

BOROUGH OF PARK RIDGE
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2021

**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 Capital 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		40-96

**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	97
A-5	Statement of Change Funds	98
A-6	Statement of Petty Cash Funds	98
A-7	Statement of Due to/from State of New Jersey Senior Citizens’ and Veterans’ Deductions	98
A-8	Statement of Grant Receivables	99
A-9	Statement of Taxes Receivable and Analysis of Property Tax Levy	100
A-10	Statement of Property Acquired for Taxes – Assessed Valuation	101
A-11	Statement of Revenue Accounts Receivable	102
A-12	Statement of Other Accounts Receivable	103
A-13	Statement of Deferred Charges	103
A-14	Statement of Deferred Charges – Special Emergency Authorization (40A:4-53)	103
A-15	Statement of 2020 Appropriation Reserves	104-105
A-16	Statement of Encumbrances Payable	106
A-17	Statement of Accounts Payable	106
A-18	Statement of Tax Overpayments	106
A-19	Statement of Prepaid Taxes	107
A-20	Statement of County Taxes Payable	107
A-21	Statement of Local District School Tax Payable	107
A-22	Statement of Open Space Taxes Payable	108
A-23	Statement of Emergency Note	108
A-24	Statement of Fees Payable	108
A-25	Statement of PILOT Overpayments	108
A-26	Statement of Reserve for Tax Appeals	109
A-27	Statement of Tax Appeal Judgements Payable	109
A-28	Statement of County PILOT Payable	109
A-29	Statement of Due to Water Utility Capital Fund	110
A-30	Statement of Due to Electric Utility Capital Fund	110
A-31	Statement of Due to Municipal Library	110
A-32	Statement of Reserve for Appropriated Grants	111
A-33	Statement of Reserve for Grants – Unappropriated	111
	<u>Trust Funds</u>	
B-3	Statement of Trust Funds Cash	112
B-4	Statement of Due to State of New Jersey – Dog License Fees – Animal Control Fund	113
B-5	Statement of Due To Current Fund - Animal Control Fund	113
B-6	Statement of Reserve for Animal Control Fund Expenditures – Animal Control Fund	113
B-7	Statement of Due From Current Fund – Open Space Preservation Trust Fund	114
B-8	Statement of Due to State – Unemployment Claims – Unemployment Insurance Trust Fund	114
B-9	Statement of Reserve for Unemployment Insurance Benefits – Unemployment Insurance Trust Fund	114
B-10	Statement of Reserve for Open Space Expenditures - Open Space Preservation Trust Fund	115
B-11	Statement of Reserve for Affordable Housing – Affordable Housing Trust Fund	115
B-12	Statement of Police Outside Duty Receivable – Other Trust Fund	115
B-13	Statement of Developers Escrow Deposits – Other Trust Fund	116
B-14	Statement of Payroll Deductions Payable – Other Trust Fund	116
B-15	Statement of Due to Current Fund – Other Trust Fund	116
B-16	Statement of Contributions Receivable – Open Space Preservation Trust Fund	117
B-17	Statement of Miscellaneous Reserves and Deposits – Other Trust Fund	118

**BOROUGH OF PARK RIDGE
TABLE OF CONTENTS**

Exhibits

Page

Supplementary Schedules (Continued)

General Capital Fund

C-2	Statement of General Capital Cash and Investments	119
C-3	Analysis of General Capital Cash and Investments	120
C-4	Statement of Grants Receivable	121
C-5	Statement of Contributions Receivable	122
C-6	Statement of Due from Open Space Preservation Trust Fund	122
C-7	Statement of Deferred Charges to Future Taxation - Funded	122
C-8	Statement of Deferred Charges to Future Taxation - Unfunded	123
C-9	Statement of Encumbrances Payable	124
C-10	Statement of Capital Improvement Fund	124
C-11	Statement of Improvement Authorizations	125
C-12	Statement of Bond Anticipation Notes	126
C-13	Statement of General Serial Bonds	127
C-14	Statement of Green Trust Loans	128
C-15	Statement of Due to Current Fund	129
C-16	Statement of Reserve for Preliminary Expenses	129
C-17	Statement of Reserve for Community Center	129
C-18	Statement of Reserve for Sewer Improvements	130
C-19	Statement of Reserve for Payment of Debt	130
C-20	Statement of Bonds and Notes Authorized But Not Issued	131

Water Utility Fund

D-5	Statement of Cash – Collector/Treasurer	132
D-6	Analysis of Cash – Water Utility Capital Fund	133
D-7	Statement of Water Usage Charges Receivable – Water Utility Operating Fund	134
D-8	Statement of Other Charges Receivable – Water Utility Operating Fund	134
D-9	Statement of Woodcliff Lake Surcharge Receivable – Water Utility Operating Fund	135
D-10	Statement of Fixed Capital – Water Utility Capital Fund	136
D-11	Statement of Fixed Capital Authorized and Uncompleted – Water Utility Capital Fund	137
D-12	Statement of Due to Electric Utility Operating Fund – Water Utility Operating Fund	137
D-13	Statement of Due to Water Utility Operating Fund – Water Utility Capital Fund	138
D-14	Statement of Due to General Capital Fund – Water Utility Capital Fund	138
D-15	Statement of Due to Current Fund – Water Utility Operating Fund	138
D-16	Statement of 2020 Appropriation Reserves – Water Utility Operating Fund	139
D-17	Statement of Encumbrances Payable – Water Utility Operating Fund	140
D-18	Statement of Encumbrances Payable – Water Utility Capital Fund	140
D-19	Statement of Overpayments – Water Utility Operating Fund	141
D-20	Statement of Accrued Interest on Bonds and Notes – Water Utility Operating Fund	141
D-21	Statement of Improvement Authorizations – Water Utility Capital Fund	142
D-22	Statement of Serial Bonds – Water Utility Capital fund	143
D-23	Statement of Bond Anticipation Notes – Water Utility Capital Fund	144
D-24	Statement of Capital Improvement Fund – Water Utility Capital Fund	145
D-25	Statement of Reserve for Amortization – Water Utility Capital Fund	145
D-26	Statement of Deferred Reserve for Amortization – Water Utility Capital Fund	145
D-27	Statement of Miscellaneous Reserves – Water Utility Operating Fund	146
D-28	Statement of Bonds and Notes Authorized But Not Issued – Water Utility Capital Fund	146

**BOROUGH OF PARK RIDGE
TABLE OF CONTENTS**

Exhibits

Page

Supplementary Schedules (Continued)

Electric Utility Fund

E-5	Statement of Cash – Collector/Treasurer	147
E-6	Analysis of Cash – Electric Utility Capital Fund	148
E-7	Statement of Change Funds – Electric Utility Operating Fund	149
E-8	Statement of Petty Cash – Electric Utility Operating Fund	149
E-9	Statement of Investments – Electric Utility Operating Fund	149
E-10	Statement of Light and Power Charges Receivable – Electric Utility Operating Fund	150
E-11	Statement of Other Charges Receivable – Electric Utility Operating Fund	150
E-12	Statement of Fixed Capital – Electric Utility Capital Fund	151
E-13	Statement of Fixed Capital Authorized and Uncompleted – Electric Utility Capital Fund	152
E-14	Statement of Due from Electric Utility Operating Fund – Electric Utility Capital Fund	152
E-15	Statement of 2020 Appropriation Reserves – Electric Utility Operating Fund	153
E-16	Statement of Encumbrances Payable – Electric Utility Operating Fund	154
E-17	Statement of Encumbrances Payable – Electric Utility Capital Fund	154
E-18	Statement of Accrued Interest on Bonds and Notes – Electric Utility Operating Fund	155
E-19	Statement of Overpayments – Electric Utility Operating Fund	155
E-20	Statement of Due to General Capital – Electric Utility Capital Fund	155
E-21	Statement of Improvement Authorizations – Electric Utility Capital Fund	156
E-22	Statement of Serial Bonds – Electric Utility Capital Fund	157
E-23	Statement of Capital Improvement Fund – Electric Utility Capital Fund	158
E-24	Statement of Reserve for Capital Improvements – Electric Utility Capital Fund	158
E-25	Statement of Reserve for Amortization – Electric Utility Capital Fund	158
E-26	Statement of Accounts Payable – Electric Utility Operating Fund	159
E-27	Statement of Other Liabilities (Unallocated Receipts) – Electric Utility Operating Fund	159
E-28	Statement of Due to Current Fund – Electric Utility Operating Fund	159
E-29	Statement of Deferred Reserve for Amortization – Electric Utility Capital Fund	160
E-30	Statement of Bonds and Notes Authorized But Not Issued – Electric Utility Capital Fund	160

Utility Trust Fund

F-1	Statement of Cash – Utility Trust Fund	161
F-2	Statement of Deposit Payable	161
F-3	Statement of Due to Water Utility Operating Fund – Utility Trust Fund	162
F-4	Statement of Due to Electric Utility Operating Fund – Utility Trust Fund	162

Swim Pool Utility Fund

G-5	Statement of Cash – Collector/Treasurer – Swim Pool Utility Fund	163
G-6	Analysis of Cash – Swim Pool Utility Capital Fund	163
G-7	Statement of Due to Swim Pool Utility Operating Fund – Swim Pool Utility Capital Fund	164
G-8	Statement of Deferred Charges – Special Emergency Authorization (40A:4-53) – Swim Pool Utility Operating fund	164
G-9	Statement of Fixed Capital – Swim Pool Utility Fund	165
G-10	Statement of 2020 Appropriation Reserves – Swim Pool Utility Operating Fund	166
G-11	Statement of Capital Improvement Fund – Swim Pool Utility Capital Fund	166
G-12	Statement of Encumbrances Payable – Swim Pool Utility Operating Fund	166
G-13	Statement of Reserve for Amortization – Swim Pool Utility Capital Fund	167

**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	168
H-2	Statement of Due from Current Fund – Public Assistance Fund	168
H-3	Statement of Reserve for Public Assistance Expenditures	169
H-4	Statement of Public Assistance Revenues	169
H-5	Statement of Public Assistance Expenditures	169
 <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	170-171
	Schedule of Expenditures of Federal Awards	172
	Schedule of Expenditures of State Financial Assistance	173-174
	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	175-176
	Schedule of Findings and Responses	177-179
	Summary Schedule of Prior Year Audit Findings	180
 <u>PART III – Supplementary Data and Letter of Comments and Recommendations</u>		
	Comparative Statements of Operations and Changes in Fund Balance - Current Fund	181
	Comparative Statements of Operations and Changes in Fund Balance - Water Utility Operating Fund	182
	Comparative Statements of Operations and Changes in Fund Balance - Electric Utility Operating Fund	183
	Comparative Statements of Operations and Changes in Fund Balance - Swim Pool Utility Operating Fund	184
	Comparative Schedule of Tax Rate Information	185
	Comparison of Tax Levies and Collection	185
	Delinquent Taxes and Tax Title Liens	186
	Property Acquired by Tax Title Lien Liquidation	186
	Comparison of Water Utility Levies	186
	Comparison of Electric Utility Levies	186
	Comparative Schedule of Fund Balances	187
	Officials in Office and Surety Bonds	188
	General Comments	189-192
	Appreciation	192
	Recommendations	193

BOROUGH OF PARK RIDGE
BERGEN COUNTY, NEW JERSEY

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2021



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Park Ridge, as of December 31, 2021 and 2020, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2021, and the related notes to the financial statements.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the possible effects of the matters discussed in the Basis for Qualified Opinion on Regulatory Basis of Accounting section of our report, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough of Park Ridge as of December 31, 2021 and 2020, 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, 2021 in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Park Ridge as of December 31, 2021 and 2020, or changes in financial position, or, where applicable, cash flows for the years then ended.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough of Park Ridge and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 17 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough's financial statements as of and for the years ended December 31, 2021 and 2020. The LOSAP Trust Fund financial activities are included in the Borough's Trust Funds, and represent 58.8 percent and 49.1 percent of the assets and liabilities of the Borough's Trust Funds as of December 31, 2021 and 2020, respectively.

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Park Ridge's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Park Ridge as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Park Ridge. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.

Other Information

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

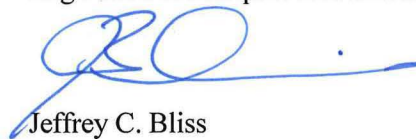
In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 31, 2022 on our consideration of the Borough of Park Ridge's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Park Ridge's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Park Ridge's internal control over financial reporting and compliance.

Lerch, Vinci & Bliss, LLP

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



Jeffrey C. Bliss
Registered Municipal Accountant
RMA Number CR00429

Fair Lawn, New Jersey
August 31, 2022

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
ASSETS			
Cash	A-4	\$ 4,586,154	\$ 4,317,719
Cash - Petty Cash	A-6	750	750
Cash - Change Funds	A-5	275	275
Due to State of New Jersey - Senior Citizens' and Veterans' Deductions	A-7	2,111	3,530
Grant Receivables	A-8	<u>45,218</u>	<u>382</u>
		<u>4,634,508</u>	<u>4,322,656</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-9	201,539	244,740
Property Acquired for Taxes - Assessed Valuation	A-10	100,650	100,650
Revenue Accounts Receivable	A-11	18,934	6,102
Other Accounts Receivable	A-12	21,588	687
Due from Animal Control Fund	B-5	5,076	
Due from Other Trust Fund	B-15	3,032	
Due from General Capital Fund	C-15	8,737	
Due from Water Utility Operating Fund	D-15	62,966	
Due from Electric Utility Operating Fund	E-27	<u>48,091</u>	<u>-</u>
		<u>470,613</u>	<u>352,179</u>
Deferred Charges			
Emergency Authorizations	A-13	24,012	200,000
Overexpenditure of Appropriations	A-13	1,268	
Overexpenditure of Appropriation Reserves	A-13	5,692	
Special Emergency Authorizations	A-14	<u>260,000</u>	<u>260,000</u>
		<u>290,972</u>	<u>460,000</u>
Total Assets		<u>\$ 5,396,093</u>	<u>\$ 5,134,835</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2021 AND 2020**

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3,A-15	\$ 621,863	\$ 650,919
Encumbrances Payable	A-16	223,235	267,287
Accounts Payable	A-17		14,827
Tax Overpayments	A-18	2,465	
PILOT Overpayments	A-25	148,686	
Prepaid Taxes	A-19	461,499	374,130
County Taxes Payable	A-20	2,883	3,388
County PILOT Payable	A-28	9,245	
Tax Appeal Judgements Payable	A-27	513,435	
Emergency Notes	A-23		200,000
Fees Payable	A-24	122	3,772
Due to Municipal Library	A-31	4,744	
Due to Open Space Preservation Trust Fund	B-7	110,693	
Due to Water Utility Capital Fund	A-29	150,000	
Due to Electric Utility Capital Fund	A-30	5,000	
Due to Public Assistance Trust Fund	H-2	5,798	
Reserve for:			
Tax Appeals	A-26		530,393
Appropriated Grant Reserves	A-32	33,769	19,365
Unappropriated Grant Reserves	A-33	<u>490,522</u>	<u>-</u>
		2,783,959	2,064,081
Reserve for Receivables and Other Assets	A	470,613	352,179
Fund Balance	A-1	<u>2,141,521</u>	<u>2,718,575</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 5,396,093</u>	<u>\$ 5,134,835</u>

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 1,500,000	\$ 1,125,000
Miscellaneous Revenue Anticipated	A-2	2,459,337	2,738,169
Receipts from Delinquent Taxes	A-2	237,890	828,693
Receipts from Current Taxes	A-2	47,319,658	46,456,533
Non-Budget Revenue	A-2	495,993	400,518
Other Credits to Income			
Unexpended Balances of Appropriation Reserves	A-15	373,060	581,629
Special Emergency Authorization COVID-19 Revenue Loss	A-1		260,000
Accounts Payable Cancelled	A-17	14,562	
Statutory Excess from Animal Control Trust Fund	B-5	5,072	5,240
Miscellaneous Reserves Cancelled	A-1		6,250
Fees Payable Cancelled	A-1		9,013
Interfunds Liquidated	A-1	-	25,863
Total Revenue		<u>52,405,572</u>	<u>52,436,908</u>
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries & Wages	A-3	5,534,438	5,503,861
Other Expenses	A-3	6,049,960	6,322,470
Capital Improvements	A-3	308,548	56,700
Debt Service	A-3	1,936,929	1,978,058
Deferred Charges and Statutory Expenditures	A-3	1,550,789	1,367,169
County Taxes	A-20	4,637,363	4,617,807
Local District School Tax	A-21	31,493,033	30,766,131
Municipal Open Space Tax	A-22	110,693	112,157
Overexpenditures of Appropriation Reserves	A-15	5,692	
Refund of Prior Years Revenue	A-4	3,686	
Other Accounts Receivable Established	A	20,901	687
Interfunds Created	A	<u>127,902</u>	<u>-</u>
Total Expenditures		<u>51,779,934</u>	<u>50,725,040</u>
Excess in Revenue		625,638	1,711,868
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-13	30,972	200,000
Expenditures Included Above Which were Funded by			
Bond Ordinance	A-13	<u>266,336</u>	<u>-</u>
Statutory Excess to Fund Balance		922,946	1,911,868
FUND BALANCE, JANUARY 1	A	<u>2,718,575</u>	<u>1,931,707</u>
		3,641,521	3,843,575
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	<u>1,500,000</u>	<u>1,125,000</u>
FUND BALANCE, DECEMBER 31	A	<u>\$ 2,141,521</u>	<u>\$ 2,718,575</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, 2021

	<u>Reference</u>	<u>Budget</u>	Added By: <u>40A:4-87</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
FUND BALANCE ANTICIPATED	A-1	\$ 1,500,000	-	\$ 1,500,000	-
MISCELLANEOUS REVENUES					
Licenses					
Alcoholic Beverages	A-11	19,000		19,815	\$ 815
Fees and Permits					
Fire Code Department	A-11	53,500		54,901	1,401
Board of Health/Registrar	A-11	21,000		26,196	5,196
Fines and Costs - Municipal Court	A-11	80,000		45,538	(34,462)
Interest and Costs on Taxes	A-11	60,000		80,221	20,221
Interest on Investments	A-11	29,000		16,303	(12,697)
Insurance Fund Dividends	A-11	25,000		25,000	-
Hotel Tax	A-11	75,000		104,986	29,986
Recycling Program	A-11	12,000		17,695	5,695
Cable Television Franchise Fee	A-11	143,000		137,839	(5,161)
Water Utility Rental Fees	A-11	105,000		105,000	-
Electric Utility Rental Fees	A-11	30,000		30,000	-
Pistol Range Fee	A-11	28,500		32,500	4,000
Tri-Boro Safety Corps.	A-11	50,000		21,390	(28,610)
Consolidated Municipal Property Tax Relief Aid	A-11	16,161		16,161	-
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	A-11	366,437		366,437	-
Watershed Moratorium Offset Aid	A-11	1,598		1,598	-
Uniform Construction Code Fees	A-11	388,000		266,201	(121,799)
Body Armor Grant	A-8	1,666		1,666	-
Drunk Driving Enforcement Fund	A-8		\$ 800	800	
Municipal Alliance	A-8	3,126		3,126	
Body Worn Camera Grant	A-8		44,836	44,836	
Water Utility - Payments in Lieu of Taxes	A-11	100,000		100,000	
Electric Utility - Payments in Lieu of Taxes	A-11	155,000		155,000	
Electric Utility Payment in Lieu of Franchise and					
Gross Receipts Taxes	A-11	500,000		500,000	
Life Hazard Use Fees	A-11	14,000		21,601	7,601
Library Reimbursements	A-11	61,000		61,000	
Excess Sewer User Fees	A-11	45,000		42,562	(2,438)
Sprint Cell Tower Rent	A-11	96,000		110,965	14,965
General Capital Fund Balance (Surplus)	A-11	50,000	-	50,000	-
Total Miscellaneous Revenues	A-1	2,528,988	45,636	2,459,337	(115,287)
RECEIPTS FROM DELINQUENT TAXES	A-1,A-9	240,000	-	237,890	(2,110)
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET					
Local Tax For Municipal Purposes	A-9	10,857,491		11,161,631	304,140
Minimum Library Tax	A-9	621,938	-	621,938	-
Total Amount to be Raised by Taxes	A-2	11,479,429	-	11,783,569	304,140
	A-3	\$ 15,748,417	\$ 45,636	15,980,796	\$ 186,743
Non-Budget Revenue	A-1,A-2			495,993	
				\$ 16,476,789	

BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Reference</u>	<u>Realized</u>
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenue from Collections	A-9	\$ 47,369,658
Less: Transferred to Reserve for Tax Appeals	A-25	<u>50,000</u>
Revenue Realized	A-1	47,319,658
Less Allocated to School, County and Municipal Open Space Taxes	A-20,A-21,A-22	<u>36,241,089</u>
		11,078,569
Add Appropriation Reserve for Uncollected Taxes	A-3	<u>705,000</u>
Amount for Support of Municipal Budget Appropriation	A-2	<u>\$ 11,783,569</u>
 Analysis of Non-Budget Revenue		
Parking Permits		\$ 4,361
Police Fees		5,243
Senior Citizen and Veterans Administration Fees		1,188
Housing Registration Fees		21,417
PILOT - PR III		175,654
PILOT - PR III 2% Admin Fee		5,126
FEMA CARES		76,316
FEMA Winter Storm Reimbursement		3,557
PILOT - Lehman Gardens		19,642
Sale of Municipal Assets		12,450
Reimbursements		45,232
Insurance Dividend		104,825
Miscellaneous		<u>20,982</u>
	A-2	<u>\$ 495,993</u>
 Cash Receipts		
Due from Other Trust Fund	A-4	\$ 493,100
	B-15	<u>2,893</u>
	A-2	<u>\$ 495,993</u>

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>	
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>	<u>Over-</u>
		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>	<u>expended</u>
OPERATIONS - WITHIN "CAPS"						
GENERAL GOVERNMENT						
General Administration						
Salaries and Wages	\$ 93,900	\$ 73,900	\$ 73,352	\$ 548		
Other Expenses	36,100	20,300	17,792	2,508		
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	5,926	4,774		
Municipal Clerk						
Salaries and Wages	155,600	161,600	159,707	1,893		
Other Expenses	40,400	40,400	40,103	297		
Financial Administration						
Salaries and Wages	223,100	192,100	185,319	6,781		
Other Expenses	68,200	90,300	85,164	5,136		
Audit Services						
Other Expenses	46,500	46,500		46,500		
Revenue Administration						
Salaries and Wages	74,100	124,100	123,234	866		
Other Expenses	11,550	21,550	15,744	5,806		
Tax Assessment Administration						
Salaries and Wages	15,700	15,700	15,000	700		
Other Expenses	23,280	8,280	5,215	3,065		
Legal Services and Costs						
Other Expenses	350,000	400,000	353,019	46,981		
Engineering Services and Costs						
Other Expenses	50,000	50,000	34,764	15,236		
LAND USE ADMINISTRATION						
Planning Board						
Salaries and Wages	100,100	87,100	86,871	229		
Other Expenses	13,625	13,625	10,558	3,067		
Zoning Board of Adjustment						
Salaries and Wages	25,500	64,100	62,675	1,425		
Other Expenses	11,460	11,460	9,751	1,709		
Zoning Officer						
Salaries and Wages	14,900	16,000	15,969	31		
Other Expenses	1,100	1,100	31	1,069		
Housing Task Force						
Salaries and Wages	10,800	11,500	11,452	48		
Other Expenses	250	250	113	137		
INSURANCE						
General Liability	172,000	193,800	152,166	41,634		
Employee Group Health	1,342,000	1,297,000	1,288,857	8,143		
Employee Group Health Waiver	40,000	30,000	28,067	1,933		
Tri-Boro Ambulance	8,500	8,500		8,500		

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budget</u>	<u>Appropriated Budget After Modification</u>	<u>Expended Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>	<u>Over- expended</u>
OPERATIONS - WITHIN "CAPS" (Continued)						
PUBLIC SAFETY FUNCTIONS						
Police						
Salaries and Wages	\$ 3,035,700	\$ 3,147,700	\$ 3,146,753	\$ 947		
Other Expenses	99,540	149,540	115,298	34,242		
Pistol Range						
Other Expenses	28,000	28,000	23,550	4,450		
Police Reserves/EMC						
Salaries and Wages	19,000	19,000	18,400	600		
Other Expenses	25,400	25,400	6,277	19,123		
Tri-Borough Safety Corps						
Other Expenses	321,500	321,500	301,115	20,385		
Emergency Management Services						
Salaries and Wages	6,000	6,000		6,000		
Other Expenses	8,050	8,050	7,992	58		
First Aid Organization						
Other Expenses - Contribution	20,000	20,000	20,000	-		
Fire Department						
Salaries and Wages	61,500	51,700	51,700	-		
Other Expenses	88,620	88,620	88,023	597		
Fire Hydrant Services	20,000	20,000	18,133	1,867		
Fire Prevention						
Salaries and Wages	43,400	41,800	41,433	367		
Other Expenses	7,950	7,950	4,252	3,698		
PUBLIC WORKS FUNCTION						
Streets and Road Maintenance						
Salaries and Wages	881,200	841,200	833,639	7,561		
Other Expenses	191,100	201,100	194,536	6,564		
Sewer System						
Salaries and Wages	61,512	57,512	56,232	1,280		
Other Expenses	11,780	15,680	15,145	535		
Shade Tree						
Other Expenses	8,680	8,680	6,459	2,221		
Solid Waste Collection						
Other Expenses - Sanitation	600,000	560,000	555,967	4,033		
Other Expenses - Recycling	141,250	126,250	124,968	1,282		
Building and Grounds						
Salaries and Wages	95,140	99,640	99,071	569		
Other Expenses	81,200	71,000	33,838	37,162		
Vehicle Maintenance						
Salaries and Wages	109,960	114,660	114,059	601		
Other Expenses	67,800	79,300	77,908	1,392		

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>	<u>Over-</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>	<u>expended</u>
		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>	
OPERATIONS - WITHIN "CAPS" (Cont'd)						
HEALTH AND HUMAN SERVICES						
Board of Health						
Salaries and Wages	\$ 26,400	\$ 26,400	\$ 26,390	\$ 10		
Other Expenses	59,850	59,850	54,154	5,696		
Administration of Public Assistance						
Salaries and Wages	11,000	11,000	10,585	415		
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	32,300	46,900	46,739	161		
Other Expenses	21,550	20,450	10,076	10,374		
Senior Citizens						
Salaries and Wages	22,700	12,700	12,535	165		
Other Expenses	7,500	7,500	7,500	-		
OTHER COMMON OPERATING FUNCTIONS						
Celebration of Public Events	4,000	4,000	3,008	992		
Park Ridge Television						
Salaries and Wages	13,000	13,000	12,240	760		
Other Expenses	11,535	11,535	11,367	168		
Municipal Services Act						
Other Expenses	30,000	30,000	13,888	16,112		
UNIFORM CONSTRUCTION CODE						
APPROPRIATIONS OFFSET BY DEDICATED						
REVENUES (N.J.A.C. 5:23-4-17)						
Construction Code Official						
Salaries and Wages	376,800	252,800	252,089	711		
Other Expenses	19,750	19,750	19,425	325		
UTILITY EXPENSES AND BULK PURCHASES						
Electricity	90,000	90,000	76,585	13,415		
Telephone	30,000	30,000	18,509	11,491		
Water	17,500	17,500	15,209	2,291		
Gas and Oil	20,000	20,000	17,631	2,369		
Gasoline	60,000	60,000	57,476	2,524		
OPERATIONS - WITHIN "CAPS" (Cont'd)						
LANDFILL/SOLID WASTE DISPOSAL COSTS						
Dumping Fees	85,000	79,000	42,560	36,440	-	-
Total Operations Within "CAPS"	10,001,032	10,001,032	9,530,763	470,269	-	-
Detail:						
Salaries and Wages	5,552,512	5,531,312	5,498,644	32,668	-	-
Other Expenses	4,448,520	4,469,720	4,032,119	437,601	-	-

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>	
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>	<u>Over-</u>
		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>	<u>expended</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"						
Statutory Expenditures						
Contribution to						
Social Security System	\$ 240,000	\$ 240,000	\$ 234,136	\$ 5,864		
Defined Contribution Retirement Plan	2,500	2,500	1,703	797		
Police & Firemen Retirement System	798,880	798,880	798,871	9		
Public Employees Retirement System	292,140	292,140	292,138	2	-	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"						
	1,333,520	1,333,520	1,326,848	6,672	-	-
Total General Appropriations for Municipal Purposes Within "CAPS"						
	11,334,552	11,334,552	10,857,611	476,941	-	-
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	715,000	715,000	714,837	163		
EDUCATION FUNCTIONS						
Maintenance of Free Public Library	621,938	621,938	600,281	21,657		
OPERATIONS - EXCLUDED FROM "CAPS" (Cont'd)						
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS						
Municipal Court						
Other Expenses - Contractual	115,000	115,000	75,364	39,636		
PUBLIC SAFETY FUNCTION						
LOSAP						
Fire Department	50,000	50,000		50,000		
Tri-Borough Ambulance	20,000	20,000	-	20,000	-	-
Total Other Operations Excluded from "CAPS"						
	1,532,938	1,532,938	1,390,482	142,456	-	-
PUBLIC AND PRIVATE PROGRAMS						
OFFSET BY REVENUES						
Municipal Drug Alliance Program						
Salaries & Wages	3,126	3,126	3,126			
Drunk Drivers Enforcement Fund		800		800		
Body Armor Grant	1,666	1,666		1,666		
Body Worn Camera Grant	-	44,836	44,836	-	-	-
Total Public and Private Programs Offset by Revenues						
	4,792	50,428	47,962	2,466	-	-
Total Operations Excluded from "CAPS"						
	1,537,730	1,583,366	1,438,444	144,922	-	-

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>	
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>	<u>Over-</u>
		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>	<u>expended</u>
Detail:						
Salaries and Wages	\$ 3,126	\$ 3,126	\$ 3,126	-	-	-
Other Expenses	<u>1,534,604</u>	<u>1,580,240</u>	<u>1,435,318</u>	<u>\$ 144,922</u>	<u>-</u>	<u>-</u>
CAPITAL IMPROVEMENTS -						
EXCLUDED FROM "CAPS"						
Capital Improvement Fund/Down Payment on Improvements	18,200	42,300	42,212		\$ 88	
2021 Road, Curb, Drainage and Sidewalk Program	<u>-</u>	<u>266,336</u>	<u>266,336</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Improvements Excluded from "CAPS"	<u>18,200</u>	<u>308,636</u>	<u>308,548</u>	<u>-</u>	<u>88</u>	<u>-</u>
MUNICIPAL DEBT SERVICE -						
EXCLUDED FROM "CAPS"						
Payment of Bond Principal	1,570,000	1,570,000	1,570,000			
Interest on Bonds	228,610	228,610	228,609		1	
Interest on Notes	24,110	24,110	25,378			\$ 1,268
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	<u>112,945</u>	<u>112,945</u>	<u>112,942</u>	<u>-</u>	<u>3</u>	<u>-</u>
Total Municipal Debt Service Excluded from "CAPS"	<u>1,935,665</u>	<u>1,935,665</u>	<u>1,936,929</u>	<u>-</u>	<u>4</u>	<u>1,268</u>
DEFERRED CHARGES MUNICIPAL-						
EXCLUDED FROM "CAPS"						
DEFERRED CHARGES						
Emergency Authorizations	200,000	200,000	200,000			
Unfunded Ordinance 2016-15	<u>17,270</u>	<u>17,270</u>	<u>17,269</u>	<u>-</u>	<u>1</u>	<u>-</u>
Total Deferred Charges Municipal Excluded from "CAPS"	<u>217,270</u>	<u>217,270</u>	<u>217,269</u>	<u>-</u>	<u>1</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>3,708,865</u>	<u>4,044,937</u>	<u>3,901,190</u>	<u>144,922</u>	<u>93</u>	<u>1,268</u>
Subtotal General Appropriations	15,043,417	15,379,489	14,758,801	621,863	93	1,268
Reserve for Uncollected Taxes	<u>705,000</u>	<u>705,000</u>	<u>705,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Appropriations	<u>\$ 15,748,417</u>	<u>\$ 16,084,489</u>	<u>\$ 15,463,801</u>	<u>\$ 621,863</u>	<u>\$ 93</u>	<u>\$ 1,268</u>
Reference	A-2		A-1	A,A-1		
Budget	A-3	\$ 15,748,417				
Added by 40A:4-87	A-2	45,636				
Emergency Authorization	A-13	<u>290,436</u>				
		<u>\$ 16,084,489</u>				
Cash Disbursed	A-4		\$ 14,276,800			
Encumbrances Payable	A-16		222,520			
Due to General Capital Fund	C-15		59,481			
Deferred Charges						
Emergency Authorizations	A-13		200,000			
Reserve for Uncollected Taxes	A-2		<u>705,000</u>			
			<u>\$ 15,463,801</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, 2021 AND 2020

ASSETS	<u>Reference</u>	<u>2021</u>	<u>2020</u>
ANIMAL CONTROL TRUST FUND			
Cash	B-3	\$ 16,987	\$ 12,655
OTHER TRUST FUND			
Cash	B-3	1,063,413	1,456,441
Police Outside Duty Receivable	B-12	53,767	3,752
		<u>1,117,180</u>	<u>1,460,193</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Cash	B-3	104,737	99,989
OPEN SPACE PRESERVATION TRUST FUND			
Cash	B-3	162,412	374,819
Due from Current Fund	B-7	110,693	
Contributions Receivable	B-16	7,333	-
		<u>280,438</u>	<u>374,819</u>
AFFORDABLE HOUSING TRUST FUND			
Cash	B-3	423,627	411,632
LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)			
Investments	B	2,684,178	2,196,671
Contributions Receivable	B	85,084	77,931
		<u>2,769,262</u>	<u>2,274,602</u>
Total Assets		\$ <u>4,712,231</u>	\$ <u>4,633,890</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2021 AND 2020**

LIABILITIES AND RESERVES	<u>Reference</u>	<u>2021</u>	<u>2020</u>
ANIMAL CONTROL TRUST FUND			
Due to State of New Jersey	B-4	\$ 138	\$ 154
Due to Current Fund	B-5	5,076	
Reserve for Animal Control Expenditures	B-6	<u>11,773</u>	<u>12,501</u>
		<u>16,987</u>	<u>12,655</u>
OTHER TRUST FUND			
Due to Current Fund	B-15	3,032	
Developers Escrow Deposits	B-13	307,154	629,224
Payroll Deductions Payable	B-14	80,192	32,524
Miscellaneous Reserves & Deposits	B-17	673,035	794,693
Reserve for Police Outside Duty Receivable	B-12	<u>53,767</u>	<u>3,752</u>
		<u>1,117,180</u>	<u>1,460,193</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Due to State of New Jersey	B-8		4,959
Reserve for Unemployment Insurance Benefits	B-9	<u>104,737</u>	<u>95,030</u>
		<u>104,737</u>	<u>99,989</u>
OPEN SPACE PRESERVATION TRUST FUND			
Due to General Capital Fund	C-6	14,667	
Reserve for Open Space Expenditures	B-10	<u>265,771</u>	<u>374,819</u>
		<u>280,438</u>	<u>374,819</u>
AFFORDABLE HOUSING TRUST FUND			
Reserve for Affordable Housing	B-11	<u>423,627</u>	<u>411,632</u>
LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)			
Reserve for LOSAP Benefits	B	<u>2,769,262</u>	<u>2,274,602</u>
 Total Liabilities and Reserves		 <u>\$ 4,712,231</u>	 <u>\$ 4,633,890</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, 2021**

			<u>Anticipated (Memo)</u>		
	<u>Reference</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Realized</u>	<u>Excess or Deficit</u>
Amount to be Raised by Taxation	B-10	\$ 110,624	\$ 110,624	\$ 110,693	\$ 69
Reserve Funds Anticipated	B-10	-	124,316	124,316	-
	B-2	<u>\$ 110,624</u>	<u>\$ 234,940</u>	235,009	<u>\$ 69</u>
Non-Budget Revenue	B-1			15,199	
				<u>\$ 250,208</u>	
<u>Analysis of Non-Budget Revenue</u>					
Interest on Deposits	B-10			\$ 532	
Miscellaneous Contributions	B-10			14,667	
	B-1			<u>\$ 15,199</u>	

EXHIBIT B-2

**STATEMENT OF APPROPRIATIONS-REGULATORY BASIS
OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

		<u>Appropriated (Memo)</u>	<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Maintenance of Lands for Recreation and Conservation				
Other Expenses		\$ 62,940	\$ 62,940	
Down Payments on Improvements		172,000	172,000	
Reserve for Future Use	<u>\$ 110,624</u>	-	-	<u>\$ -</u>
	<u>\$ 110,624</u>	<u>\$ 234,940</u>	<u>\$ 234,940</u>	<u>\$ -</u>
Reference	B-1	B-1	B-10	

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
ASSETS			
Cash	C-2,C-3	\$ 16,261	\$ 1,139,959
Grants Receivable	C-4	899,244	664,654
Contributions Receivable	C-5	28,000	
Due from Open Space Preservation Trust Fund	C-6	14,667	
Due from Water Utility Capital Fund	D-14	18,750	
Due from Electric Utility Capital Fund	E-20	18,750	
Deferred Charges to Future Taxation			
Funded	C-7	7,709,305	9,372,737
Unfunded	C-8	<u>5,652,248</u>	<u>3,266,089</u>
 Total Assets		 <u>\$ 14,357,225</u>	 <u>\$ 14,443,439</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Serial Bonds	C-13	\$ 6,804,000	\$ 8,374,000
Green Trust Loans	C-14	905,305	998,737
Bond Anticipation Notes	C-12	2,670,000	1,970,000
Encumbrances Payable	C-9	1,313,395	410,423
Improvement Authorizations			
Funded	C-11	325,081	541,419
Unfunded	C-11	1,104,944	1,057,230
Due to Current Fund	C-15	8,737	
Capital Improvement Fund	C-10		19,988
Reserve for Preliminary Expenses	C-16	14,480	
Reserve for Community Center	C-17	508,675	488,675
Reserve for Sewer Improvements	C-18	208,260	208,260
Reserve for Payment of Debt	C-19	100	100
Reserve for Grants Receivable	C-4	472,515	320,656
Fund Balance	C-1	<u>21,733</u>	<u>53,951</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 14,357,225</u>	 <u>\$ 14,443,439</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2021 and 2020 of \$3,068,890 and \$1,317,075, 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, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
Balance, January 1	C	\$ 53,951	\$ 101,998
Increased by:			
Premium on Bond Anticipation Notes Issued	C-2	17,782	
Funded Improvement Authorizations Cancelled	C-1	<u>-</u>	<u>37,606</u>
		71,733	139,604
Decreased by:			
Appropriation to Finance Improvement Authorizations	C-1		35,653
Anticipated as Current Fund Revenue	C-15	<u>50,000</u>	<u>50,000</u>
Balance, December 31	C	<u>\$ 21,733</u>	<u>\$ 53,951</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2021 AND 2020**

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
ASSETS			
OPERATING FUND			
Cash	D-5	\$ 2,994,638	\$ 2,987,675
Due from Water Utility Capital Fund	D-13	124,044	124,078
Due from Utility Trust Fund	F-3	<u>1,459</u>	<u>-</u>
		<u>3,120,141</u>	<u>3,111,753</u>
Receivables With Full Reserves			
Water Usage Charges Receivable	D-7	346,261	260,423
Other Charges Receivable	D-8	85,708	80,201
Woodcliff Lake Surcharge Receivable	D-9	<u>53,963</u>	<u>45,940</u>
		<u>485,932</u>	<u>386,564</u>
Total Operating Fund		<u>3,606,073</u>	<u>3,498,317</u>
CAPITAL FUND			
Cash	D-5, D-6	777,769	50,965
Due from Current Fund	A-28	150,000	
Fixed Capital	D-10	16,231,471	16,114,317
Fixed Capital Authorized and Uncompleted	D-11	<u>1,576,347</u>	<u>1,551,710</u>
Total Capital Fund		<u>18,735,587</u>	<u>17,716,992</u>
		<u>\$ 22,341,660</u>	<u>\$ 21,215,309</u>

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2021 AND 2020
(Continued)

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	D-4,D-16	\$ 202,825	\$ 282,650
Encumbrances Payable	D-17	463,049	252,451
Overpayments	D-19	29,246	32,492
Accrued Interest on Bonds and Notes	D-20	15,887	16,074
Due to Current Fund	D-15	62,966	
Due to Electric Utility Operating Fund	D-12	5,501	66,597
Miscellaneous Reserves	D-27	<u>1,594,205</u>	<u>1,483,227</u>
		2,373,679	2,133,491
Reserve for Receivables	D	485,932	386,564
Fund Balance	D-1	<u>746,462</u>	<u>978,262</u>
Total Operating Fund		<u>3,606,073</u>	<u>3,498,317</u>
CAPITAL FUND			
Serial Bonds Payable	D-22	1,452,000	1,632,000
Bond Anticipation Notes	D-23	1,386,700	594,400
Encumbrances Payable	D-18	134,750	140,477
Improvement Authorization			
Funded	D-21	184,756	228,990
Unfunded	D-21	891,536	893,972
Due to General Capital Fund	D-14	18,750	
Due to Water Utility Operating Fund	D-13	124,044	124,078
Capital Improvement Fund	D-24	297,919	166,669
Reserve for Amortization	D-25	14,004,416	13,700,211
Deferred Reserve for Amortization	D-26	197,002	171,716
Fund Balance	D-2	<u>43,714</u>	<u>64,479</u>
Total Capital Fund		<u>18,735,587</u>	<u>17,716,992</u>
		<u>\$ 22,341,660</u>	<u>\$ 21,215,309</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2021 and 2020 of \$767,000 and \$1,567,700, respectively. (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, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	D-3	\$ 400,000	\$ 260,000
Water Usage Charges	D-3	3,294,914	3,491,458
Miscellaneous Charges and Fees	D-3	295,598	303,171
Reserve for Woodcliff Lake Improvements - Reimbursements			
Holly Court Water Tank - Debt Service	D-3	46,983	46,983
Installation of New Well & Pumping Station - Debt Service	D-3	1,300	1,300
Mandatory Water Meter Replacement	D-3		68,010
Water Main at Glen Road	D-3	6,400	
Non-Budget Revenue	D-3	23,540	24,070
Other Credits			
Appropriation Reserves Lapsed	D-16	<u>209,092</u>	<u>349,232</u>
 Total Income		 <u>4,277,827</u>	 <u>4,544,224</u>
EXPENDITURES			
Operating	D-4	3,296,860	3,207,785
Capital Improvements	D-4	320,000	168,010
Debt Service	D-4	236,957	231,611
Deferred Charges and Statutory Expenditures	D-4	<u>255,810</u>	<u>246,308</u>
 Total Expenditures		 <u>4,109,627</u>	 <u>3,853,714</u>
 Statutory Excess to Fund Balance		 168,200	 690,510
 Fund Balance, January 1,	 D	 <u>978,262</u>	 <u>547,752</u>
		1,146,462	1,238,262
Decreased by:			
Utilized as Anticipated Revenue	D-1,D-3	<u>400,000</u>	<u>260,000</u>
 Balance, December 31,	 D	 <u>\$ 746,462</u>	 <u>\$ 978,262</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, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
Balance, January 1	D	\$ 64,479	\$ 178,962
Increased by:			
Funded Improvement Authorizations Cancelled	D-2		32,507
Premium on Bond Anticipation Notes Issued	D-5	<u>9,235</u>	<u>-</u>
		73,714	211,469
Decreased by:			
Appropriated to Finance Improvement Authorizations	D-21	<u>30,000</u>	<u>146,990</u>
Balance, December 31,	D	<u>\$ 43,714</u>	<u>\$ 64,479</u>

BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	D-1	\$ 400,000	\$ 400,000	
Water Usage Charges	D-1,D-7	3,380,131	3,294,914	\$ (85,217)
Miscellaneous Charges and Fees	D-1,D-3	275,000	295,598	20,598
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	
Water Main at Glen Road	D-1, D-27	6,400	6,400	-
	D-4	<u>\$ 4,109,814</u>	4,045,195	<u>\$ (64,619)</u>
Non-Budget Revenue	D-1, D-3		<u>23,540</u>	
			<u>\$ 4,068,735</u>	
<u>Analysis of Realized Revenue</u>				
Miscellaneous Charges and Fees:				
Fire Sprinklers	D-8		\$ 81,154	
Hydrants	D-8		42,606	
Mobile Antenna Rents	D-5		<u>171,838</u>	
	D-3		<u>\$ 295,598</u>	
Non-Budget Revenue:				
Interest on Investments			2,895	
Miscellaneous			<u>20,645</u>	
	D-3		<u>\$ 23,540</u>	
Cash Receipts	D-5		\$ 20,645	
Due from Water Utility Capital Fund	D-13		1,436	
Due from Utility Trust Fund	F-3		<u>1,459</u>	
			<u>\$ 23,540</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, 2021

	<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	\$ 1,370,000	\$ 1,370,000	\$ 1,308,428	\$ 61,572	
Other Expenses	<u>1,851,860</u>	<u>1,926,860</u>	<u>1,825,984</u>	<u>100,876</u>	<u>-</u>
Total Operating	<u>3,221,860</u>	<u>3,296,860</u>	<u>3,134,412</u>	<u>162,448</u>	<u>-</u>
CAPITAL IMPROVEMENTS					
Capital Improvement Fund	150,000	150,000	150,000	-	
Capital Outlay	<u>245,000</u>	<u>170,000</u>	<u>151,567</u>	<u>18,433</u>	<u>-</u>
Total Capital Improvements	<u>395,000</u>	<u>320,000</u>	<u>301,567</u>	<u>18,433</u>	<u>-</u>
DEBT SERVICE					
Payment of Bond Principal	180,000	180,000	180,000		
Payment of Note Principal	7,700	7,700	7,700		
Interest on Bonds	41,318	41,318	41,131		\$ 187
Interest on Notes	<u>8,126</u>	<u>8,126</u>	<u>8,126</u>	<u>-</u>	<u>-</u>
Total Debt Service	<u>237,144</u>	<u>237,144</u>	<u>236,957</u>	<u>-</u>	<u>187</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures					
Contribution to					
Public Employees Retirement System	150,000	150,000	137,419	12,581	
Defined Contribution Retirement Program	1,000	1,000	433	567	
Social Security System (O.A.S.I.)	<u>104,810</u>	<u>104,810</u>	<u>96,014</u>	<u>8,796</u>	<u>-</u>
Total Deferred Charges and Statutory Expenditures	<u>255,810</u>	<u>255,810</u>	<u>233,866</u>	<u>21,944</u>	<u>-</u>
	<u>\$ 4,109,814</u>	<u>\$ 4,109,814</u>	<u>\$ 3,906,802</u>	<u>\$ 202,825</u>	<u>\$ 187</u>

	<u>Reference</u>	D-3	D-4	D-1	D, D-1
Cash Disbursed	D-5			\$ 3,331,530	
Encumbrances Payable	D-17			463,049	
Due to Current Fund	D-15			62,966	
Accrued Interest on Bonds and Notes	D-20			<u>49,257</u>	
				<u>\$ 3,906,802</u>	

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
ELECTRIC UTILITY FUND
AS OF DECEMBER 31, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
ASSETS			
OPERATING FUND			
Cash	E-5	\$ 2,316,229	\$ 1,549,021
Cash - Change Fund	E-7	75	75
Investments	E-9		200,000
Due from Water Utility Operating Fund	D-12	5,501	66,597
Due from Electric Utility Capital Fund	E-14	38	
Due from Utility Trust Fund	F-4	912	-
		<u>2,322,755</u>	<u>1,815,693</u>
Receivables With Full Reserves			
Light and Power Charges Receivable	E-10	606,237	378,613
Other Charges Receivable	E-11	19,000	18,619
		<u>625,237</u>	<u>397,232</u>
Total Operating Fund		<u>2,947,992</u>	<u>2,212,925</u>
CAPITAL FUND			
Cash	E-5, E-6	164,801	522,195
Due from Current Fund	A-29	5,000	
Fixed Capital	E-12	14,013,495	13,508,095
Fixed Capital Authorized and Uncompleted	E-13	291,646	738,368
Total Capital Fund		<u>14,474,942</u>	<u>14,768,658</u>
		<u>\$ 17,422,934</u>	<u>\$ 16,981,583</u>

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
ELECTRIC UTILITY FUND
AS OF DECEMBER 31, 2021 AND 2020
(Continued)

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	E-4,E-15	\$ 904,354	\$ 561,145
Encumbrances Payable	E-16	433,108	358,896
Overpayments	E-19	22,388	18,569
Accrued Interest on Bonds	E-18	1,591	1,778
Accounts Payable	E-26	7,445	
Other Liabilities	E-27	121,263	
Due to Current Fund	E-28	<u>48,091</u>	<u>-</u>
		1,538,240	940,388
Reserve for Receivables	E	625,237	397,232
Fund Balance	E-1	<u>784,515</u>	<u>875,305</u>
Total Operating Fund		<u>2,947,992</u>	<u>2,212,925</u>
CAPITAL FUND			
Serial Bonds	E-22	455,000	515,000
Encumbrances Payable	E-17	59,226	343,555
Improvement Authorizations			
Funded	E-21	98,642	171,745
Unfunded	E-21	76,285	76,285
Due to General Capital Fund	E-20	18,750	
Due to Electric Utility Operating Fund	E-14	38	
Capital Improvement Fund	E-23	88,750	102,500
Reserve for Capital Improvements	E-24	12,500	12,500
Reserve for Amortization	E-25	13,408,780	12,993,095
Deferred Reserve for Amortization	E-29	215,361	512,368
Fund Balance	E-2	<u>41,610</u>	<u>41,610</u>
Total Capital Fund		<u>14,474,942</u>	<u>14,768,658</u>
		<u>\$ 17,422,934</u>	<u>\$ 16,981,583</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2021 and 2020 of \$226,000. (See Exhibit E-30)

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING FUND BALANCE -
REGULATORY BASIS - ELECTRIC UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	E-3	\$ 704,000	\$ 512,000
Light and Power Charges	E-3	8,878,477	8,763,261
Miscellaneous Charges and Fees	E-3	17,226	17,566
Non-Budget Revenue	E-3	42,721	78,156
Other Credits to Income			
Appropriation Reserves Lapsed	E-15	<u>452,736</u>	<u>436,813</u>
Total Income		<u>10,095,160</u>	<u>9,807,796</u>
EXPENDITURES			
Operating	E-4	9,084,560	8,601,519
Capital Improvements	E-4	90,000	55,000
Debt Service	E-4	73,288	237,754
Deferred Charges and Statutory Expenditures	E-4	<u>234,102</u>	<u>224,000</u>
Total Expenditures		<u>9,481,950</u>	<u>9,118,273</u>
Excess in Revenue		613,210	689,523
Fund Balance, January 1,	E	<u>875,305</u>	<u>697,782</u>
		1,488,515	1,387,305
Decreased by:			
Utilized as Anticipated Revenue	E-1, E-3	<u>704,000</u>	<u>512,000</u>
Balance, December 31,	E	<u>\$ 784,515</u>	<u>\$ 875,305</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, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
Balance, January 1	E	\$ <u>41,610</u>	\$ <u>41,610</u>
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, 2021

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	E-1	\$ 704,000	\$ 704,000	
Light and Power Charges	E-1,E-10	8,760,571	8,878,477	\$ 117,906
Miscellaneous Charges and Fees	E-1,E-3,E-11	<u>17,566</u>	<u>17,226</u>	<u>(340)</u>
	E-4	<u>\$ 9,482,137</u>	9,599,703	<u>\$ 117,566</u>
Non-Budget Revenue	E-1, E-3		<u>42,721</u>	
			<u>\$ 9,642,424</u>	
<u>Analysis of Realized Revenue</u>				
Non-Budget Revenue:				
Interest on Investments			\$ 7,141	
Interest on Delinquent Accounts			12,480	
New Meters			12,400	
Miscellaneous			<u>10,700</u>	
	E-3		<u>\$ 42,721</u>	
Cash Receipts	E-5		\$ 41,096	
Due from Electric Utility Capital Fund	E-14		713	
Due from Utility Trust Fund	F-4		<u>912</u>	
			<u>\$ 42,721</u>	

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
ELECTRIC UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<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	\$ 1,314,100	\$ 1,314,100	\$ 1,074,025	\$ 240,075	
Other Expenses	1,039,460	1,039,460	831,218	208,242	
Purchase of Electric Current	6,076,000	6,076,000	5,672,302	403,698	
Franchise & Gross Receipts Taxes-Current Fund	500,000	500,000	500,000		
Payment in Lieu of Taxes - Current Fund	155,000	155,000	155,000	-	-
Total Operating	9,084,560	9,084,560	8,232,545	852,015	-
CAPITAL IMPROVEMENTS					
Capital Improvement Fund	5,000	5,000	5,000		
Capital Outlay	85,000	85,000	58,678	26,322	-
Total Capital Improvements	90,000	90,000	63,678	26,322	-
MUNICIPAL DEBT SERVICE -					
Payment of Bond Principal	60,000	60,000	60,000		
Interest on Bonds	13,475	13,475	13,288	-	\$ 187
Total Municipal Debt Service	73,475	73,475	73,288	-	187
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures					
Contribution to					
Public Employees Retirement System	132,572	132,572	132,572	-	
Social Security System (O.A.S.I.)	100,530	100,530	75,211	25,319	
Defined Contribution Retirement Program	1,000	1,000	302	698	-
Total Deferred Charges and Statutory Expenditures	234,102	234,102	208,085	26,017	-
	<u>\$ 9,482,137</u>	<u>\$ 9,482,137</u>	<u>\$ 8,577,596</u>	<u>\$ 904,354</u>	<u>\$ 187</u>
	<u>Reference</u>	<u>E-3</u>	<u>E-4</u>	<u>E-1</u>	<u>E, E-1</u>
Cash Disbursed	E-5			\$ 8,086,129	
Encumbrances Payable	E-16			433,108	
Accrued Interest on Bonds	E-18			13,288	
Due to Current Fund	E-28			45,071	
				<u>\$ 8,577,596</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, 2021 AND 2020

ASSETS	<u>Reference</u>	<u>2021</u>	<u>2020</u>
Cash	F-1	\$ 968,173	\$ 907,670
		<u>\$ 968,173</u>	<u>\$ 907,670</u>
LIABILITIES AND RESERVES			
Deposits Payable			
Water Customers	F-2	\$ 571,139	\$ 558,644
Electric Customers	F-2	394,663	349,026
Due to Water Utility Operating Fund	F-3	1,459	
Due to Electric Utility Operating Fund	F-4	<u>912</u>	<u>-</u>
Total Liabilities and Reserves		<u>\$ 968,173</u>	<u>\$ 907,670</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SWIM POOL UTILITY FUND
AS OF DECEMBER 31, 2021 AND 2020**

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
ASSETS			
OPERATING FUND			
Cash	G-5	\$ 324,218	\$ 212,861
Due from Swim Pool Utility Capital Fund	G-7	<u>8</u>	<u>-</u>
		324,226	212,861
Deferred Charges			
Special Emergency Authorizations	G-8	<u>205,000</u>	<u>205,000</u>
Total Operating Fund		<u>529,226</u>	<u>417,861</u>
CAPITAL FUND			
Cash	G-5, G-6	35,623	35,615
Fixed Capital	G-9	<u>1,221,078</u>	<u>1,221,078</u>
Total Capital Fund		<u>1,256,701</u>	<u>1,256,693</u>
		<u>\$ 1,785,927</u>	<u>\$ 1,674,554</u>

BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SWIM POOL UTILITY FUND
AS OF DECEMBER 31, 2021 AND 2020
(Continued)

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	G-4,G-10	\$ 43,539	\$ 212
Encumbrances Payable	G-12	<u>4,765</u>	<u>446</u>
		48,304	658
Fund Balance	G-1	<u>480,922</u>	<u>417,203</u>
Total Operating Fund		<u>529,226</u>	<u>417,861</u>
CAPITAL FUND			
Due to Swim Pool Utility Operating Fund	G-7	8	
Capital Improvement Fund	G-11	16,000	16,000
Reserve for Amortization	G-13	1,221,078	1,221,078
Fund Balance	G-2	<u>19,615</u>	<u>19,615</u>
Total Capital Fund		<u>1,256,701</u>	<u>1,256,693</u>
		<u>\$ 1,785,927</u>	<u>\$ 1,674,554</u>

There were no Bonds and Notes Authorized But Not Issued on December 31, 2021 and 2020.

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, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	G-3	\$ 82,000	\$ 45,000
Membership Fees	G-3	309,236	76,460
Miscellaneous Fees	G-3	56,288	18,169
Other Credits			
Appropriation Reserves Lapsed	G-10	95	19
Special Emergency Authorization - COVID-19 Revenue Loss	G-1	<u>-</u>	<u>205,000</u>
Total Income		<u>447,619</u>	<u>344,648</u>
EXPENDITURES			
Operating	G-4	290,000	207,473
Capital Improvements	G-4		42,152
Deferred Charges and Statutory Expenditures	G-4	<u>11,900</u>	<u>8,849</u>
Total Expenditures		<u>301,900</u>	<u>258,474</u>
Excess in Revenue		145,719	86,174
Fund Balance, January 1,	G	<u>417,203</u>	<u>376,029</u>
		562,922	462,203
Decreased by:			
Utilized as Anticipated Revenue	G-1, G-3	<u>82,000</u>	<u>45,000</u>
Balance, December 31,	G	<u>\$ 480,922</u>	<u>\$ 417,203</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, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</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, 2021

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Utilized	G-1	\$ 82,000	\$ 82,000	
Membership Fees	G-1,G-5	180,000	309,236	\$ 129,236
Miscellaneous	G-1,G-3	<u>39,900</u>	<u>56,288</u>	<u>16,388</u>
	G-4	<u>\$ 301,900</u>	<u>\$ 447,524</u>	<u>\$ 145,624</u>

Analysis of Realized Revenue

Miscellaneous		
Guest Fees		\$ 24,038
Swim Lessons		10,413
Late Fees		2,295
Snack Bar Concession Fee		6,785
Interest on Deposits		911
Other Receipts and Fees		<u>11,846</u>
	G-3	<u>\$ 56,288</u>
Cash Receipts	G-5	\$ 56,198
Due From Swim Pool Utility Capital Fund	G-7	<u>90</u>
		<u>\$ 56,288</u>

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SWIM POOL UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
OPERATING				
Salaries and Wages	\$ 155,000	\$ 155,000	\$ 130,907	\$ 24,093
Other Expenses	<u>135,000</u>	<u>135,000</u>	<u>117,444</u>	<u>17,556</u>
Total Operating	<u>290,000</u>	<u>290,000</u>	<u>248,351</u>	<u>41,649</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES				
Statutory Expenditures				
Contribution to Social Security System (O.A.S.I.)	<u>11,900</u>	<u>11,900</u>	<u>10,010</u>	<u>1,890</u>
Total Deferred Charges and Statutory Expenditures	<u>11,900</u>	<u>11,900</u>	<u>10,010</u>	<u>1,890</u>
	<u>\$ 301,900</u>	<u>\$ 301,900</u>	<u>\$ 258,361</u>	<u>\$ 43,539</u>
	<u>Reference</u>	G-3	G-4	G-1
Cash Disbursed	G-5			\$ 253,596
Encumbrances Payable	G-12			<u>4,765</u>
				<u>\$ 258,361</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
PUBLIC ASSISTANCE FUND
AS OF DECEMBER 31, 2021 AND 2020**

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
ASSETS			
Cash	H-1	\$ 13,620	\$ 22,486
Due from Current Fund	H-2	<u>5,798</u>	<u>-</u>
		<u>\$ 19,418</u>	<u>\$ 22,486</u>
LIABILITIES AND RESERVES			
Reserve for Public Assistance	H-3	<u>\$ 19,418</u>	<u>\$ 22,486</u>
		<u>\$ 19,418</u>	<u>\$ 22,486</u>

**BOROUGH OF PARK RIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Land and Land Improvements	\$ 15,365,203	\$ 15,365,203
Buildings and Building Improvements	5,593,227	5,593,227
Machinery and Equipment	<u>6,614,282</u>	<u>6,504,751</u>
	<u>\$ 27,572,712</u>	<u>\$ 27,463,181</u>
Investment in Fixed Assets	<u>\$ 27,572,712</u>	<u>\$ 27,463,181</u>

NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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, 2021 AND 2020**

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, 2021 AND 2020**

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, 2020 balances to conform to the December 31, 2021 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, 2021 AND 2020**

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, 2021 AND 2020**

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, 2021 AND 2020**

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, 2021 AND 2020

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 2021 and 2020 the Borough Council increased the original Current Fund budget by \$336,072 and 223,842, respectively. The 2021 increase was attributable to emergency appropriations of \$290,436 for down payments on improvements and the 2021 road, curb, drainage and sidewalk improvement program and \$45,636 of additional aid allotted to the Borough. 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. In addition, the governing body approved several budget transfers during 2021 and 2020.

B. Excess Expenditures Over Appropriations

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

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

2020

NONE

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 3 CASH DEPOSITS AND INVESTMENTS

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

A. Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2021 and 2020, the book value of the Borough's deposits were \$13,969,762 and \$14,102,802 and bank and brokerage firm balances of the Borough's deposits amounted to \$14,145,138 and \$14,318,188, 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>2021</u>	<u>2020</u>
Insured	<u>\$ 14,145,138</u>	<u>\$ 14,318,188</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, 2021 and 2020, 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, 2021 AND 2020

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

As of December 31, 2021 and 2020, the Borough had the following investments:

<u>2021</u>	Fair Value (<u>LOSAP Only</u>)	<u>Book Value</u>	<u>Total</u>
Investment:			
Lincoln Financial Group			
LOSAP Investment Plans (Unaudited)	\$ 2,684,178	-	\$ 2,684,178
	<u>\$ 2,684,178</u>	<u>\$ -</u>	<u>\$ 2,684,178</u>
<u>2020</u>			
Investment:			
Lincoln Financial Group			
LOSAP Investment Plans (Unaudited)	\$ 2,196,671		\$ 2,196,671
Municipal Obligations	-	\$ 200,000	200,000
	<u>\$ 2,196,671</u>	<u>\$ 200,000</u>	<u>\$ 2,396,671</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 credit risk. As of December 31, 2021 and 2020, \$2,684,178 and \$2,196,671 of the Borough's investments was exposed to custodial credit risk as follows:

	<u>2021</u>	<u>2020</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>\$ 2,684,178</u>	<u>\$ 2,196,671</u>

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 40A:5-15.1 and N.J.A.C. 5:30-14.19). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2021 and 2020, 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 concentration of credit risk is the risk of loss that may be caused by the Borough's investment in a single issuer. The Borough places no limit in the amount the Borough may invest in any one issuer. More than five (5) percent of the Borough's investments are in Lincoln Financial Group. These investments are 100% of the Borough's total investments.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

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

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

Investments in the LOSAP plans are valued based on price data obtained from observed transactions and market price quotations provided by Lincoln Financial Group. Since the value is not obtained from a quoted price in an active market the LOSAP plan investments held by the Borough at December 31, 2021 and 2020 are categorized as Level 2.

Investment in municipal obligations are valued based on the face value at time of purchase. Since the value is not obtained from a quoted price in an active market or observable inputs the municipal obligation investments held by the Borough at December 31, 2020 are categorized as Level 3.

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

NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE

Receivables at December 31, 2021 consisted of the following:

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

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

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	-	\$ 386,564	\$ 397,232	783,796
	<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.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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>2021</u>		<u>2020</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	\$ 127,902	\$ 271,491		
Trust Fund:				
Animal Control		5,076		
Other Trust		3,032		
Open Space Preservation	110,693	14,667		
General Capital Fund	52,167	8,737		
Water Utility Fund:				
Operating	125,503	68,467	\$ 124,078	\$ 66,597
Capital	150,000	142,794		124,078
Electric Utility Fund:				
Operating	6,451	48,091	66,597	
Capital	5,000	18,788		
Utility Trust Fund		2,371		
Swim Pool Utility Fund:				
Operating	8			
Capital		8		
Public Assistance Fund	<u>5,798</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 583,522</u>	<u>\$ 583,522</u>	<u>\$ 190,675</u>	<u>\$ 190,675</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, 2021 AND 2020

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>2021</u>			
Current Fund			
Emergency Authorization	\$ 24,012	\$ 24,012	
Overexpenditure of Appropriation	1,268	1,268	
Overexpenditure of Appropriation Reserves	5,692	5,692	
Special Emergency Authorizations (40A:4-55)	260,000	52,000	\$ 208,000
Swim Pool Utility Fund			
Special Emergency Authorizations (40A:4-55)	205,000	41,000	164,000
<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

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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:

	2021		2020	
	<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	\$ 1,803,220	\$ 1,300,000	\$ 2,454,663	\$ 1,500,000
Non-Cash Surplus	<u>338,301</u>	<u>-</u>	<u>263,912</u>	<u>-</u>
	<u>\$ 2,141,521</u>	<u>\$ 1,300,000</u>	<u>\$ 2,718,575</u>	<u>\$ 1,500,000</u>
Water Utility Operating Fund				
Cash Surplus	\$ 746,462	\$ 350,000	\$ 978,262	\$ 400,000
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 746,462</u>	<u>\$ 350,000</u>	<u>\$ 978,262</u>	<u>\$ 400,000</u>
Electric Utility Operating Fund				
Cash Surplus	\$ 784,515	\$ 604,000	\$ 875,305	\$ 704,000
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 784,515</u>	<u>\$ 604,000</u>	<u>\$ 875,305</u>	<u>\$ 704,000</u>
Swim Pool Utility Operating Fund				
Cash Surplus	\$ 275,922	\$ 65,000	\$ 212,203	\$ 82,000
Non-Cash Surplus	<u>205,000</u>	<u>-</u>	<u>205,000</u>	<u>-</u>
	<u>\$ 480,922</u>	<u>\$ 65,000</u>	<u>\$ 417,203</u>	<u>\$ 82,000</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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, 2021 and 2020.

	Balance, December 31, <u>2020</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2021</u>
<u>2021</u>				
Land and Land Improvements	\$ 15,365,203			\$ 15,365,203
Buildings and Building Improvements	5,593,227			5,593,227
Machinery and Equipment	<u>6,504,751</u>	<u>\$ 334,925</u>	<u>\$ 225,394</u>	<u>6,614,282</u>
	<u>\$ 27,463,181</u>	<u>\$ 334,925</u>	<u>\$ 225,394</u>	<u>\$ 27,572,712</u>
	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>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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, 2021 and 2020.

<u>Water Utility Fund</u>	Balance December 31, <u>2020</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2021</u>
<u>2021</u>				
Fixed Capital				
Land and Land Rights	\$ 13,438			\$ 13,438
Structures and System Improvements	11,774,174	\$ 34,006	68,010	11,740,170
Vehicles and Equipment	<u>4,326,705</u>	<u>151,158</u>	<u>-</u>	<u>4,477,863</u>
	<u>\$ 16,114,317</u>	<u>\$ 185,164</u>	<u>\$ 68,010</u>	<u>\$ 16,231,471</u>
	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	<u>3,982,189</u>	<u>344,516</u>	<u>-</u>	<u>4,326,705</u>
	<u>\$ 15,558,136</u>	<u>\$ 556,181</u>	<u>\$ -</u>	<u>\$ 16,114,317</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 8 FIXED ASSETS (Continued)

B. Utility Funds Fixed Assets (Continued)

<u>Electric Utility Fund</u>	Balance December 31, 2020	Additions	Retirements	Balance, December 31, 2021
<u>2021</u>				
Fixed Capital				
Structures and System Improvements	\$ 10,550,143	\$ 197,674		\$ 10,747,817
Vehicles and Equipment	2,957,952	307,726	-	3,265,678
	<u>\$ 13,508,095</u>	<u>\$ 505,400</u>	<u>\$ -</u>	<u>\$ 14,013,495</u>
	Balance December 31, 2019	Additions	Retirements	Balance, December 31, 2020
<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>
<u>Swim Pool Utility Fund</u>	Balance December 31, 2020	Additions	Retirements	Balance, December 31, 2021
<u>2021</u>				
Fixed Capital				
Land and Land Improvements	\$ 54,113			\$ 54,113
Pool Facilities and Improvements	1,062,315			1,062,315
Furniture & Equipment	104,650	-	-	104,650
	<u>\$ 1,221,078</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,221,078</u>
	Balance December 31, 2019	Additions	Retirements	Balance, December 31, 2020
<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>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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>2021</u>	<u>2020</u>
Issued		
General		
Bonds, Notes and Loans	\$ 10,379,305	\$ 11,342,737
Water Utility		
Bonds and Notes	2,838,700	2,226,400
Electric Utility		
Bonds and Notes	<u>455,000</u>	<u>515,000</u>
	13,673,005	14,084,137
Less Funds Temporarily Held to Pay Bonds, Notes and Loans	<u>86,742</u>	<u>21,086</u>
Net Debt Issued	13,586,263	14,063,051
Authorized But Not Issued		
General		
Bonds and Notes	3,068,890	1,317,075
Water Utility		
Bonds and Notes	767,000	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>\$ 17,648,153</u>	<u>\$ 17,173,826</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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 .711% and .679% at December 31, 2021 and 2020, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2021</u>			
General Debt	\$ 13,448,195	\$ 86,742	\$ 13,361,453
School Debt	5,546,466	5,546,466	-
Utility Debt	<u>4,286,700</u>	<u>4,286,700</u>	<u>-</u>
Total	<u>\$ 23,281,361</u>	<u>\$ 9,919,908</u>	<u>\$ 13,361,453</u>

	<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>

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>2021</u>	<u>2020</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 65,778,162	\$ 65,103,900
Less: Net Debt	<u>13,361,453</u>	<u>12,638,726</u>
Remaining Borrowing Power	<u>\$ 52,416,709</u>	<u>\$ 52,465,174</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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>2021</u>	<u>2020</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%	\$ 677,000	\$ 1,002,000
\$3,215,000, 2012 Bonds, due in annual installments of \$250,000 to \$300,000 through August 2026, interest at 2.00%	1,450,000	1,700,000
\$3,035,000, 2013 Refunding Bonds, due in annual installments of \$340,000 to \$350,000 through February 2022, interest at 4.00%	340,000	690,000
\$2,207,000, 2013 Bonds, due in annual installments of \$270,000 to \$280,000 through August 2023, interest at 3.00%	557,000	827,000
\$4,880,000, 2018 Bonds, due in annual installments of \$375,000 to \$700,000 through May 2027, interest at 2.50% to 3.00%	<u>3,780,000</u>	<u>4,155,000</u>
	<u>\$ 6,804,000</u>	<u>\$ 8,374,000</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>2021</u>	<u>2020</u>
\$500,000, 2008 Loan, due in semi - annual installments of \$15,088 to \$16,834 through July, 2026, interest at 2.00%	\$ 161,029	\$ 191,356
\$1,156,000, 2012 Loan, due in semi - annual installments of \$31,395 to \$39,079 through April, 2032, interest at 2.00%	<u>744,276</u>	<u>807,381</u>
	<u>\$ 905,305</u>	<u>\$ 998,737</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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>2021</u>	<u>2020</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%	\$ 545,000	\$ 630,000
\$582,000, 2013 Bonds, due in annual installments of \$40,000 to \$47,000 through August, 2027, interest at 3.00% to 4.00%	272,000	312,000
\$790,000, 2018 Bonds, due in annual installments of \$55,000 to \$75,000 through May, 2031, interest at 2.50% to 3.00%	<u>635,000</u>	<u>690,000</u>
	<u>\$ 1,452,000</u>	<u>\$ 1,632,000</u>

Electric Utility

\$600,000, 2018 Bonds, due in annual installments of \$60,000 to \$70,000 through May, 2028, interest at 2.50% to 3.00%	<u>\$ 455,000</u>	<u>\$ 515,000</u>
	<u>\$ 455,000</u>	<u>\$ 515,000</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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, 2021 is as follows:

Calendar Year	General		Water Utility		Electric Utility		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
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	76,420	195,000	24,190	65,000	7,125	1,468,909
2026	1,103,208	47,385	200,000	19,015	65,000	5,175	1,439,783
2027-2031	1,065,125	34,994	487,000	30,595	140,000	4,200	1,761,914
2032-2033	39,079	391	-	-	-	-	39,470
	<u>\$ 7,709,305</u>	<u>\$ 609,605</u>	<u>\$ 1,452,000</u>	<u>\$ 174,708</u>	<u>\$ 455,000</u>	<u>\$ 47,863</u>	<u>\$ 10,448,481</u>

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years ended December 31, 2021 and 2020 were as follows:

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

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt (Continued)

	Balance, December 31, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2020</u>	Due Within <u>One Year</u>
<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	<u>1,090,329</u>	<u>-</u>	<u>91,592</u>	<u>998,737</u>	<u>93,432</u>
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, 2021 AND 2020**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2021 and 2020 was as follows:

Bond Anticipation Notes

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

Water Utility Capital Fund

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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>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 Improvement Program	1.19%	4/30/2021	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000
Replacement of Turf at Memorial Field	1.19%	4/30/2021	800,000	800,000	800,000	800,000
			820,000	820,000	820,000	820,000
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	498,300	498,300	498,300	498,300
Total Water Utility Capital Fund			<u>\$ 595,700</u>	<u>\$ 594,400</u>	<u>\$ 595,700</u>	<u>\$ 594,400</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.

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 years 2021 and 2020 follows:

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

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>	Balance, December 31, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2021</u>
<u>2021</u>						
<u>Current Fund</u>						
Legal Services and Costs-COAH			\$ 200,000	\$ -	\$ 200,000	\$ -
Total			<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 200,000</u>	<u>\$ -</u>

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

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

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

<u>Capital Project</u>	<u>Construction/ Commitment</u>	<u>Estimated Date of Completion/Acquisition</u>
<u>2021</u>		
Memorial Field Turf Expansion	\$528,578	2022
Fire Rescue Truck	147,826	2022
2021 Road, Curb, Drainage and Sidewalk Program	193,008	2022
Upgrade to Tri-Boro Dispatch Communication System	124,991	2022
Electric Substation Diagnostic Testing	66,040	2022
Repair of Portable Water Storage	59,875	2022
Well Drilling and Redevelopment Services	110,991	2022
Vacuum Excavator	89,530	2022
Acquisition of Vehicles	110,928	2022
Resin Replacement at Well #15	182,185	2022
Acquisition of Fire Hydrants	89,879	2022
Body Worn Cameras	44,836	2022
Electric Distribution Materials	108,863	2022
Water Distribution Materials	71,256	2022
<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

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 \$225,881 and \$219,402 at December 31, 2021 and 2020, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2021 and 2020, the Borough has reserved in the Other Trust Fund \$50,048 to fund compensated absences in accordance with NJSA 40A:4-39.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)

Changes in Other Long-Term Liabilities

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

The Borough's changes in other long-term liabilities for the years ended December 31, 2021 and 2020 were as follows:

	Balance, January 1 <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2021</u>	Due Within One Year
<u>2021</u>					
Compensated Absences	\$ 219,402	\$ 31,927	\$ 25,448	\$ 225,881	\$ 25,000
Tax Appeal Judgements Payable		989,910	513,435	476,475	
Net Pension Liability - PERS (1)	8,933,788			8,933,788	
Net Pension Liability - PFRS (1)	9,239,828			9,239,828	
Net OPEB Liability	<u>43,206,487</u>	<u>-</u>	<u>5,104,561</u>	<u>38,101,926</u>	<u>-</u>
Total	<u>\$ 61,599,505</u>	<u>\$ 1,021,837</u>	<u>\$ 5,643,444</u>	<u>\$ 56,977,898</u>	<u>\$ 25,000</u>
	Balance, January 1 <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2020</u>	Due Within One Year
<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	<u>40,167,459</u>	<u>3,979,701</u>	<u>940,673</u>	<u>43,206,487</u>	<u>-</u>
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>

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

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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, 2021 AND 2020**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PERS and new employees who would otherwise be eligible to participate in PERS 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 PERS and PERS are funded directly by each of the respective systems, but are currently suspended as a result of reform legislation.

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

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

Measurement Focus and Basis of Accounting

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

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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, 2021 was not available and for June 30, 2020 is \$16.4 billion and the plan fiduciary net position as a percentage of the total pension liability is 58.32% at June 30, 2020. The collective net pension liability of the participating employers for local PFRS at June 30, 2021 was not available and for June 30, 2020 is \$14.9 billion and the plan fiduciary net position as a percentage of total pension liability is 63.52% at June 30, 2020.

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

Actuarial Methods and Assumptions

In the July 1, 2019 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 2021 and 2020 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, 2021 and 2020 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 2021, 2020 and 2019 were equal to the required contributions.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions (Contributions)

During the years ended December 31, 2021, 2020 and 2019, 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 December 31</u>	<u>PFRS</u>	<u>PERS (1)</u>	<u>DCRP</u>
2021	\$ 798,871	\$ 599,306	\$ 2,438
2020	707,526	505,296	1,798
2019	666,245	541,243	753

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

In addition for the years ended December 31, 2021, 2020 and 2019 the Borough contributed for long-term disability insurance premiums (LTDI) \$0, \$1,729 and \$2,593, respectively for PERS.

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

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

Under GASB Statement No. 68 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB No. 68 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2021 for the measurement date of June 30, 2021 was not available as of the date of audit. Accordingly, the State's Division of Local Government Services issued Local Finance Notice 2022-12 which authorized and permits New Jersey municipalities to present the most recent available audited GASB No. 68 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 68 financial information for the year ended December 31, 2021 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal years ended June 30, 2020 and 2019. Employer allocation percentages have been rounded for presentation purposes.

Public Employees Retirement System (PERS)

At December 31, 2020, the Borough reported a liability of \$8,933,788, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2021 AND 2020

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

For the year ended December 31, 2020, the pension system has determined the Borough's pension expense to be \$531,559, for PERS based on the actuarial valuations which is more than the actual contribution reported in the Borough's financial statements of \$505,296. At December 31, 2020, 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:

	2020	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 162,670	\$ 31,594
Changes of Assumptions	289,822	3,740,662
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	305,364	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>922,754</u>	<u>400,389</u>
Total	<u>\$ 1,680,610</u>	<u>\$ 4,172,645</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	(35,850)
Thereafter	<u>-</u>
	<u>\$ (2,492,035)</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<u>PERS</u>	<u>2020</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.

The actuarial assumptions used in the July 1, 2019 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, 2021 AND 2020

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

<u>Asset Class</u>	<u>2020</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

Discount Rate

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

Calendar

<u>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, 2021 AND 2020

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>
Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	All Periods

Sensitivity of Net Pension Liability

The following presents the Borough’s proportionate share of the PERS net pension liability as of December 31, 2020 calculated using the discount rate of 7.00%, as well as what the Borough’s proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(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>

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2020. 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, 2021 AND 2020

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, the Borough reported a liability of \$9,239,828, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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 year ended December 31, 2020, the pension system has determined the Borough pension expense to be \$750,439, for PFRS based on the actuarial valuations which is more than the actual contribution reported in the Borough's financial statements of \$707,526. At December 31, 2020, 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	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 93,153	\$ 33,161
Changes of Assumptions	23,252	2,477,143
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	541,774	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>908,325</u>	<u>105,314</u>
Total	<u>\$ 1,566,504</u>	<u>\$ 2,615,618</u>

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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:

<u>Year</u> <u>Ending</u> <u>December 31,</u>	<u>Total</u>
2021	\$ (555,610)
2022	(290,696)
2023	(136,284)
2024	(19,080)
2025	(47,444)
Thereafter	-
	<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. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2020</u>
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.

The actuarial assumptions used in the July 1, 2019 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, 2021 AND 2020

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

<u>Asset Class</u>	<u>2020</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

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, 2021 AND 2020**

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>
Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	All Periods

Sensitivity of Net Pension Liability

The following presents the Borough's proportionate share of the PFRS net pension liability as of December 31, 2020 calculated using the discount rate of 7.00% as well as what the Borough's proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<u>2020</u>	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the PFRS Net Pension Liability	\$ 12,287,069	\$ 9,239,828	\$ 6,708,861

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2020. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

Special Funding Situation – PFRS

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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 (Continued)

At December 31, 2020, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,433,979. For the years ended December 31, 2020, 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, which is more than the actual contributions the State made on behalf of the Borough of \$110,344. 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.

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*.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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, 2021 and 2020, the following employees were covered by postemployment health care benefits:

	<u>2021</u>	<u>2020</u>
Active Employees	68	68
Inactive Employees or Beneficiaries Currently Receiving Benefits	<u>87</u>	<u>87</u>
	<u>155</u>	<u>155</u>

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

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

At December 31, 2021 and 2020, the Borough’s total OPEB liabilities were \$38,101,926 and \$43,206,487, respectively. Net OPEB liability was measured as of December 31, 2021 and 2020, respectively, and the OPEB liability was determined by an actuarial valuation as of these dates, respectively.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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)

For the year ended December 31, 2021 and 2020, the Borough has determined it's OPEB expense to be \$1,152,437 and \$1,876,359, respectively, based on the actuarial valuations which were more than the actual contributions reported in the Borough's financial statements of \$725,480 and \$940,673, respectively. At December 31, 2021 and 2020, 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>2021</u>		<u>2020</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	\$ 4,834,522	\$ 5,014,992	\$ 5,351,048	\$ -
Total	<u>\$ 4,834,522</u>	<u>\$ 5,014,992</u>	<u>\$ 5,351,048</u>	<u>\$ -</u>

At December 31, 2021 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>
2022	\$ (26,340)
2023	(26,340)
2024	(26,340)
2025	(26,340)
2026	(26,340)
Thereafter	<u>(48,770)</u>
	<u>\$ (180,470)</u>

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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, 2021 was based on the December 31, 2021 measurement date as determined by an actuarial valuation as of December 31, 2021. The 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. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

December 31, 2021

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

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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, 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.

The actuarial assumptions used in the December 31, 2021 and 2020 valuation were based on the results of an actuarial experience study as of December 31, 2021 and 2020, respectively.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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, 2021 and 2020 based on measurement date of December 31, 2021 and 2020, respectively, are as follows:

	Total OPEB Liability 2021	Total OPEB Liability 2020
Balance - Beginning of Year	\$ 43,206,487	\$ 40,167,459
Changes for the Year:		
Service Cost	\$ 264,874	\$ 264,874
Interest on the Total OPEB Liability	913,903	1,094,959
Changes of Benefit Terms		
Differences Between Expected and Actual Experience		
Changes in Assumptions	(5,557,858)	2,619,868
Benefit Payments, Including Employee Refunds	(725,480)	(940,673)
Net Changes	(5,104,561)	3,039,028
Balance - End of Year	\$ 38,101,926	\$ 43,206,487

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Borough's net OPEB liability as of December 31, 2021 and 2020 calculated using the discount rate of 2.06% and 2.12%, 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 1.06% and 1.12%, respectively or 1-percentage-point higher 3.06% and 3.12%, respectively than the current rate:

	1% Decrease (1.06%)	Current Discount Rate (2.06%)	1% Increase (3.06%)
<u>2021</u>			
Net OPEB Liability	\$ 43,412,731	\$ 38,101,926	\$ 33,803,334
	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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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, 2021 and 2020 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>2021</u>			
Net OPEB Liability	<u>\$ 34,153,036</u>	<u>\$ 38,101,926</u>	<u>\$ 42,917,856</u>
	<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>

State Administered Post-Retirement Health Benefits Program

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

Plan Description and Benefits Provided

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

State Health Benefit Program Fund – Local Government Retired (the Plan) (including Prescription Drug Program Fund) – The Plan is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) 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, 2021 AND 2020**

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, 2021 AND 2020**

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, 2021 was not available and for 2020 is \$17.9 billion and the plan fiduciary net position as a percentage of the total OPEB liability is 0.91% at June 2020.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2019 which was rolled forward to June 30, 2020.

Actuarial Methods and Assumptions

In the July 1, 2019 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 \$292.4 million and the State of New Jersey, as the non-employer contributing entity, contributed \$35.0 million for fiscal years 2020.

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, 2021 AND 2020**

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, 2021 for the measurement date of June 30, 2021 was not available as of the date of audit. Accordingly, the State's Division of Local Government Services issued Local Finance Notice 2022-12 which authorizes and permits New Jersey municipalities to present the most recent available audited GASB 75 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB 75 financial information for the year ended December 31, 2021 is not presented in the notes to the financial statements.

The nonemployer allocation percentages presented are based on the ratio of the contributions made as an individual nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal year ended June 30, 2020 and 2019. Nonemployer allocation percentages have been rounded for presentation purposes.

Special Funding Situation

Under N.J.S.A. 43:3C-24 the Borough is responsible for their own OPEB contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 330, P.L. 1997 and Chapter 271, P.L., 1989. Under Chapter 330, P.L. 1997, the State pays the premiums or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989. The amounts contributed on behalf of the Borough by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Accordingly, the Borough's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 75 is zero percent and the State's proportionate share is 100% of OPEB under this legislation.

At December 31, 2020, the State's proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$4,721,669. For the years ended December 31, 2020 the plan has determined the State's proportionate share of the OPEB expense attributable to the Borough for the OPEB special funding situation is \$235,046. At December 31, 2020, (measurement date June 30, 2020), the State's share of the OPEB liability attributable to the Borough was .08644 percent, which was an increase of .01600 percent from its proportionate share measured as of December 31, 2019 (measurement date June 30, 2019) of .07044 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, 2021 AND 2020

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Special Funding Situation (Continued)

Actuarial Assumptions

The State's total OPEB liability attributable to the Brough 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. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2020</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 Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2020.
PFRS	Pub-2010 Safety Classification Headcount- Weighted Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2020.

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

For the June 30, 2020 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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)

The actuarial assumptions used in the July 1, 2019 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.

Discount Rate

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

Calendar Year	Measurement Date	Discount Rate
2020	June 30, 2020	2.21%
2019	June 30, 2019	3.50%

The discount rate represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

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

NOTE 14 RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; termination of employees and natural disasters. The Borough has obtained 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.

BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 14 RISK MANAGEMENT (Continued)

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>
2021	NONE	\$ 9,779	\$ 330	\$ 104,737
2020	NONE	9,035	11,624	95,030
2019	NONE	8,447	14,971	97,277

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, 2021 and 2020. 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, 2021 and 2020, the Borough reserved \$-0- and \$530,393, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

Tax Appeal Judgements Payable - On December 14, 2021 the Borough entered into a settlement agreement with Landmark AR Park Ridge, LLC for real property tax assessment appeals pending in the Tax Court of New Jersey. The parties agreed to reduce the 2019 and 2020 property tax assessments which resulted in total tax refunds or tax overpayments of \$989,910 for both years. The parties agreed that this amount would be taken as credits against future property taxes. As of December 31, 2021 the Borough has funded a portion of this tax appeal settlement from funds on hand in the reserve for tax appeals and recorded a tax appeal judgement payable in the amount of \$513,435. The remaining balance of \$476,475 was provided for in the 2022 adopted budget.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 15 CONTINGENT LIABILITIES (Continued)

Federal and State Awards - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2021 and 2020, 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, 2021 and 2020, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

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

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

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

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

The Borough of Park Ridge has contributed \$1,705 and \$1,705 for 2021 and 2020, respectively, for each eligible volunteer fire department member into the Plan. The Borough also contributed a one-third (1/3) share of \$1,705 and \$1,705 for 2021 and 2020, for each eligible volunteer Tri-Boro Ambulance Corp member into the Plan. In addition, the Boroughs of Montvale and Woodcliff Lake also contributed one-third (1/3) share each of \$1,705 and \$1,705 for 2021 and 2020, respectively, for each Tri-Boro Ambulance Corp. member into the plan. The total Borough contributions were \$56,833 and \$51,719 for 2021 and 2020, respectively. The total contributions from the Boroughs of Montvale and Woodcliff Lake were \$21,597 and \$21,596 for 2021 and 2020, respectively.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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

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, 2021 and 2020, the Borough provided property tax abatements through certain programs authorized under State statutes. These programs include the Long Term Tax Exemption Law (the "LTTE Law") and the New Jersey Housing and Mortgage Financing Act (NJHMFA).

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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, 2021 and 2020 the Borough abated property taxes totaling \$124,297 and \$120,428, respectively, under the NJHMFA program. The Borough received \$19,642 and \$12,421 in PILOT payments under this program for the years ended December 31, 2021 and 2020, 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. On March 13, 2020, the President of the United States declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy, of the State of New Jersey, also declared a public health emergency on March 9, 2020 and instituted mandatory measures via various executive orders to contain the spread of the virus, including closing schools and nonessential businesses and limiting social gatherings. These measures, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey's economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the Governor's pandemic-related executive orders 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. On January 11, 2022, the Governor reinstated, via Executive Order No. 280, the state of emergency and declared a new public health emergency in response to a surge in cases tied to new variants of COVID-19, in particular the Omicron variant. Such public health emergency was set to expire 30 days from January 11, 2022, but was later extended, via Executive Order No. 288, for an additional 30 days on February 10, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

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

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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

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

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

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

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

The Borough will receive \$909,988 from the Plan in two equal payments. On May 24, 2021, the Borough received its first installment of funds under the Plan in the amount of \$454,994. The Borough utilized this first installment in the 2022 budget to replace lost public sector revenue. The Borough has not yet determined how it will spend the second installment to be received. The deadline to obligate the funds is December 31, 2024 and to spend them is December 31, 2026.

NOTE 20 SUBSEQUENT EVENTS

Bond Anticipation Notes

On April 29, 2022 the Borough issued bond anticipation notes in the amount of \$6,716,000 to temporarily finance expenditures related to various general, water and electric utility capital projects. The Borough awarded the sale of said notes to Piper Sandler & Co. at an interest rate of 3.25%. These notes dated April 29, 2022 will mature on April 28, 2023.

Debt Authorized

On April 26, 2022 and August 9, 2022 the Borough adopted bond ordinances authorizing the issuance \$2,399,000 in Bonds or bond anticipation notes to fund certain water utility capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

**BOROUGH OF PARK RIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 20 SUBSEQUENT EVENTS (Continued)

Debt Authorized (Continued)

On June 28, 2022, the Borough adopted a bond ordinance authorizing the issuance of \$3,019,000 in Bonds or bond anticipation notes to fund certain electric utility capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

On June 28, 2022, the Borough adopted a bond ordinance authorizing the issuance of \$1,642,000 in Bonds or bond anticipation notes to fund certain general capital projects and acquisitions. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

CURRENT FUND

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

Balance, December 31, 2020		\$ 4,317,719
Increased by:		
Non-Budget Revenue	\$ 493,100	
Petty Cash	750	
Taxes Receivable	47,175,418	
Revenue Accounts Receivable	2,351,004	
NJ Senior Citizen and Veteran's Deductions	59,419	
Grants Receivable	5,592	
Prepaid Taxes	461,499	
Tax Overpayments	10,267	
PILOT Overpayments	148,686	
Fees Payable	13,201	
Due to Municipal Library	4,744	
County PILOT Payable	9,245	
Reserve for Grants - Unappropriated	490,522	
Receipts from Animal Control Trust Fund	35	
Receipts from Other Trust Fund	1,601	
Receipts from General Capital Fund	269,391	
Receipts for Water Utility Capital Fund	150,000	
Receipts for Electric Utility Capital Fund	5,000	
Receipts for Public Assistance Fund	5,800	
Receipts from Public Assistance Fund	31	
	<u>51,655,305</u>	
		55,973,024
Decreased by Disbursements:		
2021 Budget Appropriations	14,276,800	
2020 Appropriation Reserves	308,051	
Petty Cash	750	
Encumbrances Payable	226,882	
Accounts Payable	265	
County Taxes Payable	4,637,868	
Local District School Tax Payable	31,493,033	
Tax Overpayments	7,802	
Emergency Note Payable	200,000	
Fees Payable	16,851	
Other Accounts Receivable	20,901	
Reserve for Appropriated Grants	786	
Reserve for Tax Appeals	66,958	
Payments to General Capital Fund	18,200	
Payments for Water Utility Operating Fund	62,966	
Payments for Electric Utility Operating Fund	45,071	
Refund of Prior Year Revenue	3,686	
	<u>51,386,870</u>	
Balance, December 31, 2021		<u>\$ 4,586,154</u>

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

Balance, December 31, 2020	<u>\$ 275</u>
Balance, December 31, 2021	<u><u>\$ 275</u></u>
<u>Analysis of Balance</u>	
Tax Office	<u><u>\$ 275</u></u>

STATEMENT OF PETTY CASH FUNDS

Balance, December 31, 2020	\$ 750
Increased by:	
Disbursements to Treasurer	<u>750</u>
	1,500
Decreased by:	
Returned to Treasurer	<u>750</u>
Balance, December 31, 2021	<u><u>\$ 750</u></u>

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

Balance, December 31, 2020	\$ 3,530
Increased by:	
Senior Citizens' Deductions per Tax Duplicate 2021	\$ 4,750
Veterans' Deductions per Tax Duplicate 2021	<u>53,250</u>
	<u>58,000</u>
	61,530
Decreased by:	
Receipts from State of New Jersey	<u>59,419</u>
Balance, December 31, 2021	<u><u>\$ 2,111</u></u>

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

	Balance, December 31, <u>2020</u>	Accrued <u>in 2021</u>	<u>Received</u>	Balance, December 31, <u>2021</u>
Mun. Alliance on Alc. and Drug Abuse		\$ 3,126	\$ 3,126	
Bulletproof Vest Partnership Grant	\$ 382			\$ 382
Body Worn Camera Grant		44,836		44,836
Drunk Driving Enforcement Fund		800	800	
Body Armor Grant	<u>-</u>	<u>1,666</u>	<u>1,666</u>	<u>-</u>
	<u>\$ 382</u>	<u>\$ 50,428</u>	<u>\$ 5,592</u>	<u>\$ 45,218</u>

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

Year	Balance, December 31, 2020	2021 Levy	<u>Cash Collections</u>		Senior Citizens' and Veterans' Deductions Allowed	Remitted, Abated or Cancelled	Balance, December 31, 2021
			2020	2021			
2019	\$ 3			\$ 3			
2020	<u>244,737</u>	-	-	<u>237,887</u>	-	\$ 6,850	-
	244,740	-	-	237,890	-	6,850	-
2021	<u>-</u>	\$ 47,756,079	\$ 374,130	<u>46,937,528</u>	\$ 58,000	<u>184,882</u>	\$ 201,539
	<u>\$ 244,740</u>	<u>\$ 47,756,079</u>	<u>\$ 374,130</u>	<u>\$ 47,175,418</u>	<u>\$ 58,000</u>	<u>\$ 191,732</u>	<u>\$ 201,539</u>

Analysis of 2021 Property Tax Levy

TAX YIELD

General Purpose Tax	\$ 47,726,546
Added and Omitted Taxes (54:4-63.10 et seq.)	<u>29,533</u>
	<u>\$ 47,756,079</u>

TAX LEVY

Local District School Taxes	\$ 31,493,033
County Taxes - General	\$ 4,449,976
County Open Space Preservation Tax	184,504
Due County for Added and Omitted Taxes (54:4-63.10 et seq.)	<u>2,883</u>
	4,637,363
Municipal Open Space Tax	110,624
Municipal Open Space Tax-Added Taxes	<u>69</u>
	110,693
Local Tax for Municipal Purposes	10,857,491
Minimum Library Tax	621,938
Add Additional Tax Levied	<u>35,561</u>
	<u>11,514,990</u>
	<u>\$ 47,756,079</u>

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

Balance, December 31, 2020	<u>\$ 100,650</u>
Balance, December 31, 2021	<u>\$ 100,650</u>

BOROUGH OF PARK RIDGE
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, December 31, <u>2020</u>	Accrued in <u>2021</u>	Collected in <u>2021</u>	Balance, December 31, <u>2021</u>
Borough Clerk				
Licenses				
Alcoholic Beverages	\$	19,815	\$	19,815
Fire Code Department				
Fees and Permits		54,901	54,901	
Health Officer and Registrar				
Fees and Permits		26,196	26,196	
Municipal Court				
Fines and Costs		49,459	45,538	\$ 3,921
Interest and Cost on Taxes		80,221	80,221	
Interest on Investments		16,303	16,303	
Insurance Fund Dividends		25,000	25,000	
Hotel Tax		104,986	104,986	
Recycling Program		17,695	17,695	
Cable Television Franchise Fee		137,839	137,839	
Water Utility Rental Fees		105,000	105,000	
Electric Utility Rental Fees		30,000	30,000	
Pistol Range Fee		32,500	32,500	
Tri-Boro Safety Corps		21,390	21,390	
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		266,201	266,201	
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		21,601	21,601	
Library Reimbursements		61,000	61,000	
Excess Sewer User Fees	\$ 6,102	51,473	42,562	15,013
Sprint Cell Tower Rent		110,965	110,965	
General Capital Fund Balance (Surplus)	-	50,000	50,000	-
	<u>\$ 6,102</u>	<u>\$ 2,421,741</u>	<u>\$ 2,408,909</u>	<u>\$ 18,934</u>
Cash Receipts			\$ 2,351,004	
Due from Animal Control Trust Fund			39	
Due from Other Trust Fund			1,740	
Due from General Capital Fund			53,073	
Due from Electric Utility Operating Fund			3,020	
Due from Public Assistance Fund			33	
			<u>\$ 2,408,909</u>	

EXHIBIT A-12

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

Balance, December 31, 2020	\$ 687
Increased by:	
Cash Disbursements	<u>20,901</u>
Balance, December 31, 2021	<u>\$ 21,588</u>

EXHIBIT A-13

STATEMENT OF DEFERRED CHARGES

	Balance, December 31, 2020	Amount Resulting from 2021	Amount Raised in 2021	Funded by General Capital Bond Ordinance	Cancelled	Balance, December 31, 2021
Emergency Authorization	\$ 200,000	\$ 290,436	\$ 200,000	\$ 266,336	\$ 88	\$ 24,012
Overexpenditure of Appropriations		1,268				1,268
Overexpenditure of Appropriation Reserves	<u>-</u>	<u>5,692</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>5,692</u>
	<u>\$ 200,000</u>	<u>\$ 297,396</u>	<u>\$ 200,000</u>	<u>\$ 266,336</u>	<u>\$ 88</u>	<u>\$ 30,972</u>

EXHIBIT A-14

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

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

BOROUGH OF PARK RIDGE
STATEMENT OF 2020 APPROPRIATION RESERVES

	Balance, December 31, 2020	Transfers	Encumbrance Payable Cancelled	Balance After Modification	Expended	Balance Lapsed	Over- Expended
Salaries and Wages							
General Administration	\$ 6,307			\$ 6,307	\$ 6,726		\$ 419
Municipal Clerk	195			195	1,662		1,467
Financial Administration	2,568			2,568	2,568		
Revenue Administration	8,198			8,198		\$ 8,198	
Tax Assessment Administration	650			650		650	
Planning Board	1,799			1,799	3,039		1,240
Zoning Board Adjustment	956			956	1,783		827
Zoning Officer	1,251			1,251	993	258	
Housing Task Force	2,339			2,339	434	1,905	
Uniform Construction Code	75,069			75,069	3293	71,776	
Police	47,678	\$ (45,000)		2,678	1,741	937	
Police Reserve	1,500			1,500		1,500	
Emergency Management Services	37			37		37	
Fire	1,125			1,125		1,125	
Fire Prevention/Uniform Fire Code	12,595			12,595		12,595	
Road Repairs and Maintenance	28,006	(28,000)		6	1,745		1,739
Sewer System	3,315			3,315		3,315	
Public Buildings & Grounds	372			372	16	356	
Maintenance of Vehicles	358			358		358	
Board of Health	12,944	(5,304)		7,640	838	6,802	
Public Assistance	648			648		648	
Recreation	87			87	87	-	
Senior Citizen	9,295			9,295		9,295	
Park Ridge Television	750	-	-	750	-	750	-
Total Salaries & Wages	218,042	(78,304)	-	139,738	24,925	120,505	5,692
Other Expenses							
General Administration	23			23	23	-	
Municipal Clerk	8,425			8,425	1,863	6,562	
Mayor and Council	5,412			5,412		5,412	
Financial Administration	17,990	(488)		17,502	3,565	13,937	
Audit Services			\$ 19,406	19,406		19,406	
Revenue Administration	3,271		31	3,302		3,302	
Tax Assessment Administration							
Other Expenses	18,877	(18,870)	750	757		757	
Legal Services & Costs	1	122,174		122,175	122,175	-	
Engineering Services & Costs	15,385			15,385	6,889	8,496	
Park Ridge Television			14	14		14	
Planning Board	14,141		10	14,151		14,151	
Zoning Board of Adjustment	3,690		1	3,691		3,691	
Zoning Officer	860		4	864		864	
Housing Task Force	250			250		250	
Uniform Construction Code	23,253		22	23,275		23,275	
Insurance							
General Liability	3,432	38,555		41,987	41,987	-	
Group Insurance for Employees	26,985	(26,985)		-		-	
Group Insurance Waiver for Employees	9,537	(9,537)		-		-	
Tri-Boro Ambulance	1,545	(1,545)		-		-	
Police	1,495			1,495	666	829	
Police Reserve	8,259			8,259	1,742	6,517	
Pistol Range	2		253	255		255	

BOROUGH OF PARK RIDGE
STATEMENT OF 2020 APPROPRIATION RESERVES

	Balance, December 31, 2020	Transfers	Encumbrance Payable Cancelled	Balance After Modification	Expended	Balance Lapsed	Over- Expended
Emergency Management Services	\$ 717			\$ 717		\$ 717	
Fire	1		\$ 6,439	6,440		6,440	
Fire Hydrant Services	67			67		67	
Tri Boro Safety Corps	4,336			4,336	\$ 4,336	-	
Fire Prevention/Uniform Fire Codes	5,602			5,602	150	5,452	
Municipal Court	41,818			41,818	29,802	12,016	
Road Repairs and Maintenance	3,394		1,204	4,598		4,598	
Solid Waste Collection - Sanitation	36,780	\$ (30,000)		6,780		6,780	
Solid Waste Collection - Recycling	4,255		1,586	5,841		5,841	
Public Buildings & Grounds	3,274		1,282	4,556		4,556	
Maintenance of Vehicles	45		5,284	5,329		5,329	
Board of Health	5,503			5,503	6	5,497	
Public Assistance	1,300			1,300		1,300	
Senior Citizens	2,677			2,677		2,677	
Municipal Services Act	9,389	5,000		14,389	9,511	4,878	
Celebration of Public Events	4,000			4,000		4,000	
Recreation	6,651		1,193	7,844		7,844	
Electric	26,916			26,916	11,656	15,260	
Telephone/Communication	5,789			5,789	509	5,280	
Water	4,173			4,173	1,518	2,655	
Gas and Oil	9,755			9,755	5,591	4,164	
Gasoline	5,979			5,979	4,305	1,674	
Sewer System							
Other Expenses	4,120			4,120	331	3,789	
Shade Tree	5,392			5,392		5,392	
Landfill/Solid Waste Disposal Costs							
Dumping Fees	3,500	(2,000)	443	1,943		1,943	
Recycling Tax	11,000	2,000		13,000	12,151	849	
Social Security System	6,427			6,427		6,427	
Deferred Contribution Retirement Plan	3,493			3,493		3,493	
Bergen County Utilities Authority-Sewer Fees	35			35		35	
Fire Department LOSAP	9,079			9,079	4,615	4,464	
Tri-Borough Ambulance LOSAP	9,202		2,218	11,420		11,420	
Clean Communities Grant	17,660			17,660	17,660		
DDEF	4,369			4,369	4,369		
Recycling Tonnage Grant - Reserve	10,846			10,846	10,846		
JIF Safety Award Grant	2,500	-	-	2,500	2,500	-	-
 Total Other Expenses	 432,877	 78,304	 40,140	 551,321	 298,766	 252,555	 -
 Total	 \$ 650,919	 \$ -	 \$ 40,140	 \$ 691,059	 \$ 323,691	 \$ 373,060	 \$ 5,692
 Cash Disbursements					\$ 308,051		
Transferred to Appropriated Grant Reserves					15,640		
					<u>\$ 323,691</u>		

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

Balance, December 31, 2020		\$ 267,287
Increased by:		
Charges to 2021 Budget Appropriations	\$ 222,520	
Charges to Appropriated Grant Reserves	<u>715</u>	
		<u>223,235</u>
		490,522
Decreased by		
Payments	226,882	
Cancellations Restored to Appropriation Reserves	40,140	
Cancellations Restored to Appropriated Grant Reserves	<u>265</u>	
		<u>267,287</u>
Balance, December 31, 2021		<u><u>\$ 223,235</u></u>

EXHIBIT A-17

STATEMENT OF ACCOUNTS PAYABLE

Balance, December 31, 2020		\$ 14,827
Decreased by:		
Cancelled to Operations	\$ 14,562	
Cash Disbursements	<u>265</u>	
		<u>14,827</u>
Balance, December 31, 2021		<u><u>\$ -</u></u>

EXHIBIT A-18

STATEMENT OF TAX OVERPAYMENTS

Increased by:		
Overpayments in 2021		\$ 10,267
Decreased by:		
Overpayments Refunded		<u>7,802</u>
Balance, December 31, 2021		<u><u>\$ 2,465</u></u>

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

Balance, December 31, 2020	\$ 374,130
Increased by:	
Collection of 2022 Taxes	<u>461,499</u>
	835,629
Decreased by:	
Applied to 2021 Taxes Receivable	<u>374,130</u>
Balance, December 31, 2021	<u><u>\$ 461,499</u></u>

STATEMENT OF COUNTY TAXES PAYABLE

Balance, December 31, 2020	\$ 3,388
Increased by:	
2021 Levy	
General County	\$ 4,449,976
County Open Space Preservation	184,504
Added and Omitted Taxes (RS 54:4-63.1 et seq.)	<u>2,883</u>
	4,637,363
	4,640,751
Decreased by:	
Payments	<u>4,637,868</u>
Balance, December 31, 2021	<u><u>\$ 2,883</u></u>

STATEMENT OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Increased by:	
2021 Calendar Year Levy	\$ 31,493,033
Decreased by:	
Payments	<u><u>\$ 31,493,033</u></u>

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

Increased by:

2021 Levy	\$ 110,624	
Added and Omitted Taxes (RS 54:4-63.1 et seq.)	<u>69</u>	
		\$ 110,693

Decreased by:

Due to Open Space Preservation Trust Fund		<u>\$ 110,693</u>
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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>Balance, December 31, 2020</u>	<u>Decreased</u>	<u>Balance December 31, 2021</u>
COAH Legal Costs	12/1/2020	4/1/2021	1.00%	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ -</u>

EXHIBIT A-24

STATEMENT OF FEES PAYABLE

	<u>Balance, December 31, 2020</u>	<u>Fees Collected</u>	<u>Payments</u>	<u>Balance, December 31, 2021</u>
Due State of New Jersey				
Marriage License Fees	\$ 250	\$ 925	\$ 1,075	\$ 100
State Construction Code Fees	<u>3,522</u>	<u>12,276</u>	<u>15,776</u>	<u>22</u>
	<u>\$ 3,772</u>	<u>\$ 13,201</u>	<u>\$ 16,851</u>	<u>\$ 122</u>

EXHIBIT A-25

STATEMENT OF PILOT OVERPAYMENTS

Increased by:

Overpayments in 2021	<u>\$ 148,686</u>
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Balance, December 31, 2021

\$ 148,686

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

Balance, December 31, 2020		\$	530,393
Increased by:			
Transferred from 2021 Tax Collections			<u>50,000</u>
			580,393
Decreased by:			
Tax Judgments Refunded	\$	66,958	
Tax Judgements Transferred to Tax Appeal Judgements Payable		<u>513,435</u>	
			<u>580,393</u>

STATEMENT OF TAX APPEAL JUDGEMENTS PAYABLE

Increased by:			
Transferred from Reserve for Tax Appeals		\$	<u>513,435</u>
Balance, December 31, 2021		\$	<u>513,435</u>

STATEMENT OF COUNTY PILOT PAYABLE

Increased by:			
2021 PILOT Proceeds Due County		\$	<u>9,245</u>
Balance, December 31, 2021		\$	<u>9,245</u>

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

Increased by:	
Water Utility Capital Receipts Deposited in Current Fund	\$ <u>150,000</u>
Balance, December 31, 2021	\$ <u><u>150,000</u></u>

STATEMENT OF DUE TO ELECTRIC UTILITY CAPITAL FUND

Increased by:	
Electric Utility Capital Receipts Deposited in Current Fund	\$ <u>5,000</u>
Balance, December 31, 2021	\$ <u><u>5,000</u></u>

STATEMENT OF DUE TO MUNICIPAL LIBRARY

Increased by:	
2021 Library State Aid	\$ <u>4,744</u>
Balance, December 31, 2021	\$ <u><u>4,744</u></u>

BOROUGH OF PARK RIDGE
STATEMENT OF RESERVE FOR APPROPRIATED GRANTS

	Balance, December 31, <u>2020</u>	Encumbrances Payable <u>Cancelled</u>	Transferred from 2020 Appropriation <u>Reserves</u>	Paid or <u>Charged</u>	Balance, December 31, <u>2021</u>
Occupant Protection Grant	\$ 4,402				\$ 4,402
Clean Communities Grant	277				277
Alcohol Education and Rehab.-DWI Court	3,404				3,404
Domestic Violence Grant	2,178				2,178
Federal Forestry Grant	3,000				3,000
Body Armor Replacement Fund	4,059	\$ 265			4,324
Bulletproof Vest Partnership Grant	382				382
Recycling Tonnage Grant			\$ 10,846		10,846
Drunk Driving Enforcement Fund			4,369	\$ 715	3,654
Municipal Alliance on Alcoholism & Drug Abuse	786			786	-
Bergen County Green Team Grant	26				26
JIF Safety Grant	151		425		576
Bergen County Mini Grant	700	-	-	-	700
	<u>\$ 19,365</u>	<u>\$ 265</u>	<u>\$ 15,640</u>	<u>\$ 1,501</u>	<u>\$ 33,769</u>
Cash Disbursements				\$ 786	
Encumbrances Payable				<u>715</u>	
				<u>\$ 1,501</u>	

EXHIBIT A-33

STATEMENT OF RESERVE FOR GRANTS - UNAPPROPRIATED

	Balance, December 31, <u>2020</u>	<u>Received</u>	Balance, December 31, <u>2021</u>
Clean Communities Program		\$ 18,788	\$ 18,788
Recycling Tonnage Grant		15,296	15,296
Municipal Alliance Program		444	444
American Rescue Plan		454,994	454,994
JIF Safety Grant	-	<u>1,000</u>	<u>1,000</u>
	<u>\$ -</u>	<u>\$ 490,522</u>	<u>\$ 490,522</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, 2020	\$ 12,655	\$ 1,456,441	\$ 99,989	\$ 374,819	\$ 411,632
Increased by Receipts:					
Developers Escrow		\$ 169,261			
Unemployment - Employee Contributions			\$ 9,779		
Contributions Receivable				\$ 7,334	
Payroll Deposits		14,637,094			
Due to State of NJ - Registration Fees	\$ 669				
Dog License Fees	4,896				
Cat License Fees	396				
Police Outside Duty Receivable		481,830			
Miscellaneous Reserves and Deposits		116,760			
Interest on Deposits	39	1,740	258	532	\$ 1,058
Developers Fees	-	-	-	-	15,813
	<u>6,000</u>	<u>15,406,685</u>	<u>10,037</u>	<u>7,866</u>	<u>16,871</u>
	18,655	16,863,126	110,026	382,685	428,503
Decreased by Disbursements:					
Developers Escrow		491,331			
Payroll Payments		14,589,426			
Payments to Current Fund	35	1,601			
Payments to General Capital Fund				157,333	
Dog License Fees Paid to State of NJ	685				
Reserve for Animal Control Expenditures	948				
Due to State - Unemployment Claims			5,289		
Miscellaneous Reserves and Deposits		717,355			
Reserve for Open Space Expenditures				62,940	
Reserve for Affordable Housing Expenditures	-	-	-	-	4,876
	<u>1,668</u>	<u>15,799,713</u>	<u>5,289</u>	<u>220,273</u>	<u>4,876</u>
Balance, December 31, 2021	\$ <u>16,987</u>	\$ <u>1,063,413</u>	\$ <u>104,737</u>	\$ <u>162,412</u>	\$ <u>423,627</u>

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

Balance, December 31, 2020	\$ 154
Increased by:	
State Fees Collected	<u>669</u>
	823
Decreased by:	
Payments to State	<u>685</u>
Balance, December 31, 2021	<u>\$ 138</u>

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

Increased by:		
Interest on Deposits	\$ 39	
Statutory Excess in Reserve	<u>5,072</u>	
		\$ 5,111
Decreased by:		
Payments to Current Fund		<u>35</u>
Balance, December 31, 2021		<u>\$ 5,076</u>

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

Balance, December 31, 2020	\$ 12,501
Increased by:	
Dog License Fees	\$ 4,896
Cat License Fees	<u>396</u>
	<u>5,292</u>
	17,793
Decreased by:	
Disbursements for Expenditures Under R.S. 4:19-15.11:	948
Statutory Excess Due to Current Fund	<u>5,072</u>
	<u>6,020</u>
Balance, December 31, 2021	<u>\$ 11,773</u>

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

Increased by:		
2021 Levy	\$	110,624
Added and Omitted Taxes		<u>69</u>
	\$	110,693
Balance, December 31, 2021	\$	<u>110,693</u>

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

Balance, December 31, 2020	\$	4,959
Increased by:		
Unemployment Claims		<u>330</u>
		5,289
Decreased by:		
Payments to State		<u>5,289</u>

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

Balance, December 31, 2020	\$	95,030
Increased by:		
Employee Contributions	\$	9,779
Interest on Deposits		<u>258</u>
		<u>10,037</u>
		105,067
Decrease by:		
Unemployment Claims Due to State		<u>330</u>
Balance, December 31, 2021	\$	<u>104,737</u>

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

Balance, December 31, 2020		\$ 374,819
Increased by:		
Municipal Open Space Tax Levy	\$ 110,624	
Municipal Open Space Added Taxes	<u>69</u>	
	\$ 110,693	
Contributions Due for Capital Ordinance 2021-06	14,667	
Interest on Deposits	<u>532</u>	
		<u>125,892</u>
		500,711
Decreased by:		
Disbursements for Open Space Expenditures	62,940	
Down Payment on Improvements - Due to General Capital Fund	<u>172,000</u>	
		<u>234,940</u>
Balance, December 31, 2021		<u>\$ 265,771</u>

EXHIBIT B-11

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

Balance, December 31, 2020		\$ 411,632
Increased by:		
Developers Fees	\$ 15,813	
Interest on Deposits	<u>1,058</u>	
		<u>16,871</u>
		428,503
Decreased by:		
Disbursements for Affordable Housing Expenditures		<u>4,876</u>
Balance, December 31, 2021		<u>\$ 423,627</u>

EXHIBIT B-12

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

Balance, December 31, 2020		\$ 3,752
Increased by:		
Police Outside Duty Billings		<u>531,845</u>
		535,597
Decreased by:		
Cash Receipts		<u>481,830</u>
Balance, December 31, 2021		<u>\$ 53,767</u>

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

Balance, December 31, 2020	\$ 629,224
Increased by:	
Cash Receipts	<u>169,261</u>
	798,485
Decreased by:	
Cash Disbursements	<u>491,331</u>
Balance, December 31, 2021	<u>\$ 307,154</u>

EXHIBIT B-14

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

Balance, December 31, 2020	\$ 32,524
Increased by:	
Payroll Deposits	<u>14,637,094</u>
	14,669,618
Decreased by:	
Payroll Disbursements	<u>14,589,426</u>
Balance, December 31, 2021	<u>\$ 80,192</u>

EXHIBIT B-15

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

Increased by:		
Interest Earned	\$ 1,740	
Miscellaneous Reserves and Deposits Cancelled	<u>2,893</u>	
		\$ 4,633
Decreased by:		
Payments to Current Fund		<u>1,601</u>
Balance, December 31, 2021		<u>\$ 3,032</u>

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

Increased by:	
Contributions to Reimburse Funding Provided for General Capital Fund Ordinance 2021-06	\$ 14,667
Decreased by:	
Cash Receipts	<u>7,334</u>
Balance, December 31, 2021	<u>\$ 7,333</u>

Analysis of Balance December 31, 2021

Park Ridge Athletic Association	<u>\$ 7,333</u>
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BOROUGH OF PARK RIDGE
STATEMENT OF MISCELLANEOUS RESERVES AND DEPOSITS
OTHER TRUST FUND

	Balance, December 31, <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2021</u>
Fire Prevention Penalty Fees	\$ 3,133	\$ 8,675		\$ 11,808
DARE Donations	20,077	4,825	\$ 475	24,427
Recreation Fees	111,908	85,170	80,606	116,472
Tax Sale Premiums	335,400		191,400	144,000
Fuel Depot Fees (Community Resale)	30,740	2,024	30,354	2,410
Open Bail Account	2,432		2,432	-
UCC Penalties	1,585		75	1,510
Outside Police Duty Fees	110,002	481,830	407,119	184,713
Storm Recovery Reserve	65,000			65,000
Accumulated Absences Reserve	50,048			50,048
Recreation Fees - Golden Age Club	5,021	4,862	825	9,058
Miscellaneous Fees and Deposits	<u>59,347</u>	<u>11,204</u>	<u>6,962</u>	<u>63,589</u>
	<u>\$ 794,693</u>	<u>\$ 598,590</u>	<u>\$ 720,248</u>	<u>\$ 673,035</u>
Cash Receipts		\$ 116,760		
Police Outside Duty Receivable-Collections		481,830		
Due to Current Fund - Cancelled by Resolution			\$ 2,893	
Cash Disbursements		<u>-</u>	<u>717,355</u>	
		<u>\$ 598,590</u>	<u>\$ 720,248</u>	

Analysis of Miscellaneous Fees and Deposits - December 31, 2021

Recreation Fees - Mayor's Golf Outing	\$ 20,200
Park Ridge TV Donations	110
Borough 125th Anniversary Donations	14,546
DARE Donations - Junior Police Academy	<u>28,733</u>
	<u>\$ 63,589</u>

GENERAL CAPITAL

BOROUGH OF PARK RIDGE
STATEMENT OF GENERAL CAPITAL CASH AND INVESTMENTS

Balance, December 31, 2020		\$ 1,139,959
Increased by Receipts:		
Grants Receivable	\$ 205,141	
Reserve for Community Center	100,000	
2021 Budget Appropriations - Capital Improvement Fund	18,200	
Interest Earned	3,073	
Bond Anticipation Notes Issued	700,000	
Premium on Bond Anticipation Notes Issued	17,782	
Receipts from Open Space Preservation Trust Fund	<u>157,333</u>	
		<u>1,201,529</u>
		2,341,488
Decreased by Disbursements:		
Improvement Authorizations	1,719,246	
Contracts Payable	271,070	
Reserve for Preliminary Expenses	65,520	
Payments to Current Fund	<u>269,391</u>	
		<u>2,325,227</u>
Balance, December 31, 2021		<u>\$ 16,261</u>

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

	Balance, December 31, <u>2021</u>
Fund Balance	\$ 21,733
Reserve for Preliminary Expenses	14,480
Reserve for Community Center	508,675
Reserve for Sewer Improvements	208,260
Reserve for Payment of Debt	100
Encumbrances Payable	1,313,395
Grants Receivable	(426,729)
Due to Current Fund	8,737
Due from Municipal Open Space Trust Fund	(14,667)
Due from Water Utility Capital Fund	(18,750)
Due from Electric Utility Capital Fund	(18,750)
Contributions Receivable	(28,000)
Excess Note Proceeds	86,642

Improvement Authorizations:

<u>Ord. No.</u>	<u>Description</u>	
07-07A	Improvements to Mill Pond Dam & Engineering Dredging	29,663
07-7B	Engineering & Design for Dredging Mill Pond	52,861
16-11	Various Improvements and Acq. Of Equipment	41,415
16-15	Various Improvements and Acq. Of Equipment	175,670
17-10	Various Capital Improvements and Acquisitions	3,547
18-10	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	161,579
19-08	2019 Road, Curb, Drainage and Sidewalk Program	(3,700)
19-09	Improvements to Turf Field at Memorial Field	14,293
19-10	2019 Road, Curb, Drainage and Sidewalk Program	3,752
19-24	Various Capital Improvements and Acquisitions	539
20-04	Various Equipment Purchases	2,474
20-05	2020 Road, Curb, Drainage and Sidewalk Improvements	(391,649)
20-06	Acquisition of New Additional or Replacement Equipment	20,986
21-01	Improvement to North Fifth Street	(101,521)
21-03	Installation of New Playground Equipment at Memorial Field	(41,663)
21-06	Improvements to Sulak Field Dugouts	7,333
21-22	Various Public Improvements and Acquisitions	(91,286)
21-23	Acquisition of a New Rescue Fire Truck	(702,092)
21-26	Replacement of the Turf Field at Memorial Field	(501,791)
21-27	2021 Road, Curb, Drainage and Sidewalk Program	(261,900)
		<u>\$ 16,261</u>

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

Ord. No.	Agency	Balance, December 31, 2020	2021 Awards	Cash Receipts	Raised in 2021 Current Fund Budget	December 31, 2021	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			
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	DOT - Quackenbush to Pascack Improvements	106,729				106,729	106,729	
20-05	DOT - 2020 Road Program	215,000		\$ 93,687		121,313		121,313
21-01	DOT - North Fifth Street Improvements		\$ 207,000	111,454		95,546		95,546
21-03	County of Bergen Open Space - Playground at Memorial Field		150,000			150,000		150,000
21-22	County of Bergen - Tri-Boro Dispatch Center	-	100,000	-	-	100,000	100,000	-
		<u>\$ 664,654</u>	<u>\$ 457,000</u>	<u>\$ 205,141</u>	<u>\$ 17,269</u>	<u>\$ 899,244</u>	<u>\$ 426,729</u>	<u>\$ 472,515</u>
	Improvement Authorizations		\$ 100,000					
	Reserve for Grants Receivable		<u>357,000</u>					
			<u>\$ 457,000</u>					

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

Increased by:

Contributions Appropriated to Finance Ordinance 2021-22

Borough of Montvale

\$ 14,000

Borough of Woodcliff Lake

14,000\$ 28,000

Balance, December 31, 2021

\$ 28,000

STATEMENT OF DUE FROM OPEN SPACE PRESERVATION TRUST FUND

Increased by:

Open Space Funds Appropriated to Finance Improvement Authorizations

\$ 172,000

Decreased by:

Receipts from Open Space Preservation Trust Fund

157,333

Balance, December 31, 2021

\$ 14,667

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

\$ 9,372,737

Decreased by:

2021 Budget Appropriations

General Serial Bonds

\$1,570,000

Green Trust Loan

93,4321,663,432

Balance, December 31, 2021

\$ 7,709,305

123

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

Balance, December 31, 2020		\$ 410,423
Increased by:		
Charges to Improvement Authorizations		<u>1,181,765</u>
		1,592,188
Decreased by:		
Cash Disbursements	\$ 271,070	
Cancellations Restored to Improvement Authorizations	<u>7,723</u>	
		<u>278,793</u>
Balance, December 31, 2021		<u>\$ 1,313,395</u>

EXHIBIT C-10

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2020		\$ 19,988
Increased by:		
2021 Budget Appropriation - Due from Current Fund	\$ 42,212	
Transfer from Water Utility Capital Improvement Fund	18,750	
Transfer from Electric Utility Capital Improvement Fund	<u>18,750</u>	
		<u>79,712</u>
		99,700
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>99,700</u>

BOROUGH OF PARK RIDGE
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

		2021 Authorizations											
Ord. No.	Improvement Description	Ordinance Amount	Balance, December 31, 2020		Deferred Charges Unfunded	Grants Receivable	Capital Improvement Fund	Montvale and Woodcliff Lake Contributions	Municipal Open Space Trust	Contracts Payable Canceled	Paid or Charged	Balance, December 31, 2021	
			Funded	Unfunded								Funded	Unfunded
07-7A-08-8F	Repairs of Mill Pond Dam	\$ 1,293,800	\$ 48,977								\$ 19,314	\$ 29,663	
07-7B	Engineering & Design for Dredging Mill Pond	200,000	59,986								7,125	52,861	
16-11	Various Improvements and Acq. Of Equipment	253,737	41,415									41,415	
16-15	Various Improvements and Acq. Of Equipment	461,567	175,670									175,670	
17-02	Various Improvements and Acq. Of Equipment	1,324,400	29,335								29,335		
17-10	Various Capital Improvements and Acquisitions	82,881	3,547									3,547	
18-16	Repair of the 55 Park Avenue Bridge	325,000	140,876	\$ 157,703							129,297	11,579	\$ 157,703
19-08	2019 Road, Curb, Drainage and Sidewalk Program	846,000		98,520							98,520		
19-09	Improvements to Turf Field at Memorial Field	868,000		11,170						\$ 7,723			18,893
19-10	2019 Road, Curb, Drainage and Sidewalk Program	540,000		72,005							68,253		3,752
19-24	Various Capital Improvements and Acquisitions	171,200	1,052								513	539	
20-04	Various Equipment Purchases	35,653	5,999								3,525	2,474	
20-05	2020 Road, Curb, Drainage and Sidewalk Improvements	700,000	34,562	665,000							589,898		109,664
20-06	Acquisition of New Additional or Replacement Equipment	225,634		52,832							17,493		35,339
21-01	Improvement to North Fifth Street	490,000			\$ 490,000						212,975		277,025
21-03	Installation of New Playground Equipment at Memorial Field	300,000			150,000					\$ 150,000	191,663		108,337
21-06	Improvements to Sulak Field Dugouts	22,000							22,000		14,667	7,333	
21-22	Various Public Improvements and Acquisitions	549,000			400,000	\$ 100,000	\$ 21,000	\$ 28,000			240,286		308,714
21-23	Acquisition of a New Rescue Fire Truck	765,000			727,500		37,500				739,592		25,408
21-26	Replacement of the Turf Field at Memorial Field	590,000			561,900		28,100				529,891		60,109
21-27	2021 Road, Curb, Drainage and Sidewalk Program	275,000	-	-	261,900	-	13,100	-	-	-	275,000	-	-
			<u>\$ 541,419</u>	<u>\$ 1,057,230</u>	<u>\$ 2,591,300</u>	<u>\$ 100,000</u>	<u>\$ 99,700</u>	<u>\$ 28,000</u>	<u>\$ 172,000</u>	<u>\$ 7,723</u>	<u>\$ 3,167,347</u>	<u>\$ 325,081</u>	<u>\$ 1,104,944</u>
Cash Disbursed											\$ 1,719,246		
Due to Current Fund - Emergency Authorization											266,336		
Contracts Payable											<u>1,181,765</u>		
											<u>\$ 3,167,347</u>		

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

Ord. No.	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, 2020	Increased	Decreased	Balance, December 31, 2021
18-09	Acquisition of New Additional or Replacement Equipment	5/1/2019	5/1/2020 4/30/2021	4/30/2021 4/29/2022	1.19 % 1.00	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000
18-16	Repair of the 55 Park Avenue Bridge	4/30/2021	4/30/2021	4/29/2022	1.00		150,000		150,000
19-08	2019 Road, Curb, Drainage and Sidewalk Imprvt Program	5/1/2019	5/1/2020 4/30/2021	4/30/2021 4/29/2022	1.19 1.00	800,000	800,000	800,000	800,000
19-09	Replacement and Expansion of Turf at Memorial Field	5/1/2019	5/1/2020 4/30/2021	4/30/2021 4/29/2022	1.19 1.00	820,000	820,000	820,000	820,000
19-10	2019 Road, Curb, Drainage and Sidewalk Imprvt Program	4/30/2021	4/30/2021	4/29/2022	1.00		150,000		150,000
19-15	Acquisition of New Additional or Replacement Equipment	4/30/2021	4/30/2021	4/29/2022	1.00		130,000		130,000
20-05	2020 Road, Curb, Drainage and Sidewalk Imprvt Program	4/30/2021	4/30/2021	4/29/2022	1.00		70,000		70,000
20-06	Acquisition of New Additional or Replacement Equipment	4/30/2021	4/30/2021	4/29/2022	1.00	-	200,000	-	200,000
						<u>\$ 1,970,000</u>	<u>\$ 2,670,000</u>	<u>\$ 1,970,000</u>	<u>\$ 2,670,000</u>
							\$ 700,000		
							<u>1,970,000</u>	<u>\$ 1,970,000</u>	
							<u>\$ 2,670,000</u>	<u>\$ 1,970,000</u>	

Issued for Cash
Renewals

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, 2021</u>		<u>Interest Rate</u>		<u>Balance, December 31, 2020</u>		<u>Decreased</u>	<u>Balance, December 31, 2021</u>
			<u>Date</u>	<u>Amount</u>						
General Improvements	10/15/2007	\$ 4,827,000	2022	\$ 350,000	3.875	%				
			2023	327,000	4.000		\$ 1,002,000	\$ 325,000		\$ 677,000
General Improvements	8/15/2012	3,215,000	2022	250,000	2.000					
			2023-2026	300,000	2.000		1,700,000	250,000		1,450,000
127 General Refunding	2/15/2013	3,035,000	2022	340,000	4.000		690,000	350,000		340,000
General Improvements	8/15/2013	2,207,000	2022	280,000	3.000					
			2023	277,000	3.000		827,000	270,000		557,000
General Improvements	5/15/2018	4,880,000	2022	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>4,155,000</u>	<u>375,000</u>		<u>3,780,000</u>
							<u>\$ 8,374,000</u>	<u>\$ 1,570,000</u>		<u>\$ 6,804,000</u>
Paid by Budget Appropriation								<u>\$ 1,570,000</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 2021</u>		<u>Interest Rate</u>		<u>Balance, December 31, 2020</u>	<u>Decreased</u>	<u>Balance, December 31, 2021</u>
			<u>Date</u>	<u>Amount</u>					
Memorial Field Improvements	10/20/2008	\$ 500,000	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				
							\$ 191,356	\$ 30,327	\$ 161,029
Mill Pond Dam Improvements	7/9/2012	1,156,000	2022	64,374	2.00				
			2023	65,668	2.00				
			2024	66,988	2.00				
			2025	68,334	2.00				
			2026	69,707	2.00				
			2027	71,109	2.00				
			2028	72,538	2.00				
			2029	73,995	2.00				
			2030	75,483	2.00				
			2031	77,001	2.00				
			2032	39,079	2.00				
							<u>807,381</u>	<u>63,105</u>	<u>744,276</u>
							<u>\$ 998,737</u>	<u>\$ 93,432</u>	<u>\$ 905,305</u>
Paid by Budget Appropriation								<u>\$ 93,432</u>	

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

Balance, December 31, 2020

Increased by:

Interest Earned	\$ 3,073	
General Capital Fund Balance Anticipated as Budget Revenue	50,000	
Emergency Authorization Funded by Ordinance 2021-27	266,336	
Receipts from Current Fund	<u>18,200</u>	
		\$ 337,609

Decreased by:

Budget Appropriation:		
Capital Improvement Fund	42,212	
Unfunded Ordinance - Cancelled Grants Receivable	17,269	
Payments to Current Fund	<u>269,391</u>	
		<u>328,872</u>

Balance, December 31, 2021 \$ 8,737

EXHIBIT C-16

STATEMENT OF RESERVE FOR PRELIMINARY EXPENSES

<u>Purpose</u>	Transfer from Reserve for Community Center	Paid or Charged	Balance December 31, 2021
Community Center Project	<u>\$ 80,000</u>	<u>\$ 65,520</u>	<u>\$ 14,480</u>

EXHIBIT C-17

STATEMENT OF RESERVE FOR COMMUNITY CENTER

Balance, December 31, 2020	\$ 488,675
Increased by:	
Redevelopers Contribution Received	<u>100,000</u>
	588,675
Decreased by:	
Transfer to Preliminary Expenses	<u>80,000</u>
Balance, December 31, 2021	<u><u>\$ 508,675</u></u>

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

Balance, December 31, 2020	<u>\$ 208,260</u>
Balance, December 31, 2021	<u>\$ 208,260</u>

STATEMENT OF RESERVE FOR PAYMENT OF DEBT

Balance, December 31, 2020	<u>\$ 100</u>
Balance, December 31, 2021	<u>\$ 100</u>

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

Ord. <u>No.</u>	<u>Description</u>	Balance December 31, <u>2020</u>	2021 <u>Authorizations</u>	Grants <u>Receivable</u>	Bond Anticipation Notes <u>Issued</u>	Balance December 31, <u>2021</u>
18-10	Refurbishment of the Police Pistol Range	\$ 8,369				\$ 8,369
18-12	Acquisition of an SUV for Police Depart.	34,806				34,806
18-14	Acquisition of a Hydraulic Lift Trailer	14,200				14,200
18-16	Repair of the 55 Park Avenue Bridge	157,703			\$ 150,000	7,703
19-08	2019 Road, Curb, Drainage and Sidewalk Imprvts	3,700				3,700
19-09	Improvements to Turf Field at Memorial Field	4,600				4,600
19-10	2019 Road, Curb, Drainage and Sidewalk Imprvts	90,880			90,880	
19-15	Acquisition of New Additional or Replacement Equipment	123,464			123,464	
20-05	2020 Road, Curb, Drainage and Sidewalk Improvements	665,000		\$ 93,687	70,000	501,313
20-06	Acquisition of New Additional or Replacement Equipment	214,353			200,000	14,353
21-01	Improvement to North Fifth Street		\$ 490,000	111,454		378,546
21-03	Installation of New Playground Equipment at Memorial Field		150,000			150,000
21-22	Various Public Improvements and Acquisitions		400,000			400,000
21-23	Acquisition of a New Rescue Fire Truck		727,500			727,500
21-26	Replacement of the Turf Field at Memorial Field		561,900			561,900
21-27	2021 Road, Curb, Drainage and Sidewalk Program	-	261,900	-	-	261,900
		<u>\$ 1,317,075</u>	<u>\$ 2,591,300</u>	<u>\$ 205,141</u>	<u>\$ 634,344</u>	<u>\$ 3,068,890</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, 2020	\$ 2,987,675	\$ 50,965
Increased by Receipts:		
Water Usage Charges Receivable	\$ 3,262,422	
Other Charges Receivable	123,760	
Mobile Antenna Rent	171,838	
Non-Budget Revenue	20,645	
Bond Anticipation Notes Issued		\$ 800,000
Premium on Bond Anticipation Notes Issued		9,235
Overpayments	29,246	
Woodcliff Lake Surcharge Receivable	97,651	
Interest Earned		1,436
Received from Water Utility Capital Fund	1,470	
Receipts for Electric Operating Utility Fund	<u>5,501</u>	<u>-</u>
	<u>3,712,533</u>	<u>810,671</u>
	6,700,208	861,636
Decreased by Disbursements:		
2021 Budget Appropriations	3,331,530	
2020 Appropriation Reserves	90,425	
Encumbrances Payable	167,574	33,234
Improvement Authorizations		49,163
Interest on Bonds and Notes	49,444	
Bond Anticipation Notes Paid		
Payments made to Electric Utility Operating Fund	66,597	
Payments made to Water Utility Operating Fund	<u>-</u>	<u>1,470</u>
	<u>3,705,570</u>	<u>83,867</u>
Balance, December 31, 2021	<u><u>\$ 2,994,638</u></u>	<u><u>\$ 777,769</u></u>

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

		Balance, December 31, <u>2021</u>
Fund Balance		\$ 43,714
Capital Improvement Fund		297,919
Encumbrances Payable		134,750
Due to Water Utility Operating Fund		124,044
Due to General Capital Fund		18,750
Due from Current Fund		(150,000)
Improvement		
<u>Authorizations:</u> <u>Description</u>		
Ord.		
<u>No.</u>		
2012-9	Various Public Improvements/Acquisitions	81,664
2014-15	Various Public Improvements/Acquisitions	(100,867)
2014-21	Installation of New Well and Pumping Station	493,855
2017-17	Replacement of Water Main at Glen Road	(89,531)
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	100,580
2021-25	Decommission of Well #5 and Well #6	2,500
		<u>\$ 777,769</u>

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

Balance, December 31, 2020		\$ 260,423
Increased by:		
Water Usage Charges Levied		<u>3,380,752</u>
		3,641,175
Decreased by:		
Water Usage Charges Collected:		
Cash Receipts	\$ 3,262,422	
Overpayments Applied	<u>32,492</u>	
		<u>3,294,914</u>
Balance, December 31, 2021		<u><u>\$ 346,261</u></u>

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

Balance, December 31, 2020		\$ 80,201
Increased by:		
Other Water Charges Levied		
Fire Sprinklers	\$ 86,132	
Hydrants	<u>43,135</u>	
		<u>129,267</u>
		209,468
Decreased by:		
Other Water Charges Collected:		
Fire Sprinklers	81,154	
Hydrants	<u>42,606</u>	
		<u>123,760</u>
Balance, December 31, 2021		<u><u>\$ 85,708</u></u>

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

Balance, December 31, 2020	\$ 45,940
Increased by:	
Surcharges Levied	<u>105,674</u>
	151,614
Decreased by:	
Surcharges Collected	<u>97,651</u>
Balance, December 31, 2021	<u><u>\$ 53,963</u></u>

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

		Additions by			
	Balance, December 31, 2020	Budget Capital Outlay	Ordinance	Deletions	Balance, December 31, 2021
Source of Supply Plant:					
Structures and Improvements	\$ 336,184	\$ 3,675			\$ 339,859
Wells and Springs	5,119,340	28,234	\$ 324		5,147,898
Water Diversion Rights	551				551
Pumping Plant:					
Land and Land Rights	12,887				12,887
Structures and Improvements	568,810				568,810
Electric Pumping Equipment	1,053,614				1,053,614
Water Treatment Plant - Water					
Treatment Equipment	1,259,043				1,259,043
Computer Hardware/Software-Equipment	111,245				111,245
Transmission and Distribution Plant:					
Structures and Improvements	673,915	1,448			675,363
Distribution Reservoirs and Standpipes	908,591				908,591
Transmission and Distribution Mains	2,065,176		325		2,065,501
Services	236,634				236,634
Meters	1,123,072			\$ 68,010	1,055,062
Hydrants	446,934				446,934
Well Communication System-Equipment	30,758		4,714		35,472
General Plant:					
Structures and Improvements	193,300				193,300
Improvements to Utility Garage	102,218				102,218
Office Furniture and Equipment	209,803				209,803
Transportation Equipment	356,788				356,788
Other General Equipment	311,672				311,672
Tools-Equipment	170,555				170,555
Other Utility Assets:					
Other Tangible Property-Equipment	242,936				242,936
Meter Reading System	6,763				6,763
Pickup Trucks	179,688	56,914			236,602
Dump Trucks	170,332				170,332
Vacuum Excavator		89,530			89,530
Trailer Mounted Generator	79,580				79,580
New Hybrid Vehicles	37,456				37,456
Backhoe Loader	86,031				86,031
Valve Box Vacuum	20,441	-	-	-	20,441
	<u>\$ 16,114,317</u>	<u>\$ 179,801</u>	<u>\$ 5,363</u>	<u>\$ 68,010</u>	<u>\$ 16,231,471</u>
2021 Budget Appropriation		\$ 151,567			
2020 Appropriation Reserves		<u>28,234</u>			
		<u>\$ 179,801</u>			

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

<u>Ord. No.</u>	<u>Improvement Description</u>	Balance, December 31, <u>2020</u>	<u>2021 Authorizations</u> <u>Deferred Reserve</u> <u>for Amortization</u>	Costs to <u>Fixed Capital</u>	Balance, December 31, <u>2021</u>
2012-9	Various Public Improvements & Acq.	\$ 81,988		\$ 324	\$ 81,664
2014-15	Various Public Improvements & Acq.	169,133			169,133
2014-21	Installation of New Well and Pumping Station	900,000			- 900,000
2017-17	Replacement of Water Main on Glen Road	212,494		325	212,169
2019-06	Acquisition of Water Distribution Equipment	4,726		4,714	12
2019-17	Various Improvements	16,379			16,379
2019-22	Acquisition of Technology Upgrades	20,000			20,000
2020-07	Acq of Water Distribution Equipment and Machinery	146,990			146,990
2021-25	Decommission of Well #5 and Well #6	-	\$ 30,000	-	30,000
		<u>\$ 1,551,710</u>	<u>\$ 30,000</u>	<u>\$ 5,363</u>	<u>\$ 1,576,347</u>

EXHIBIT D-12

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

Balance, December 31, 2020	\$ 66,597
Increased by:	
Electric Operating Utility Receipts Deposited in Water Operating Utility Fund	<u>5,501</u>
	72,098
Decreased by:	
Cash Disbursements	<u>66,597</u>
Balance, December 31, 2021	<u>\$ 5,501</u>

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

Balance, December 31, 2020	\$ 124,078
Increased by:	
Interest Earned	<u>1,436</u>
	125,514
Decreased by:	
Payments to Water Utility Operating Fund	<u>1,470</u>
Balance, December 31, 2021	<u>\$ 124,044</u>

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

Increased by:	
Appropriation of Water Capital Improvement Fund to Finance General Capital Improvement Authorization	<u>\$ 18,750</u>
Balance, December 31, 2021	<u>\$ 18,750</u>

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

Increased by:	
Water Utility Operating Fund Expenditures Paid by Current Fund	<u>\$ 62,966</u>
Balance, December 31, 2021	<u>\$ 62,966</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF 2020 APPROPRIATION RESERVES
WATER UTILITY OPERATING FUND**

	Balance, December 31, <u>2020</u>	Encumbrances <u>Cancelled</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING					
Salaries and Wages	\$ 17,011		\$ 17,011	\$ 11,578	\$ 5,433
Other Expenses	130,398	\$ 16,867	147,265	50,612	96,653
Group Insurance	100,904	-	72,670	1	72,669
 Total Operating	 <u>248,313</u>	 <u>16,867</u>	 <u>236,946</u>	 <u>62,191</u>	 <u>174,755</u>
 CAPITAL IMPROVEMENTS					
Capital Outlay	<u>-</u>	<u>68,010</u>	<u>96,244</u>	<u>28,234</u>	<u>68,010</u>
 Total Capital Improvements	 <u>-</u>	 <u>68,010</u>	 <u>96,244</u>	 <u>28,234</u>	 <u>68,010</u>
 DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures					
Contribution to					
Public Employees Retirement System	3,149		3,149		3,149
Social Security System (O.A.S.I.)	31,188	-	31,188	-	31,188
 Total Deferred Charges and Statutory Expenditures	 <u>34,337</u>	 <u>-</u>	 <u>34,337</u>	 <u>-</u>	 <u>34,337</u>
	<u>\$ 282,650</u>	<u>\$ 84,877</u>	<u>\$ 367,527</u>	<u>\$ 90,425</u>	<u>\$ 277,102</u>
Cash Disbursements				\$ 90,425	
Transfer to Miscellaneous Reserves - Woodcliff Lake Improvements					\$ 68,010
Credit to Operations				-	209,092
				<u>\$ 90,425</u>	<u>\$ 277,102</u>

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

Balance, December 31, 2020	\$ 252,451
Increased by:	
Charges to 2021 Budget Appropriations	<u>463,049</u>
	715,500
Decreased by:	
Cash Disbursements	\$ 167,574
Cancellations Restored to 2020 Appropriation Reserves	<u>84,877</u>
	<u>252,451</u>
Balance, December 31, 2021	<u><u>\$ 463,049</u></u>

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

Balance, December 31, 2020	\$ 140,477
Increased by:	
Charges to Improvement Authorizations	<u>27,507</u>
	167,984
Decreased by:	
Cash Disbursements	<u>33,234</u>
Balance, December 31, 2021	<u><u>\$ 134,750</u></u>

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

Balance, December 31, 2020	\$ 32,492
Increased by:	
Overpayments Received	<u>29,246</u>
	61,738
Decreased by:	
Overpayments Applied to Water Usage Charges Receivable	<u>32,492</u>
Balance, December 31, 2021	<u><u>\$ 29,246</u></u>

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

Balance, December 31, 2020	\$ 16,074
Increased by:	
Budget Appropriation for Interest on Bonds and Notes	<u>49,257</u>
	65,331
Decreased by:	
Interest Paid	<u>49,444</u>
Balance, December 31, 2021	<u><u>\$ 15,887</u></u>

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

Ord. No.	Improvement Description	Ordinance Amount	Balance, December 31, 2020		2021 Authorizations	Paid or Charged	Balance, December 31, 2021	
			Funded	Unfunded	Fund Balance		Funded	Unfunded
2012-9	Various Public Improvements and Acq.	1,085,000	\$ 81,988			\$ 324	\$ 81,664	
2014-15	Various Public Improvements and Acq.	470,000		\$ 169,133				\$ 169,133
2014-21	Installation of New Well and Pumping Station	900,000		495,966		2,111		493,855
2017-17	Replacement of Water Main at Glen Road	800,000		212,494		325		212,169
2019-06	Acq of Water Distribution Equipment and Machinery	200,000	12				12	
2019-17	Various Improvements	196,000		16,379				16,379
2020-07	Acq of Water Distribution Equipment and Machinery	146,990	146,990			46,410	100,580	
2021-25	Decommission of Well #5 and Well #6	30,000	-	-	\$ 30,000	27,500	2,500	-
			<u>\$ 228,990</u>	<u>\$ 893,972</u>	<u>\$ 30,000</u>	<u>\$ 76,670</u>	<u>\$ 184,756</u>	<u>\$ 891,536</u>
						Cash Disbursements	\$ 49,163	
						Encumbrances Payable	<u>27,507</u>	
							<u>\$ 76,670</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, 2021</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2020</u>	<u>Decreased</u>	<u>Balance, December 31, 2021</u>
			<u>Date</u>	<u>Amount</u>				
Water Utility Bonds	8/16/2012	\$ 1,250,000	2022	\$ 85,000	2.00%			
			2023-25	90,000	2.00%			
			2026	95,000	2.10%			
			2027	95,000	2.20%	\$ 630,000	\$ 85,000	\$ 545,000
Water Utility Bonds	8/15/2013	582,000	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%	312,000	40,000	272,000
Water Utility Bonds	5/15/2018	790,000	2022-23	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%	690,000	55,000	635,000
						<u>\$ 1,632,000</u>	<u>\$ 180,000</u>	<u>\$ 1,452,000</u>
Paid by Budget Appropriation							<u>\$ 180,000</u>	

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

Ord. No.	<u>Improvement Description</u>	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, 2020	Increased	Decreased	Balance, December 31, 2021
14-21	Installation of New Well and Pumping Facility - Woodcliff Lake	10/8/2015	5/1/2020 4/30/2021	4/30/2021 4/29/2022	1.19 % 1.00	\$ 96,100	\$ 94,800	\$ 96,100	\$ 94,800
		4/30/2021	4/30/2021	4/29/2022	1.00		800,000		800,000
17-17	Replacement of Water Main Glen Road - Woodcliff Lake	5/1/2018	5/1/2020 4/30/2021	4/30/2021 4/29/2022	1.19 % 1.00	498,300 -	491,900	498,300 -	491,900
						<u>\$ 594,400</u>	<u>\$ 1,386,700</u>	<u>\$ 594,400</u>	<u>\$ 1,386,700</u>
							Issued for Cash	\$ 800,000	
							Paid by Budget Appropriation	\$ 7,700	
							Renewals	<u>586,700</u>	<u>586,700</u>
								<u>\$ 1,386,700</u>	<u>\$ 594,400</u>

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

Balance, December 31, 2020	\$ 166,669
Increased by:	
2021 Budget Appropriation - Deposited in Current Fund	<u>150,000</u>
	316,669
Decreased by:	
Appropriation to Finance General Capital Improvement Authorizations	<u>18,750</u>
Balance, December 31, 2021	<u>\$ 297,919</u>

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

Balance, December 31, 2020	\$ 13,700,211
Increased by:	
Serial Bonds Paid by Operating Budget	\$ 180,000
Bond Anticipation Notes Paid by Budget	7,700
Capital Outlay Operating Budgets:	
2021 Budget Appropriations	151,567
2020 Budget Appropriations	28,234
Transfer from Deferred Reserve for Amortization	<u>4,714</u>
	<u>372,215</u>
	14,072,426
Decreased by:	
Fixed Capital Deleted	<u>68,010</u>
Balance, December 31, 2021	<u>\$ 14,004,416</u>

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

<u>Ord. No.</u>	<u>Improvement Description</u>	Balance, December 31, <u>2020</u>	Fixed Capital <u>Authorized</u>	To Reserve for Amortization <u>Fixed Capital</u>	Balance, December 31, <u>2021</u>
2019-06	Acq. Of Water Distribution Equipment and Machinery	\$ 4,726		\$ 4,714	\$ 12
2019-22	Acquisition of Technology Upgrades	20,000			20,000
2020-07	Acq. Of Water Distribution Equipment and Machinery	146,990			146,990
2021-25	Decommission of Well #5 and Well #6	<u>-</u>	<u>\$ 30,000</u>	<u>-</u>	<u>30,000</u>
		<u>\$ 171,716</u>	<u>\$ 30,000</u>	<u>\$ 4,714</u>	<u>\$ 197,002</u>
Water Utility Capital Fund Balance			<u>\$ 30,000</u>		

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

	Balance, December 31, <u>2020</u>	<u>Increased</u>	Realized in 2021 <u>Budget</u>	Balance, December 31, <u>2021</u>
Payment of Water Tank	\$ 9,201			\$ 9,201
Construction of Water Line	1,500			1,500
Woodcliff Lake Improvements	516,458	\$ 165,661	\$ 54,683	627,436
Handy Harmon Settlement	<u>956,068</u>	<u>-</u>	<u>-</u>	<u>956,068</u>
	<u>\$ 1,483,227</u>	<u>\$ 165,661</u>	<u>\$ 54,683</u>	<u>\$ 1,594,205</u>
Woodcliff Lake Surcharge Collected		\$ 97,651		
Unexpended Appropriation Reserves				
Funded by Woodcliff Lake Improvements		<u>68,010</u>		
		<u>\$ 165,661</u>		

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

Ord. <u>No.</u>	<u>Purpose</u>	Balance, December 31, <u>2020</u>	Notes <u>Issued</u>	Balance, December 31, <u>2021</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>-</u>	<u>196,000</u>
		<u>\$ 1,567,700</u>	<u>\$ 800,000</u>	<u>\$ 767,700</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, 2020	\$ 1,549,021		\$ 522,195
Increased by Receipts:			
Light and Power Charges Receivable	\$ 8,854,407		
Other Charges Receivable	17,226		
Investments	200,000		
Interest on Deposits	6,428	\$ 713	
Non-Budget Revenue	34,668		
Petty Cash	300		
Overpayments	22,388		
Receipts for Current Fund	3,020		
Receipts from Water Utility Operating Fund	66,597		
Receipts from Electric Utility Capital Fund	675		
Other Liabilities - Unallocated Receipts	121,263		
	<u>9,326,972</u>	<u>-</u>	<u>713</u>
	10,875,993		522,908
Decreased by Disbursements:			
2021 Appropriations	8,086,129		
2020 Appropriation Reserves	100,964		
Petty Cash	300		
Encumbrances Payable	358,896	339,384	
Improvement Authorizations		18,048	
Interest on Bonds	13,475		
Payments to Electric Utility Operating Fund	-	675	
	<u>8,559,764</u>	<u>358,107</u>	
Balance, December 31, 2021	<u>\$ 2,316,229</u>		<u>\$ 164,801</u>

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

		Balance, December 31, <u>2021</u>
Fund Balance		\$ 41,610
Capital Improvement Fund		88,750
Encumbrances Payable		59,226
Reserve for Capital Improvements		12,500
Due to General Capital Fund		18,750
Due to Electric Utility Operating Fund		38
Due from Current Fund		(5,000)
Improvement Authorizations:		
Ord.		
<u>No.</u>	<u>Description</u>	
2019-16	Various Capital Improvements	(149,715)
2019-23	Technology Update	12,428
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>46,231</u>
		<u>\$ 164,801</u>

EXHIBIT E-7

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

Balance, December 31, 2020	\$ <u>75</u>
Balance, December 31, 2021	\$ <u><u>75</u></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**

Balance, December 31, 2020	\$ 200,000
Decreased by:	
Cash Receipts on Maturity	\$ <u>200,000</u>

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

Balance, December 31, 2020		\$ 378,613
Increased by:		
Light and Power Charges Levied		<u>9,106,101</u>
		9,484,714
Decreased by:		
Light and Power Charges Collected	\$ 8,854,407	
Due from Water Utility Operating Fund	5,501	
Overpayments Applied	<u>18,569</u>	
		<u>8,878,477</u>
Balance, December 31, 2021		<u>\$ 606,237</u>

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

Balance, December 31, 2020		\$ 18,619
Increased by:		
Other Electric Charges Levied - Dusk to Dawn		<u>17,607</u>
		36,226
Decreased by:		
Other Electric Charges Collected - Dusk to Dawn		<u>17,226</u>
Balance, December 31, 2021		<u>\$ 19,000</u>

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

		<u>Additions By:</u>		
	Balance, December 31, <u>2020</u>	Budget Capital <u>Outlay</u>	<u>Ordinance</u>	Balance, December 31, <u>2021</u>
Structures and Improvements	\$ 1,532,492	\$ 5,123		\$ 1,537,615
Electric Wire Storage Shed	320,326			320,326
Regulating Station	6,102	22,185		28,287
Hydro Generator-Equipment	7,732			7,732
Mill Road Substation Improvements	932,713		\$ 78,173	1,010,886
Brae Boulevard Substation	1,691,727			1,691,727
Poles, Towers and Fixtures	597,123			597,123
Cable & Wires	1,175,129	21,152		1,196,281
Underground Conduit	128,992			128,992
Underground Conductors & Devices	204,226			204,226
Line Transformers	811,503			811,503
Installation of Customers' Services	8,817			8,817
Office Furniture, Etc.-Equipment	231,542			231,542
Vehicles/Equipment	1,135,274			1,135,274
Meters & Current Transformers	404,940		60,823	465,763
Street Lighting & Signal System	383,992	10,218		394,210
Tools, Shop & Garage Equipment	292,485			292,485
Computer Hardware/Software-Equipment	248,523		6,122	254,645
Meter Reading System-Equipment	12,660			12,660
Smoke Detectors-Equipment	149,897			149,897
Municipal Improvement	75,000			75,000
Holiday Decorations-Equipment	67,416			67,416
Store Equipment	12,880			12,880
Laboratory Equipment	6,397			6,397
Miscellaneous Equipment	89,935			89,935
Bear's Nest Village- Regulating Station	713,408			713,408
Construction of Additional Voltage Regulator	149,395			149,395
Construction of Mini-Substation	349,865			349,865
Recreational Lighting-Equipment	13,113			13,113
Scada System	117,028			117,028
Improvement to Utility Garage	225,962			225,962
Improvement to Electric System	226,522			226,522
Conversion Mill Road Substation & Museum	250,000			250,000
Replace Brae Road Transformer	244,881			244,881
Pick-up Trucks	64,113			64,113
Aerial Bucket Trucks	560,880		230,062	790,942
Mini Excavator and Trailer	65,105	-		65,105
Generators - Equipment	-	-	71,542	71,542
	<u>\$ 13,508,095</u>	<u>\$ 58,678</u>	<u>\$ 446,722</u>	<u>\$ 14,013,495</u>
2021 Budget Appropriations		<u>\$ 58,678</u>		

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

Ord. No.	Improvement Description	Balance, December 31, <u>2020</u>	Costs to Fixed Capital	Balance, December 31, <u>2021</u>
2019-07	Purchase of Electric Distribution Infrastructure Materials and Capital Improvements			
2019-16	Various Capital Improvements	\$ 226,000	\$ 149,715	\$ 76,285
2019-23	Technology Update	19,000	6,122	12,878
2019-26	Acquisition of Bucket Truck and Electric Distribution System Infrastructure Materials	262,000	230,062	31,938
2019-27	Acquisition of Electric Metering Equipment and Related Expenses	68,868	60,823	8,045
2020-08	Acquisition of Electric Distribution Infrastructure Equipment and Machinery	<u>162,500</u>	<u>-</u>	<u>162,500</u>
		<u>\$ 738,368</u>	<u>\$ 446,722</u>	<u>\$ 291,646</u>

EXHIBIT E-14

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

Increased by:	
Interest Earned	\$ 713
Decreased by:	
Payments to Electric Utility Operating Fund	<u>675</u>
Balance, December 31, 2021	<u>\$ 38</u>

BOROUGH OF PARK RIDGE
STATEMENT OF 2020 APPROPRIATION RESERVES
ELECTRIC UTILITY OPERATING FUND

	Balance, December 31, <u>2020</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING				
Salaries and Wages	\$ 116,631	\$ 116,631	\$ 6,402	\$ 110,229
Other Expenses	185,185	185,185	43,282	141,903
Group Health Insurance	50,191	50,191	1,539	48,652
Purchase of Electric Current	<u>176,774</u>	<u>176,774</u>	<u>57,186</u>	<u>119,588</u>
Total Operating	<u>528,781</u>	<u>528,781</u>	<u>108,409</u>	<u>420,372</u>
CAPITAL IMPROVEMENTS				
Capital Outlay	<u>19,357</u>	<u>19,357</u>	<u>-</u>	<u>19,357</u>
Total Capital Improvements	<u>19,357</u>	<u>19,357</u>	<u>-</u>	<u>19,357</u>
DEFERRED CHARGES AND STATUTORY				
Statutory Expenditures				
Contribution to				
Public Employees Retirement System	701	701		701
Social Security System (O.A.S.I.)	11,597	11,597		11,597
Defined Contribution Retirement Program	<u>709</u>	<u>709</u>	<u>-</u>	<u>709</u>
Total Deferred Charges and Statutory Expenditures	<u>13,007</u>	<u>13,007</u>	<u>-</u>	<u>13,007</u>
	<u>\$ 561,145</u>	<u>\$ 561,145</u>	<u>\$ 108,409</u>	<u>\$ 452,736</u>
Cash Disbursements			\$ 100,964	
Transfer to Accounts Payable			<u>7,445</u>	
			<u>\$ 108,409</u>	

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

Balance, December 31, 2020	\$ 358,896
Increased by:	
Charges to 2021 Budget Appropriations	<u>433,108</u>
	792,004
Decreased by:	
Cash Disbursements	<u>358,896</u>
Balance, December 31, 2021	<u>\$ 433,108</u>

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

Balance, December 31, 2020	\$ 343,555
Increased by:	
Charges to Improvement Authorizations	<u>55,055</u>
	398,610
Decreased by:	
Cash Disbursements	<u>339,384</u>
Balance, December 31, 2021	<u>\$ 59,226</u>

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

Balance, December 31, 2020	\$ 1,778
Increased by:	
Budget Appropriation for Interest on Bonds	<u>13,288</u>
	15,066
Decreased by:	
Interest Paid	<u>13,475</u>
Balance, December 31, 2021	<u>\$ 1,591</u>

**STATEMENT OF OVERPAYMENTS
ELECTRIC UTILITY OPERATING FUND**

Balance, December 31, 2020	\$ 18,569
Increased by:	
Overpayments Received	<u>22,388</u>
	40,957
Decreased by:	
Overpayments Applied to Light and Power Charges Receivable	<u>18,569</u>
Balance, December 31, 2021	<u>\$ 22,388</u>

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

Increased by:	
Appropriation of Electric Capital Improvement Fund to Finance General Capital Improvement Authorization	<u>\$ 18,750</u>
Balance, December 31, 2021	<u>\$ 18,750</u>

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

Ord. No.	Improvement Description	Ordinance Amount	Balance, December 31, 2020		Paid or Charged	Balance, December 31, 2021	
			Funded	Unfunded		Funded	Unfunded
2019-16	Various Capital Improvements	226,000		\$ 76,285			\$ 76,285
2019-23	Technology Update	19,000	\$ 12,461		\$ 33	\$ 12,428	
2019-26	Acquisition of Bucket Truck and Electric Distribution System Infrastructure Materials	262,000	31,938			31,938	
2019-27	Acquisition of Electric Metering Equipment and Related Expenses	68,868	8,045			8,045	
2020-08	Acquisition of Electric Distribution Infrastructure Equipment and Machinery	162,500	119,301	-	73,070	46,231	-
			<u>\$ 171,745</u>	<u>\$ 76,285</u>	<u>\$ 73,103</u>	<u>\$ 98,642</u>	<u>\$ 76,285</u>
					Cash Disbursements \$ 18,048		
					Contracts Payable <u>55,055</u>		
					<u>\$ 73,103</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, 2021</u>		<u>Interest Rate</u>	<u>Balance,</u>		<u>Balance,</u>
			<u>Date</u>	<u>Amount</u>		<u>December 31,</u>	<u>Decreased</u>	<u>December 31,</u>
						<u>2020</u>		<u>2021</u>
Electric Utility Bonds	5/16/2018	\$ 600,000	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>\$ 515,000</u>	<u>\$ 60,000</u>	<u>\$ 455,000</u>
						<u>\$ 515,000</u>	<u>\$ 60,000</u>	<u>\$ 455,000</u>
Paid by Budget Appropriation							<u>\$ 60,000</u>	

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

Balance, December 31, 2020	\$ 102,500
Increased by:	
2021 Budget Appropriation Deposited in Current Fund	<u>5,000</u>
	107,500
Decreased by:	
Appropriation to Finance General Capital Improvement Authorization	<u>18,750</u>
Balance, December 31, 2021	<u>\$ 88,750</u>

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

Balance, December 31, 2020	<u>\$ 12,500</u>
Balance, December 31, 2021	<u>\$ 12,500</u>

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

Balance, December 31, 2020	\$ 12,993,095
Increased by:	
Serial Bonds Paid by Operating Budget	\$ 60,000
Capital Outlay Operating Budget:	
2021 Budget Appropriations	58,678
Transfer From Deferred Reserve for Amortization	<u>297,007</u>
	<u>415,685</u>
Balance, December 31, 2021	<u>\$ 13,408,780</u>

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

Increased by:	
Transfer from 2020 Appropriation Reserves	\$ <u>7,445</u>
Balance, December 31, 2021	\$ <u><u>7,445</u></u>

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

Increased by:	
Unallocated Cash Receipts	\$ <u>121,263</u>
Balance, December 31, 2021	\$ <u><u>121,263</u></u>

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

Increased by:		
Electric Utility Operating Expenditures Paid by Current Fund	\$ 45,071	
Current Fund Receipts Deposited in Electric Utility Operating Fund	<u>3,020</u>	
		\$ <u>48,091</u>
Balance, December 31, 2021		\$ <u><u>48,091</u></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>2020</u>	To Reserve For Amortization <u>Fixed Capital</u>	Balance, December 31, <u>2021</u>
19-23	Technology Update	\$ 19,000	\$ 6,122	\$ 12,878
19-26	Acq. of Bucket Truck and Electric Materials	262,000	230,062	31,938
19-27	Acq. of Metering Equipment	68,868	60,823	8,045
20-08	Acq. of Electric Distribution Equipment	<u>162,500</u>	<u>-</u>	<u>162,500</u>
		<u>\$ 512,368</u>	<u>\$ 297,007</u>	<u>\$ 215,361</u>

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

<u>Ord. No.</u>	<u>Purpose</u>	Balance, December 31, <u>2020</u>	Balance, December 31, <u>2021</u>
2019-16	Various Capital Improvements	<u>\$ 226,000</u>	<u>\$ 226,000</u>
		<u>\$ 226,000</u>	<u>\$ 226,000</u>

UTILITY TRUST FUND

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

Balance, December 31, 2020		\$ 907,670
Increased by Receipts:		
Interest Earned	\$ 2,371	
Water and Electric Utility Deposit Payable	<u>128,714</u>	
		<u>131,085</u>
		1,038,755
Decreased by Disbursements:		
Deposits Payable	<u>70,582</u>	
		<u>70,582</u>
Balance, December 31, 2021		<u>\$ 968,173</u>

**STATEMENT OF DEPOSIT PAYABLE
UTILITY TRUST FUND**

	Balance, December 31, <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2021</u>
Water Utility Customers	\$ 558,644	\$ 51,500	\$ 39,005	\$ 571,139
Electric Utility Customers	<u>349,026</u>	<u>77,214</u>	<u>31,577</u>	<u>394,663</u>
	<u>\$ 907,670</u>	<u>\$ 128,714</u>	<u>\$ 70,582</u>	<u>\$ 965,802</u>
Cash Receipts		\$ 128,714		
Cash Disbursements		<u>-</u>	<u>\$ 70,582</u>	
		<u>\$ 128,714</u>	<u>\$ 70,582</u>	

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

Increased by:	
Interest on Deposits	\$ <u>1,459</u>
Balance, December 31, 2021	\$ <u><u>1,459</u></u>

EXHIBIT F-4

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

Increased by:	
Interest on Deposits	\$ <u>912</u>
Balance, December 31, 2021	\$ <u><u>912</u></u>

SWIM POOL UTILITY FUND

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

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2020	\$ 212,861	\$ 35,615
Increased by Receipts:		
Membership Fees	\$ 309,236	
Miscellaneous Revenue	55,377	
Interest Earned	821	\$ 90
Receipts from Swim Pool Utility Capital Fund	<u>82</u>	<u>-</u>
	<u>365,516</u>	<u>90</u>
	578,377	35,705
Decreased by Disbursements:		
2021 Budget Appropriations	253,596	
2020 Appropriation Reserves	117	
Encumbrances	446	
Payments to Swim Pool Utility Operating Fund	<u>-</u>	<u>82</u>
	<u>254,159</u>	<u>82</u>
Balance, December 31, 2021	<u><u>\$ 324,218</u></u>	<u><u>\$ 35,623</u></u>

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

	Balance, December 31, <u>2021</u>
Fund Balance	\$ 19,615
Due to Swim Pool Utility Operating Fund	8
Capital Improvement Fund	<u>16,000</u>
	<u><u>\$ 35,623</u></u>

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

Increased by:	
Interest Earned	\$ 90
Decreased by:	
Payments to Swim Pool Utility Operating Fund	<u>82</u>
Balance, December 31, 2021	<u><u>\$ 8</u></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>2020</u>	<u>Balance,</u> <u>December 31,</u> <u>2021</u>
12/8/2020	COVID-19 Revenue Loss	\$205,000	\$ 41,000	<u>\$ 205,000</u>	<u>\$ 205,000</u>
				<u><u>\$ 205,000</u></u>	<u><u>\$ 205,000</u></u>

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

	Balance, December 31, <u>2020</u>	Balance, December 31, <u>2021</u>
Municipal Pool	\$ 857,312	\$ 857,312
Swim Pool Slide	48,900	48,900
Sanitary Sewer Reconstruction	5,075	5,075
Painting & Sandblasting	49,900	49,900
Handicapped Improvements	87,238	87,238
Snack Bar Improvements	1,110	1,110
Bridge	8,260	8,260
Electrical Work	4,520	4,520
Furniture	31,768	31,768
Recreation Equipment	5,023	5,023
Other Equipment	36,577	36,577
Landscaping Improvements	5,223	5,223
Land Improvements	18,379	18,379
Lawn Sprinklers	8,785	8,785
Parking Lot Improvements	21,726	21,726
Canopy/Awning - Equipment	29,386	29,386
Security Lock - Equipment	750	750
Small Tools	<u>1,146</u>	<u>1,146</u>
	<u>\$ 1,221,078</u>	<u>\$ 1,221,078</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF 2020 APPROPRIATION RESERVES
SWIM POOL UTILITY OPERATING FUND**

	Balance, December 31, <u>2020</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING				
Other Expenses	\$ 212	\$ 212	\$ 117	\$ 95
Total Operating	<u>212</u>	<u>212</u>	<u>117</u>	<u>95</u>
	<u>\$ 212</u>	<u>\$ 212</u>	<u>\$ 117</u>	<u>\$ 95</u>

EXHIBIT G-11

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

Balance, December 31, 2020	\$ 16,000
Balance, December 31, 2021	<u>\$ 16,000</u>

EXHIBIT G-12

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

Balance, December 31, 2020	\$ 446
Increased by:	
Charges to 2021 Budget Appropriations	<u>4,765</u>
	5,211
Decreased by:	
Cash Disbursement	<u>446</u>
Balance, December 31, 2021	<u>\$ 4,765</u>

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

Balance, December 31, 2020	<u>\$ 1,221,078</u>
Balance, December 31, 2021	<u><u>\$ 1,221,078</u></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, 2020	\$ 22,486	\$ 2,002	\$ 20,484
Increased by:			
State Aid	21,600		21,600
Interest on Investments	<u>38</u>	<u>5</u>	<u>33</u>
	44,124	2,007	42,117
Decreased by:			
Public Assistance Expenditures Eligible for State Aid	30,473		30,473
Payments to Current Fund	<u>31</u>	<u>-</u>	<u>31</u>
Balance, December 31, 2021	<u>\$ 13,620</u>	<u>\$ 2,007</u>	<u>\$ 11,613</u>

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

Increased by:		
State Aid Deposited in Current Fund	\$ 5,800	
Payments to Current Fund	<u>31</u>	
		\$ 5,831
Decreased by:		
Interest on Investments		<u>33</u>
Balance, December 31, 2021		<u>\$ 5,798</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, 2020	\$ 22,486	\$ 2,002	\$ 20,484
Increased by:			
Revenues	<u>27,405</u>	<u>5</u>	<u>27,400</u>
	49,891	2,007	47,884
Decreased by:			
Expenditures	<u>30,473</u>	<u>-</u>	<u>30,473</u>
Balance, December 31, 2021	<u>\$ 19,418</u>	<u>\$ 2,007</u>	<u>\$ 17,411</u>

EXHIBIT H-4

STATEMENT OF PUBLIC ASSISTANCE REVENUES

	<u>Total</u>	<u>Account #1</u>	<u>Account #2</u>
State Aid Payments:	\$ 27,400		\$ 27,400
Interest on Investments	<u>5</u>	<u>\$ 5</u>	<u>-</u>
Total Revenues	27,405	5	27,400
Interest on Investments - Due to Current Fund	33		33
State Aid - Due from Current Fund	<u>(5,800)</u>	<u>-</u>	<u>(5,800)</u>
Total Receipts	<u>\$ 21,638</u>	<u>\$ 5</u>	<u>\$ 21,633</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	\$ 9,919		\$ 9,919
Temporary Rental Assistance	17,617		17,617
Shelter/Motel/Housing Assistance	<u>2,937</u>	<u>-</u>	<u>2,937</u>
Total Expenditures	\$ 30,473	\$ -	\$ 30,473
Due to Current Fund	<u>31</u>	<u>-</u>	<u>31</u>
Total Disbursements	<u>\$ 30,504</u>	<u>\$ -</u>	<u>\$ 30,504</u>

BOROUGH OF PARK RIDGE
BERGEN COUNTY, NEW JERSEY
PART II

GOVERNMENT AUDITING STANDARDS
YEAR ENDED DECEMBER 31, 2021

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, 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, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER VINCI, CPA, PSA
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, 2021, and the related notes to the financial statements, and have issued our report thereon dated August 31, 2022. 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Borough of Park Ridge's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Park Ridge's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2021-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Park Ridge's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which is described in the accompanying schedule of findings and responses as item 2021-001.

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

Borough of Park Ridge's Responses to Findings

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

Purpose of this Report

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

Lerch, Vinci & Bliss, LLP

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



Jeffery C. Bliss
Registered Municipal Accountant
RMA Number CR00427

Fair Lawn, New Jersey
August 31, 2022

BOROUGH OF PARK RIDGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Federal Program</u>	<u>State Account Number</u>	<u>CFDA Number</u>	<u>Grant Year</u>	<u>Award Amount</u>	<u>2021 Grant Receipts</u>	<u>Balance January 1, 2021</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Balance December 31, 2021</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		\$ 4,369		\$ 715	\$ 3,654	\$ 2,528
Impaired Driving Countermeasure	066-1160-100-157	20.616	2021	800	\$ 800		\$ 800		800	
Occupant Protection	066-1160-100-155	20.616	2016	4,402		4,402			4,402	
U.S. Department of Environmental Protection (Passed through State Department of Environmental Protection)										
Recreational Trails Program		20.219								
Woodcliff Lake Reservoir Walkway (Ord 16-11)	100424875205		2016	24,000		19,815			19,815	4,185
U.S. Department of Agriculture (Passed through State Forestry Services)										
Cooperative Forestry Assistance	042-4870-100-038	10.664	2015	3,000		3,000			3,000	
U.S. Department of Homeland Security (Passed through State Department of Law and Public Safety)										
Public Assistance Grant - Severe Winter Storm and Snow Storm Qui	066-1200-100-C27	97.036	2021	3,557	3,557		3,557	3,557		3,557
Public Assistance Grant - Coronavirus Pandemic	066-1200-100-C50	97.036	2021	85,538	85,538		85,538	85,538		85,538
U.S. Department of Treasury (Passed through State Department of Community Affairs)										
American Rescue Plan Act	022-8030-100-687	21.027	2021	909,988	454,994	-	-	-	-	
						<u>\$ 31,586</u>	<u>\$ 89,895</u>	<u>\$ 89,810</u>	<u>\$ 31,671</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, 2021

<u>State Grant Program</u>	<u>Account Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2021 Grant Receipts</u>	<u>Balance, January 1, 2021</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Encumbrance Cancelled Adjustments</u>	<u>Balance, December 31, 2021</u>	<u>Cumulative Expended</u>
Drug and Alcohol Municipal Alliance (Passed through Bergen County)	N/A	2021 2018	\$ 3,570 9,876	\$ 3,570	786	\$ 3,126	\$ 3,126 786			\$ 3,126 9,876
Clean Communities Grant Program	042-4900-765-004	2021 2020 2019	18,788 17,660 19,586	18,788	17,660 277		17,660		\$ 277	17,660 19,309
Bulletproof Vest Partnership Grant		2019	382		382				382	
Alcohol Education and Rehabilitation	098-9735-760-001	2019 2018 2017 2016 2015 2014	161 586 165 423 1,653 1,123		161 586 165 423 1,653 416				161 586 165 423 1,653 416	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	2021 2018	1,666 4,324	1,666	4,059	1,666		\$ 265	1,666 4,324	- -

BOROUGH OF PARK RIDGE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Account Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2021 Grant Receipts</u>	<u>Balance, January 1, 2021</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Encumbrance Cancelled Adjustments</u>	<u>Balance, December 31, 2021</u>	<u>Cumulative Expended</u>
<u>State Grant Program</u>										
Recycling Tonnage Grant	042-4900-752-001	2019	\$ 13,554		\$ 10,846				\$ 10,846	\$ 2,708
		2021	15,296	\$ 15,296					-	-
Body Worn Camera Grant	N/A	2021	44,836			\$ 44,836	\$ 44,836		-	44,836
Department of Transportation										
Park Avenue Improvements (Ord. 16-15)	078-6320-480-XXX	2016	220,000		220,000				220,000	
Quackenbush to Pascack Imprvts (Ord. 19-10)	078-6320-480-AM2	2019	138,800		106,729				106,729	32,071
2020 Road Program (Ord. 20-05)	078-6320-480-XXX	2020	215,000	93,687	215,000		93,687		121,313	93,687
2021 North Fifth St Improvements (Ord. 21-01)	078-6320-480-XXX	2021	207,000	111,454		207,000	111,454		95,546	111,454
Department of Human Services										
General Assistance	054-7550-100-250	2021	27,400	27,400	20,484	27,400	30,473	-	17,411	30,473
					<u>\$ 601,805</u>	<u>\$ 284,028</u>	<u>\$ 302,022</u>	<u>\$ 265</u>	<u>\$ 584,076</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, 2021**

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	\$ 89,895	\$ 49,628	\$ 139,523
General Capital Fund		207,000	207,000
Public Assistance Fund	<u>-</u>	<u>27,400</u>	<u>27,400</u>
	<u>\$ 89,895</u>	<u>\$ 284,028</u>	<u>\$ 373,923</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, 2021

NOTE 5 STATE LOANS OUTSTANDING

The Borough's state loans outstanding at December 31, 2021, 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		\$ 161,029
Mill Pond Dam Improvements		<u>744,276</u>
		<u>\$ 905,305</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, 2021**

Part I – Summary of Auditor's Results

Financial Statements

Type of auditors' report issued on financial statements

Modified for Unaudited LOSAP Fund

Internal control over financial reporting:

1) Material weakness(es) identified

_____ yes X no

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

X yes _____ none reported

Noncompliance material to the financial
statements noted?

_____ yes X no

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, 2021**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18-5.20 of *Government Auditing Standards*.

Finding 2021-001

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

Criteria or Specific Requirements

Division of Local Government Services Technical Accounting Directive No. 1 Encumbrance Accounting System
NJAC 5:30-5.2 Encumbrance System
NJAC 5:30-5.4 Procedure

Condition

The Borough did not always comply with the requirements of maintaining an encumbrance accounting system. Contracts approved by the Borough Council were not recorded as encumbrances in a timely manner. Additionally, certification of funds were not provided for certain contracts awarded by the Governing Body.

Cause

Purchase orders were not issued when expenditures were incurred but rather after invoices were received from the respective vendor. Certification of availability of funds was not made when certain contracts were approved.

Effect

Expenditures and encumbrances payable maybe understated in the respective funds.

Recommendation

Procedures over purchasing be reviewed and revised to ensure purchase orders are issued and encumbered when contract awards are approved during the year. In addition, certification of availability of funds be made and accompany all approved contract awards as required.

Response

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

**BOROUGH OF PARK RIDGE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

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, 2021**

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, 2021**

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	<u>Year 2021</u>			<u>Year 2020</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 1,500,000	2.86 %	\$	1,125,000	2.15 %
Miscellaneous - From Other Than Local					
Property Tax Levies	2,955,330	5.64		3,138,687	5.99
Collection of Delinquent Taxes and Tax Title Liens	237,890	0.45		828,693	1.58
Collection of Current Tax Levy	47,319,658	90.30		46,456,533	88.59
Other Credits to Income	392,694	0.75		887,995	1.69
Total Income	<u>52,405,572</u>	<u>100.00 %</u>		<u>52,436,908</u>	<u>100.00 %</u>
EXPENDITURES					
Budget Expenditures					
Municipal Purposes	15,380,664	29.70 %		15,228,258	30.02 %
County Taxes	4,637,363	8.96		4,617,807	9.10
Local District School Tax	31,493,033	60.82		30,766,131	60.65
Municipal Open Space Taxes	110,693	0.21		112,157	0.22
Other Debits	158,181	0.31		687	0.01
Total Expenditures	<u>51,779,934</u>	<u>100.00 %</u>		<u>50,725,040</u>	<u>100.00 %</u>
Excess in Revenue					
	625,638			1,711,868	
Adjustments to Income before Fund Balance:					
Expenditures to be Raised by Future Taxes	<u>297,308</u>			<u>200,000</u>	
Statutory Excess to Fund Balance					
	922,946			1,911,868	
Fund Balance, January 1					
	<u>2,718,575</u>			<u>1,931,707</u>	
	3,641,521			3,843,575	
Less Utilization as Anticipated Revenue					
	<u>1,500,000</u>			<u>1,125,000</u>	
Fund Balance, December 31					
	<u>\$ 2,141,521</u>			<u>\$ 2,718,575</u>	

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	<u>Year 2021</u>			<u>Year 2020</u>		
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>	
REVENUE AND OTHER INCOME REALIZED						
Fund Balance Utilized	\$ 400,000	9.35 %	\$	260,000	5.72 %	
Water Usage Charges	3,294,914	77.02		3,491,458	76.83	
Miscellaneous Charges and Fees	295,598	6.91		303,171	6.67	
Reserve for Woodcliff Lake Improvements	54,683	1.28		116,293	2.56	
Non-Budget Revenue	23,540	0.55		24,070	0.53	
Other Credits to Income	<u>209,092</u>	<u>4.89</u>		<u>349,232</u>	<u>7.69</u>	
 Total Income	 <u>4,277,827</u>	 <u>100.00 %</u>		 <u>4,544,224</u>	 <u>100.00 %</u>	
EXPENDITURES						
Operating	3,296,860	80.22 %		3,207,785	83.24 %	
Capital Improvements	320,000	7.79		168,010	4.36	
Debt Service	236,957	5.77		231,611	6.01	
Deferred Charges and Statutory Expenditures	<u>255,810</u>	<u>6.22</u>		<u>246,308</u>	<u>6.39</u>	
 Total Expenditures	 <u>4,109,627</u>	 <u>100.00 %</u>		 <u>3,853,714</u>	 <u>100.00 %</u>	
 Excess in Revenue	 168,200			 690,510		
 Fund Balance, January 1	 <u>978,262</u>			 <u>547,752</u>		
	1,146,462			1,238,262		
 Less Utilization as Anticipated Revenue	 <u>400,000</u>			 <u>260,000</u>		
 Fund Balance, December 31	 \$ 746,462		\$	 978,262		

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	<u>Year 2021</u>			<u>Year 2020</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 704,000	6.97 %	\$	512,000	5.22 %
Light and Power Charges	8,878,477	87.95		8,763,261	89.35
Miscellaneous Charges and Fees	17,226	0.17		17,566	0.18
Non-Budget Revenue	42,721	0.42		78,156	0.80
Other Credits to Income	<u>452,736</u>	<u>4.49</u>		<u>436,813</u>	<u>4.45</u>
Total Income	<u>10,095,160</u>	<u>100.00</u> %		<u>9,807,796</u>	<u>100.00</u> %
EXPENDITURES					
Operating	9,084,560	95.81 %		8,601,519	94.33 %
Capital Improvements	90,000	0.95		55,000	0.60
Debt Service	73,288	0.77		237,754	2.61
Deferred Charges and Statutory Expenditures	<u>234,102</u>	<u>2.47</u>		<u>224,000</u>	<u>2.46</u>
Total Expenditures	<u>9,481,950</u>	<u>100.00</u> %		<u>9,118,273</u>	<u>100.00</u> %
Excess in Revenue	613,210			689,523	
Fund Balance, January 1	<u>875,305</u>			<u>697,782</u>	
	1,488,515			1,387,305	
Less Utilization as Anticipated Revenue	<u>704,000</u>			<u>512,000</u>	
Fund Balance, December 31	<u>\$ 784,515</u>			<u>\$ 875,305</u>	

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

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

	<u>Year 2021</u>			<u>Year 2020</u>		
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>	
REVENUE AND OTHER INCOME REALIZED						
Fund Balance Utilized	\$ 82,000	18.32 %	\$	45,000	13.06 %	
Membership Fees	309,236	69.08		76,460	22.18	
Miscellaneous Fees	56,288	12.58		18,169	5.27	
Other Credits to Income	95	0.02		205,019	59.49	
	<u>447,619</u>	<u>100.00</u> %		<u>344,648</u>	<u>100.00</u> %	
Total Income						
EXPENDITURES						
Operating	290,000	96.06 %		207,473	80.27 %	
Capital Improvements	-	-		42,152	16.31	
Deferred Charges and Statutory Expenditures	11,900	3.94		8,849	3.42	
	<u>301,900</u>	<u>100.00</u> %		<u>258,474</u>	<u>100.00</u> %	
Total Expenditures						
Excess in Revenue	145,719			86,174		
Fund Balance, January 1	417,203			376,029		
	562,922			462,203		
Less Utilization as Anticipated Revenue	82,000			45,000		
Fund Balance, December 31	<u>\$ 480,922</u>			<u>\$ 417,203</u>		

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Tax Rate</u>	<u>\$3.020</u>	<u>\$2.926</u>	<u>\$2.844</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.687	.670	.639
Library	.039	.039	.039
Municipal Open Space	.007	.007	.007
County	.282	.277	.271
County – Open Space	.012	.011	.011
Local District School	1.993	1.922	1.877

Assessed Valuation

2021	<u>\$1,580,349,198</u>	
2020		<u>\$1,601,066,677</u>
2019		<u>\$1,599,658,079</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>
2021	\$	47,756,079	\$	47,369,658	99.19%
2020		46,881,615		46,581,533	99.35%
2019		45,671,158		44,653,993	97.77%

**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>
2021	-	\$ 201,539	\$ 201,539	0.42%
2020	-	244,740	244,740	0.52%
2019	-	828,696	828,696	1.81%

Property Acquired by Tax Title Lien Liquidation

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

<u>Year</u>	<u>Amount</u>
2021	\$100,650
2020	100,650
2019	100,650

Comparison of Water Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(*)</u>	<u>Percentage of Collection</u>
2021	\$3,380,752	\$3,294,914	97.46%
2020	3,521,580	3,491,458	99.14%
2019	3,001,636	2,947,529	98.19%

Comparison of Electric Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(*)</u>	<u>Percentage of Collection</u>
2021	\$9,106,101	\$8,878,477	97.50%
2020	8,581,216	8,763,261	102.00%
2019	9,020,376	8,973,979	99.48%

*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	2021	\$2,141,521	\$1,300,000
	2020	2,718,575	1,500,000
	2019	1,931,707	1,125,000
	2018	2,064,141	1,000,000
	2017	1,912,114	900,000
Water Utility Fund	2021	\$746,462	\$350,000
	2020	978,262	400,000
	2019	547,752	260,000
	2018	630,156	351,328
	2017	676,109	528,355
Electric Utility Operating Fund	2021	\$784,515	\$604,000
	2020	875,305	704,000
	2019	697,782	512,000
	2018	686,624	434,480
	2017	679,775	436,296
Swim Pool Utility Operating Fund	2021	\$480,922	\$65,000
	2020	417,203	82,000
	2019	376,029	45,000
	2018	280,093	30,312
	2017	265,035	78,660

**BOROUGH OF PARK RIDGE
SUPPLEMENTARY DATA**

OFFICIALS IN OFFICE AND SURETY BONDS

<u>Name</u>	<u>Title</u>
Keith Misciagna	Mayor
Kelly Epstein	Council President
Matthew Capilli	Councilman
John M. Cozzi	Councilman
William R. Fenwick	Councilman
John Ferguson	Councilman
Robert Metzdorf	Councilman
Julie Falkenstern	Borough Administrator
Magdalena Giandomenico	Borough Clerk
Durene Ayer	Chief Financial Officer (1/1/21-5/14/21)
Richard Wright	Chief Financial Officer (5/15/21-8/25/21)
Jessica Mazzarella	Chief Financial Officer (8/26/21-10/3/21)
Consuelo Carpenter	Chief Financial Officer (10/4/21-12/31/21)
Jessica Mazzarella	Tax Collector/Treasurer
William Beattie	Director of Operations (1/1/21-5/1/21)
Paul Longo	Director of Operations (8/1/21-12/31/21)
Anthony Bocchi	Borough Attorney
Neglia Engineering Assoc.	Borough Engineer
Maser	Borough Planner
Rogut McCarthy, LLC	Borough Bond Counsel
Joseph Madden	Police Chief
Thomas Lepore	Fire Chief
Tonya Tardibuono	Zoning Officer
Edward Scannavino	Construction Code Official
Robert Campora	Tax Assessor
Peter Wayne	Superintendent of Public Works
Paul Longo	Supervisor of Electric (1/1/21-7/31/21)
James Leichtnam	Supervisor of Electric (8/1/21-12/31/21)
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 individual developer account balances per the subsidiary records as of December 31, 2021. 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 record balances. In addition, old inactive and deficit balances of developer escrow deposits be reviewed and cleared of record.

- **Finding** – Our audit revealed certain Water Utility Capital Fund ordinances over five years old had unfinanced cash deficit balances at year end. However, we noted subsequent to year-end the Borough issued additional bond anticipation notes to finance these cash deficits. Therefore since corrective action was taken no recommendation is deemed warranted.

Payroll

- **Finding** – Our audit of payroll revealed Retro payments made to certain employees were incorrectly calculated resulting in payments made in excess of or under the retro amount due the respective employee.

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

Current Year Findings

Finance

- **Finding** – Our audit revealed that certain budgetary line items in the 2021 appropriations and 2020 appropriation reserves were overexpended at December 31, 2021.

Recommendation – Internal procedures be reviewed to ensure that sufficient budget appropriations are available prior to the expenditure of funds.

- **Finding** – Our audit indicated that the November and December 2021 bank reconciliations were not prepared for the Borough's Net Payroll account.

Recommendation – Monthly bank reconciliations of the Net Payroll account be prepared in a timely manner.

- **Finding** – Our audit of the Affordable Housing Trust Fund revealed the annual financial report was not updated and available for audit for the year ended December 31, 2021.

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

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

GENERAL COMMENTS (Continued)

Current Year Findings (Continued)

Finance (Continued)

- **Finding** – Our audit of the Electric Utility Operating Fund revealed unallocated receipts in the amount of \$121,263 exist as of December 31, 2021.

Recommendation – Electric Utility Operating Fund revenues be reconciled to the subsidiary reports on a monthly basis.

Payroll

- **Finding** – Our audit of payroll revealed the following:
 - Employee health benefit contributions and health benefit opt-out payments were incorrectly calculated resulting in over/under payments made by or to certain employees.
 - Certain terminated employees were incorrectly paid subsequent to their termination dates.

Recommendation – Greater care be exercised in the processing of payroll to ensure

- Employee health benefit contributions and health benefit opt-out payments are properly calculated.
- Employees who terminate employment with the Borough be paid only through their termination dates.

Purchasing

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

Recommendation – Procedures over purchasing be reviewed and revised to ensure purchase orders are issued and encumbered when contract awards are approved during the year. In addition, certification of availability of funds be made and accompany all approved contract awards as required.

- **Finding** – Our audit of purchasing revealed the following:
 - Contracts awarded for road repairs and communication equipment exceeding the bid threshold where no public bids were sought or resolutions approving purchases through a cooperative purchasing program.
 - Procedures were not adhered to or documentation made available for audit for purchases made for the acquisition of a fire apparatus and bucket truck made through national cooperative purchasing programs.
 - Formal quotes were not obtained for certain purchases that exceeded the quote threshold.
 - Political contribution disclosure (PCD) forms were not on file from certain vendors paid in excess of \$17,500.

Recommendation – Efforts be made to improve procedures over purchasing to ensure all contract awards and purchases are procured and approved in accordance with the requirements of the Local Public Contracts Law and State procurement regulations.

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

GENERAL COMMENTS (Continued)

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

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

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$17,500. The Borough has adopted a resolution increasing the threshold to \$44,000 and has appointed the Director of Operations as qualified purchasing agent in accordance with regulations established by the Division of Local Government Services.

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

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

Bridge Repairs at 55 Park Avenue	Memorial Field Playground Improvements
Improvements to North 5 th Street	Electric Substation Diagnostic Testing and
Water and Electric Distribution Materials	Maintenance Services
Portable Water Meters	Well Drilling and Redevelopment Services
Resin Replacement at Well #15 Filtration Unit	Acquisition of Fire Hydrants

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

Our examination of expenditures did reveal certain payments, contracts or agreements in excess of the bid threshold "for the performance of any work, or the furnishing or hiring of any materials or supplies," where bids had not been previously sought by public advertisement or where a resolution had not been previously adopted under the provisions of NJS 40A:11-6.

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 5, 2021 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.

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

GENERAL COMMENTS (Continued)

Delinquent Taxes and Tax Title Liens

No tax sale was held in 2021.

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

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

Suggestions to Management

- 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.
- The 2019, 2020 and 2021 retro pension report be completed and remitted to the state pension systems.
- A review be made to determine if the Electric Utility Dusk to Dawn charges are in agreement with the adopted ordinance.
- Improvement authorizations in the General Capital, Water Utility Capital and Electric Utility Capital Funds be reviewed and old and inactive account balances be cleared of records.

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 record balances. In addition, old inactive and deficit balances of developer escrow deposits be reviewed and cleared of record.
- 2. Internal procedures be reviewed to ensure that sufficient budget appropriations are available prior to the expenditure of funds.
- 3. Monthly bank reconciliations of the Net Payroll account be prepared in a timely manner.
- 4. The annual financial report for the Affordable Housing Trust Fund be updated and made available for audit.
- 5. Electric Utility Operating Fund revenues be reconciled to the subsidiary reports on a monthly basis.

Payroll

It is recommended that greater care be exercised in the processing of payroll to ensure:

- * 1. Retroactive salary payments are properly calculated.
- 2. Employee health benefit contributions and health benefit opt-out payments are properly calculated.
- 3. Employees who terminate employment with the Borough be paid only through their termination dates.

Purchasing

- 1. Procedures over purchasing be reviewed and revised to ensure purchase orders are issued and encumbered when contract awards are approved during the year. In addition, certification of availability of funds be made and accompany all approved contract awards as required.
- 2. Efforts be made to improve procedures over purchasing to ensure all contract awards and purchases are procured and approved in accordance with the requirements of the Local Public Contracts Law and State procurement regulations.


* * * * *

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

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

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

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


Jeffrey C. Bliss
Certified Public Accountant
RMA Number CR00429