool Utility Capital Fund	<u>120</u>	<u>-</u>
	<u>94,629</u>	<u>120</u>
	478,330	35,735
Decreased by Disbursements:		
2020 Budget Appropriations	257,816	
2019 Appropriation Reserves	10	
Encumbrances	7,643	
Payments to Swim Pool Utility Operating Fund	<u>-</u>	<u>120</u>
	<u>265,469</u>	<u>120</u>
Balance, December 31, 2020	<u>\$ 212,861</u>	<u>\$ 35,615</u>

EXHIBIT G-6

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

	Balance, December 31, <u>2020</u>
Fund Balance	\$ 19,615
Capital Improvement Fund	<u>16,000</u>
	<u>\$ 35,615</u>

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

Increased by:

Interest Earned	\$ 120
-----------------	--------

Decreased by:

Payments to Swim Pool Utility Operating Fund	<u>120</u>
----------------------------------------------	------------

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

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Net</u> <u>Amount</u> <u>Authorized</u>	<u>1/5 of Net</u> <u>Amount</u> <u>Authorized</u>	<u>Balance,</u> <u>December 31,</u> <u>2019</u>	<u>Amount</u> <u>Resulting</u> <u>2020</u>	<u>Balance,</u> <u>December 31,</u> <u>2020</u>
12/8/2020	COVID-19 Revenue Loss	\$205,000	\$ 41,000	\$ -	\$ 205,000	\$ 205,000
				<u>\$ -</u>	<u>\$ 205,000</u>	<u>\$ 205,000</u>

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

	Balance, December 31, <u>2019</u>	Additions By: Budget <u>Capital Outlay</u>	Balance, December 31, <u>2020</u>
Municipal Pool	\$ 844,546	\$ 12,766	\$ 857,312
Swim Pool Slide	48,900		48,900
Sanitary Sewer Reconstruction	5,075		5,075
Painting & Sandblasting	49,900		49,900
Handicapped Improvements	87,238		87,238
Snack Bar Improvements	1,110		1,110
Bridge	8,260		8,260
Electrical Work	4,520		4,520
Furniture	31,768		31,768
Recreation Equipment	5,023		5,023
Other Equipment	36,577		36,577
Landscaping	5,223		5,223
Land Improvements	18,379		18,379
Water Sprinklers	8,785		8,785
Parking Lot Improvement	21,726		21,726
Canopy/Awning		29,386	29,386
Security Lock	750		750
Small Tools	1,146	-	1,146
	<u>\$ 1,178,926</u>	<u>\$ 42,152</u>	<u>\$ 1,221,078</u>
2020 Budget		<u>\$ 42,152</u>	

**BOROUGH OF PARK RIDGE
STATEMENT OF 2019 APPROPRIATION RESERVES
SWIM POOL UTILITY OPERATING FUND**

	Balance, December 31, <u>2019</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING				
Other Expenses	\$ 10	\$ 10	\$ 10	-
Total Operating	<u>10</u>	<u>10</u>	<u>10</u>	<u>-</u>
CAPITAL IMPROVEMENTS				
Capital Outlay	<u>2</u>	<u>2</u>	-	\$ 2
Total Capital Improvements	<u>2</u>	<u>2</u>	-	<u>2</u>
STATUTORY EXPENDITURES				
Contribution to Social Security System (O.A.S.I.)	<u>17</u>	<u>17</u>	-	<u>17</u>
Total Statutory Expenditures	<u>17</u>	<u>17</u>	-	<u>17</u>
	<u>\$ 29</u>	<u>\$ 29</u>	<u>\$ 10</u>	<u>\$ 19</u>

EXHIBIT G-11

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

Balance, December 31, 2019	\$ <u>16,000</u>
Balance, December 31, 2020	<u>\$ 16,000</u>

EXHIBIT G-12

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

Balance, December 31, 2019	\$ 7,643
Increased by:	
Charges to 2020 Budget Appropriations	<u>446</u>
	8,089
Decreased by:	
Cash Disbursement	<u>7,643</u>
Balance, December 31, 2020	<u>\$ 446</u>

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

Balance, December 31, 2019	\$ 1,178,926
Increased by:	
Capital Outlay	
By Operating Budget - 2020	<u>42,152</u>
Balance, December 31, 2020	<u>\$ 1,221,078</u>

PUBLIC ASSISTANCE FUND

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

	<u>Total</u>	<u>Account #1</u>	<u>Account #2</u>
Balance, December 31, 2019	\$ 25,749	\$ 1,993	\$ 23,756
Increased by:			
State Aid	24,300		24,300
Interest on Investments	<u>89</u>	<u>9</u>	<u>80</u>
	50,138	2,002	48,136
Decreased by:			
Public Assistance Expenditures Eligible for State Aid	27,533		27,533
Payments to Current Fund	<u>119</u>	<u>-</u>	<u>119</u>
Balance, December 31, 2020	<u>\$ 22,486</u>	<u>\$ 2,002</u>	<u>\$ 20,484</u>

EXHIBIT H-2

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

Balance, December 31, 2019	\$ 39
Increased by:	
Interest on Investments	<u>80</u>
	119
Decreased by:	
Payments to Current Fund	<u>119</u>
Balance, December 31, 2020	<u>\$ -</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, 2019	\$ 25,710	\$ 1,993	\$ 23,717
Increased by:			
Revenues	<u>24,309</u>	<u>9</u>	<u>24,300</u>
	50,019	2,002	48,017
Decreased by:			
Expenditures	<u>27,533</u>	<u>-</u>	<u>27,533</u>
Balance, December 31, 2020	<u>\$ 22,486</u>	<u>\$ 2,002</u>	<u>\$ 20,484</u>

EXHIBIT H-4

STATEMENT OF PUBLIC ASSISTANCE REVENUES

	<u>Total</u>	<u>Account #1</u>	<u>Account #2</u>
State Aid Payments:	\$ 24,300		\$ 24,300
Interest on Investments	<u>9</u>	<u>\$ 9</u>	<u>-</u>
Total Revenues	24,309	9	24,300
Interest on Investments - Due to Current Fund	<u>80</u>	<u>-</u>	<u>80</u>
Total Receipts	<u>\$ 24,389</u>	<u>\$ 9</u>	<u>\$ 24,380</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	\$ 11,799	-	\$ 11,799
Temporary Rental Assistance	<u>15,734</u>	<u>-</u>	<u>15,734</u>
Total Expenditures	\$ 27,533	\$ -	\$ 27,533
Due to Current Fund	<u>119</u>	<u>-</u>	<u>119</u>
Total Disbursements	<u>\$ 27,652</u>	<u>\$ -</u>	<u>\$ 27,652</u>

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

**GOVERNMENT AUDITING STANDARDS
YEAR ENDED DECEMBER 31, 2020**



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRIS SOHN, CPA
CHRISTOPHER M. VINCI, CPA
CHRISTINA CUIFFO, CPA

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, 2020, and the related notes to the financial statements, and have issued our report thereon dated October 5, 2021. 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
October 5, 2021

**BOROUGH OF PARK RIDGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>Federal Program</u>	<u>State Account Number</u>	<u>CFDA Number</u>	<u>Grant Year</u>	<u>Award Amount</u>	<u>2020 Grant Receipts</u>	<u>Balance January 1, 2020</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance December 31, 2020</u>	<u>Cumulative Expended</u>
U.S. Department of Transportation (Passed through State Department of Law and Public Safety)											
Impaired Driving Countermeasure	066-1160-100-157	20.616	2020	\$ 6,182	\$ 6,182		\$ 6,182	\$ 1,813		\$ 4,369	\$ 1,813
Occupant Protection	066-1160-100-155	20.616	2016	4,402		4,402				4,402	
U.S. Department of Environmental Protection (Passed through State Department of Environmental Protection)											
Recreational Trails Program		20.219									
Woodcliff Lake Reservoir Walkway (Ord 16-11)	100424875205		2016	24,000		19,815				19,815	4,185
U.S. Department of Agriculture (Passed through State Forestry Services)											
Cooperative Forestry Assistance	042-4870-100-038	10.664	2015	3,000		3,000	-	-	-	3,000	
U.S. Department of Homeland Security (Passed through the County of Bergen)											
COVID-19 Coronavirus Aid Relief & Economic Security Act	N/A	21.019	2020	134,143	134,143	-	134,143	134,143	-	-	134,143
						<u>\$ 27,217</u>	<u>\$ 140,325</u>	<u>\$ 135,956</u>	<u>\$ -</u>	<u>\$ 31,586</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, 2020

<u>State Grant Program</u>	<u>Account Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2020 Grant Receipts</u>	<u>Balance, January 1, 2020</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance, December 31, 2020</u>	<u>Cumulative Expended</u>
Drug and Alcohol Municipal Alliance (Passed through Bergen County)	N/A	2019	\$ 9,876		\$ 9,876			\$ 9,876		
		2018	9,876		1,378		\$ 592		\$ 786	\$ 9,090
Clean Communities Grant Program	042-4900-765-004	2020	17,660	\$ 17,660		\$ 17,660			17,660	-
		2019	19,586		19,586		19,309		277	19,309
		2018	17,549		1,865		1,865		-	17,549
Bulletproof Vest Partnership Grant		2019	382		382				382	
Alcohol Education and Rehabilitation	098-9735-760-001	2019	161		161				161	
		2018	586		586				586	
		2017	165		165				165	
		2016	423		423				423	
		2015	1,653		1,653				1,653	
		2014	1,123		416				416	707
Department of Community Affairs Domestic Violence Grant	N/A	Prior	2,178		2,178				2,178	
Body Armor Replacement Fund	066-1020-718-001	2018	4,324	2,095	4,324		265		4,059	265
		2017	2,027		1,147		1,147			2,027
		2016	2,024		264		264			2,024
		2015	2,015		429		429			2,015
		2012	1,989		318		318			1,989
		2011	1,948		809		809			1,948

BOROUGH OF PARK RIDGE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Account Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2020 Grant Receipts</u>	<u>Balance, January 1, 2020</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance, December 31, 2020</u>	<u>Cumulative Expended</u>
<u>State Grant Program</u>										
Recycling Tonnage Grant	042-4900-752-001	2019	\$ 13,554	\$ 13,554		\$ 13,554	\$ 2,708		\$ 10,846	\$ 2,708
		2018	13,509		\$ 13,509		13,509		-	13,509
Department of Transportation										
Park Avenue Improvements (Ord. 16-15)	078-6320-480-XXX	2016	220,000		220,000				220,000	
Quackenbush to Pascack Imprvts (Ord. 19-10)	078-6320-480-AM2	2019	138,800		106,729				106,729	32,071
2020 Road Program (Ord. 20-05)	078-6320-480-XXX	2020	215,000			215,000			215,000	
Department of Human Services										
General Assistance	054-7550-100-250	2020	24,300		23,717	24,300	27,533	-	20,484	27,533
					<u>\$ 409,915</u>	<u>\$ 270,514</u>	<u>\$ 68,748</u>	<u>\$ 9,876</u>	<u>\$ 601,805</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, 2020**

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	\$ 140,325	\$ 31,214	\$ 171,539
General Capital Fund		215,000	215,000
Public Assistance Fund	-	24,300	24,300
	<u>\$ 140,325</u>	<u>\$ 270,514</u>	<u>\$ 410,839</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, 2020**

NOTE 5 STATE LOANS OUTSTANDING

The Borough's state loans outstanding at December 31, 2020, 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		\$ 191,356
Mill Pond Dam Improvements		<u>807,381</u>
		<u>\$ 998,737</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, 2020**

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?

_____ yes X 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, 2020**

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, 2020**

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, 2020**

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

There were none.

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

PART III

**SUPPLEMENTARY DATA
LETTER OF COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2020**

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	<u>Year 2020</u>			<u>Year 2019</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 1,125,000	2.15 %	\$ 1,000,000	2.00 %	
Miscellaneous - From Other Than Local					
Property Tax Levies	3,138,687	5.99	3,646,626	7.31	
Collection of Delinquent Taxes and Tax Title Liens	828,693	1.58	329,293	0.66	
Collection of Current Tax Levy	46,456,533	88.59	44,553,993	89.24	
Other Credits to Income	<u>887,995</u>	<u>1.69</u>	<u>394,833</u>	<u>0.79</u>	
Total Income	<u>52,436,908</u>	<u>100.00 %</u>	<u>49,924,745</u>	<u>100.00 %</u>	
EXPENDITURES					
Budget Expenditures					
Municipal Purposes	15,228,258	30.02 %	14,592,253	29.62 %	
County Taxes	4,617,807	9.10	4,534,427	9.21	
Local District School Tax	30,766,131	60.65	30,018,454	60.94	
Municipal Open Space Taxes	112,157	0.22	112,045	0.23	
Other Debits	<u>687</u>	<u>0.01</u>	<u>-</u>	<u>-</u>	
Total Expenditures	<u>50,725,040</u>	<u>100.00 %</u>	<u>49,257,179</u>	<u>100.00 %</u>	
Excess in Revenue	1,711,868		667,566		
Adjustments to Income before Fund Balance:					
Expenditures Included Above Which are by Statute					
Deferred Charges to Budget of Succeeding Yea	<u>200,000</u>		<u>200,000</u>		
Statutory Excess to Fund Balance	1,911,868		867,566		
Fund Balance, January 1	<u>1,931,707</u>		<u>2,064,141</u>		
	3,843,575		2,931,707		
Less Utilization as Anticipated Revenue	<u>1,125,000</u>		<u>1,000,000</u>		
Fund Balance, December 31	<u>\$ 2,718,575</u>		<u>\$ 1,931,707</u>		

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	<u>Year 2020</u>			<u>Year 2019</u>		
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>	
REVENUE AND OTHER INCOME REALIZED						
Fund Balance Utilized	\$ 260,000	5.72	%	\$ 351,328	9.17	%
Water Usage Charges	3,491,458	76.83		2,947,529	76.89	
Miscellaneous Charges and Fees	303,171	6.67		308,784	8.05	
Reserve for Woodcliff Lake Improvements	116,293	2.56		65,508	1.71	
Non-Budget Revenue	24,070	0.53		85,057	2.22	
Other Credits to Income	<u>349,232</u>	<u>7.69</u>		<u>75,266</u>	<u>1.96</u>	
 Total Income	<u>4,544,224</u>	<u>100.00</u>	%	<u>3,833,472</u>	<u>100.00</u>	%
 EXPENDITURES						
Operating	3,207,785	83.24	%	3,068,778	86.09	%
Capital Improvements	168,010	4.36		5,000	0.14	
Debt Service	231,611	6.01		234,620	6.58	
Deferred Charges and Statutory Expenditures	<u>246,308</u>	<u>6.39</u>		<u>256,150</u>	<u>7.19</u>	
 Total Expenditures	<u>3,853,714</u>	<u>100.00</u>	%	<u>3,564,548</u>	<u>100.00</u>	%
 Excess in Revenue	690,510			268,924		
 Fund Balance, January 1	<u>547,752</u>			<u>630,156</u>		
	1,238,262			899,080		
 Less Utilization as Anticipated Revenue	<u>260,000</u>			<u>351,328</u>		
 Fund Balance, December 31	\$ 978,262			\$ 547,752		

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	Year 2020			Year 2019		
	Amount	Percent		Amount	Percent	
REVENUE AND OTHER INCOME REALIZED						
Fund Balance Utilized	\$ 512,000	5.22 %	\$	434,480	4.43 %	
Light and Power Charges	8,763,251	89.35		8,973,979	91.50	
Miscellaneous Charges and Fees	17,566	0.18		51,450	0.52	
Non-Budget Revenue	78,156	0.80		133,189	1.36	
Other Credits to Income	<u>436,813</u>	<u>4.45</u>		<u>226,573</u>	<u>2.31</u>	
Total Income	<u>9,807,786</u>	<u>100.00 %</u>		<u>9,819,671</u>	<u>100.12 %</u>	
EXPENDITURES						
Operating	8,601,519	94.33 %		8,671,531	95.10 %	
Capital Improvements	55,000	0.60		105,000	1.15	
Debt Service	237,754	2.61		365,920	4.01	
Deferred Charges and Statutory Expenditures	<u>224,000</u>	<u>2.46</u>		<u>231,582</u>	<u>2.47</u>	
Total Expenditures	<u>9,118,273</u>	<u>100.00 %</u>		<u>9,374,033</u>	<u>102.74 %</u>	
Excess in Revenue	689,513			445,638		
Fund Balance, January 1	<u>697,782</u>			<u>686,624</u>		
	1,387,295			1,132,262		
Less Utilization as Anticipated Revenue	<u>512,000</u>			<u>434,480</u>		
Fund Balance, December 31	\$ 875,295		\$	697,782		

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	<u>Year 2020</u>			<u>Year 2019</u>		
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>	
REVENUE AND OTHER INCOME REALIZED						
Fund Balance Utilized	\$ 45,000	13.06	%	\$ 30,312	7.47	%
Membership Fees	76,460	22.18		249,880	61.55	
Miscellaneous Fees	18,169	5.27		62,421	15.37	
Other Credits to Income	<u>205,019</u>	<u>59.49</u>		<u>63,386</u>	<u>15.61</u>	
 Total Income	 <u>344,648</u>	 <u>100.00</u>	 %	 <u>405,999</u>	 <u>100.00</u>	 %
EXPENDITURES						
Operating	207,473	80.27	%	246,390	88.08	%
Capital Improvements	42,152	16.31		18,530	6.62	
Debt Service	-	-		7,732	2.76	
Deferred Charges and Statutory Expenditures	<u>8,849</u>	<u>3.42</u>		<u>7,099</u>	<u>2.54</u>	
 Total Expenditures	 <u>258,474</u>	 <u>100.00</u>	 %	 <u>279,751</u>	 <u>100.00</u>	 %
 Excess in Revenue	 86,174			 126,248		
 Fund Balance, January 1	 <u>376,029</u>			 <u>280,093</u>		
	462,203			406,341		
 Less Utilization as Anticipated Revenue	 <u>45,000</u>			 <u>30,312</u>		
 Fund Balance, December 31	 \$ 417,203			 \$ 376,029		

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Tax Rate</u>	<u>\$2.926</u>	<u>\$2.844</u>	<u>\$2.767</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.670	.639	.612
Library	.039	.039	.038
Municipal Open Space	.007	.007	.007
County	.277	.271	.267
County – Open Space	.011	.011	.010
Local District School	1.922	1.877	1.833

Assessed Valuation

2020	<u>\$1,601,066,677</u>	
2019	<u>\$1,599,658,079</u>	
2018		<u>\$1,596,627,719</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>
2020	\$ 46,881,615	\$ 46,581,533	99.35%
2019	45,671,158	44,653,993	97.77%
2018	44,313,112	43,947,556	99.17%

**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>
2020	-	\$ 244,740	\$ 244,740	0.52%
2019	-	828,696	828,696	1.81%
2018	-	338,447	338,447	0.76%

Property Acquired by Tax Title Lien Liquidation

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

<u>Year</u>	<u>Amount</u>
2020	\$100,650
2019	100,650
2018	100,650

Comparison of Water Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(*)</u>	<u>Percentage of Collection</u>
2020	\$3,521,580	\$3,491,458	99.14%
2019	3,001,636	2,947,529	98.19%
2018	2,844,068	2,959,854	104.07%

Comparison of Electric Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(*)</u>	<u>Percentage of Collection</u>
2020	\$8,581,216	\$8,763,261	102.00%
2019	9,020,376	8,973,979	99.48%
2018	9,724,761	9,636,390	99.09%

*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	2020	\$2,718,575	\$1,500,000
	2019	1,931,707	1,125,000
	2018	2,064,141	1,000,000
	2017	1,912,114	900,000
	2016	1,888,071	800,000
Water Utility Fund	2020	\$978,262	\$400,000
	2019	547,752	260,000
	2018	630,156	351,328
	2017	676,109	528,355
	2016	868,290	604,542
Electric Utility Operating Fund	2020	\$875,305	\$704,000
	2019	697,782	512,000
	2018	686,624	434,480
	2017	679,775	436,296
	2016	860,117	528,350
Swim Pool Utility Operating Fund	2020	\$417,203	\$82,000
	2019	376,029	45,000
	2018	280,093	30,312
	2017	265,035	78,660
	2016	261,854	39,000

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

OFFICIALS IN OFFICE AND SURETY BONDS

<u>Name</u>	<u>Title</u>
Keith Misciagna	Mayor
Matthew Capilli	Council President
Kelly Epstein	Councilwoman
Thomas Farinaro	Councilman
John Ferguson	Councilman
Robert Metzdorf	Councilman
Michael Mintz	Councilman
Julie Falkenstern	Borough Administrator
Magdalena Giandomenico	Borough Clerk
Durene Ayer	Chief Financial Officer
Jessica Mazzarella	Tax Collector/Treasurer
William Beattie	Director of Operations
Anthony Bocchi	Borough Attorney
Neglia Engineering Assoc.	Borough Engineer
Burgis Associates	Borough Planner
Rogut McCarthy, LLC	Borough Bond Counsel
Joseph Madden	Police Chief
Thomas Lepore	Fire Chief
Tonya Tardibuono	Zoning Officer
Edward Scannavino	Construction Code Official
Robert Campora	Tax Assessor
Peter Wayne	Superintendent of Public Works
Paul Longo	Supervisor of Electric
Chris O'Leary	Supervisor of Water and Sewer
Robert Murken, Jr.	Electric Sub-Code Official
Brian Drews	Plumbing Sub-Code Official
Paul Renaud	Fire Subcode Official
Katherine Bowen	Director of Welfare

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

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

GENERAL COMMENTS

Prior Year Findings Unresolved

Finance

- **Finding** – Our audit revealed the balance reported in the Other Trust Fund for developer escrow deposits is not in agreement with the subsidiary records as of December 31, 2020. Additionally, old inactive and deficit developer escrow deposits be reviewed and cleared of record.

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

Departments

- **Finding** – Our audit of the Construction Code Department indicated that permit fees charged were not in agreement with the approved fee ordinance.

Recommendation – Construction Code Department permit fees be charged in accordance with the approved Borough fee ordinance.

Current Year Findings

Finance

- **Finding** – Our audit of the Water and Electric Utility Operating Fund collections indicated that payment stubs for the month of September 2020 were not available for audit.

Recommendation – Procedures be enhanced to ensure that all Water and Electric Utility payment stubs are retained and made available for audit.

- **Finding** – Our audit revealed certain Water Utility Capital Fund ordinances over five years old where unfinanced cash deficit balances exist at year end.

Recommendation – Water Utility Capital Fund ordinances greater than five years old with unfinanced cash deficits be funded accordingly.

- **Finding** – Our audit of the Swim Pool Operating Utility indicated that the 2020 pool fees approved by the Swim Pool Commission were not approved by a fee ordinance adopted by the governing body in 2020. However we noted subsequent to year end the governing body adopted a fee ordinance approving both the 2020 and 2021 swim pool fees. Therefore, since the Borough took corrective action in 2021 no recommendation is deemed warranted.

BOROUGH OF PARK RIDGE LETTER OF COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS (Continued)

Current Year Findings (Continued)

Finance (Continued)

- **Finding** – Our audit revealed certain payments made by wire transfers were not processed through the purchase order system. In addition, it appears these payments were made to vendors with invalid vendor identification codes in the Borough's accounting software.

Recommendation – All payments be processed through the purchase order system and all vendors be assigned a valid vendor identification code.

Payroll

- **Finding** – Our audit revealed the fixed asset inventory report was not updated for additions and deletions in 2020.

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

- **Finding** – Our audit of payroll revealed the following:
 - Police outside duty hourly rate payments to a certain individual were not made pursuant to the contract hours stipulated in the respective employee's contract.
 - Retro payments made to certain employees were incorrectly calculated resulting in payments made in excess of the retro amount due.
 - Unused sick and vacation payouts to certain employees were incorrectly calculated based on required work hours in respective employees' contracts.

Recommendation – Greater care be exercised in the processing of payroll to ensure rates and retroactive payments are properly calculated.

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 and has appointed the Director of Operations as qualified purchasing agent in accordance with regulations established by the Division of Local Government Services.

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

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

Memorial Field Turf Expansion	Vacuum Circuit Breakers & Equipment
LED Sports Lighting Fixtures	Tree Trimming Services
Water and Electric Distribution Materials	

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, 2020 adopted the following resolution authorizing interest to be charged on delinquent taxes, water and electric utility accounts:

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

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

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 3, 2020

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>
2020	0
2019	0
2018	0
2017	0
2016	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.

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

GENERAL COMMENTS (Continued)

Suggestions to Management

- Old outstanding grants receivable in the General Capital Fund be reviewed for collectability.
- Payment of unused sick and vacation days be reviewed by the Borough Attorney for compliance with State statutes.
- A review be made to determine if the 2017 and 2020 retro pension reports were remitted to the state pension systems.
- A review be made to determine that all retirees on the Borough's health benefit bills are still active eligible retirees and if retiree contributions are required.

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. Developer escrow deposit balances reported in the Other Trust Fund be in agreement with subsidiary records balances. In addition, old inactive and deficit balances of developer escrow deposits be reviewed and cleared of record.
- 2. Procedures be enhanced to ensure that all Water and Electric Utility payment stubs are retained and made available for audit.
- 3. Water Utility Capital Fund ordinances greater than five years old with unfinanced cash deficits be funded accordingly.
- 4. All payments be processed through the purchase order system and all vendors be assigned a valid vendor identification code.
- 5. A fixed asset inventory report be updated for additions and deletions on an annual basis at year end.

Payroll

It is recommended that greater care be exercised in the processing of payroll to ensure rates and retroactive payments are properly calculated.

Departments

- * It is recommended that Construction Code Department permit fees be charged in accordance with the approved Borough fee ordinance.

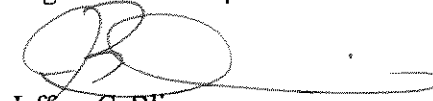
A review was performed on all prior year recommendations and corrective action was taken on all, except the recommendations denoted with an asterisk (*).

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.

Leach, Vinci & Higgins, LLP

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



Jeffrey C. Bliss
Certified Public Accountant
RMA Number CR00429