

NEW ISSUE
SERIAL BONDS

RATING: S&P Global: “AA”
(See “RATING” herein)

In the opinion of Rogut McCarthy LLC, Bond Counsel to the Borough, assuming compliance by the Borough with its Tax Certificate described herein, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). In addition, under existing law, interest on the Bonds is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals; however, interest on the Bonds that is included in the “adjusted financial statement income” of certain corporations is not excluded from the Federal corporate alternative minimum tax. In addition, Bond Counsel is further of the opinion that, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Bonds and any gain from the sale of the Bonds are not includable in gross income of the holders thereof. See “TAX MATTERS” herein.

\$16,395,000* GENERAL OBLIGATION BONDS

Consisting of

\$9,845,000* General Improvement Bonds,

\$3,935,000* Electric Utility Bonds

and

\$2,615,000* Water Utility Bonds

BOROUGH OF PARK RIDGE
IN THE COUNTY OF BERGEN, NEW JERSEY
(Not Bank-Qualified) (Book-Entry Only) (Callable)

Dated: April 15, 2024

Due: April 15, as shown on the inside cover page

The \$16,395,000* General Obligation Bonds, consisting of \$9,845,000* General Improvement Bonds (the “General Bonds”), \$3,935,000* Electric Utility Bonds (the “Electric Bonds”) and \$2,615,000* Water Utility Bonds (the “Water Bonds”) and together with the General Bonds and the Electric Bonds, the “Bonds”) of the Borough of Park Ridge, in the County of Bergen, New Jersey (the “Borough”), will be issued as fully registered bonds registered in the name of Cede & Co., as nominee of The Depository Trust Company, Brooklyn, New York (“DTC”), as registered owner of the Bonds, with the Bonds immobilized in the custody of DTC. Owners of beneficial interests in the Bonds will not receive physical delivery of bond certificates, but are to receive statements or other evidence of such ownership of beneficial interests from sources from which such interests were purchased. Investors may purchase beneficial interests in the Bonds in book-entry form in the denomination of \$5,000 or any integral multiple thereof. See “THE BONDS – Book-Entry Only System” herein. So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of principal of and interest on the Bonds will be made directly to DTC or its nominee, Cede & Co., which will remit such payments to the DTC Participants, which will, in turn, remit such payments to the owners of beneficial interests in the Bonds. Principal of the Bonds is payable on April 15 of each of the years set forth on the inside cover page, and interest on the Bonds is payable on each April 15 and October 15, commencing October 15, 2024 in each year until maturity or prior redemption. The Bonds are subject to optional redemption prior to their stated maturities. See “THE BONDS – Prior Redemption” herein.

The Bonds are general obligations of the Borough and are secured by a pledge of the full faith and credit of the Borough for the payment of the principal thereof and the interest thereon. The Borough is authorized and required by law to levy *ad valorem* taxes upon all the taxable real property within the Borough for the payment of the principal of and interest on the Bonds, without limitation as to rate or amount.

The Bonds are offered for sale upon the terms of the notice of sale and subject to the final approving opinion of Rogut McCarthy LLC, Cranford, New Jersey, Bond Counsel. NW Financial Group, LLC, Bloomfield, New Jersey, served as Municipal Advisor to the Borough in connection with the issuance of the Bonds. It is anticipated that the Bonds in definitive form will be available for delivery to DTC in Brooklyn, New York, on or about April 25, 2024.

**ELECTRONIC BIDS VIA PARITY AND
SEALED PROPOSALS WILL BE RECEIVED
UNTIL 11:00 O’CLOCK A.M. ON APRIL 16, 2024
AT BOROUGH HALL, 53 PARK AVENUE
PARK RIDGE, NEW JERSEY 07656**

* Preliminary, subject to change

MATURITY SCHEDULE, INTEREST RATES, YIELDS AND CUSIP NUMBERS**

Year	General Bonds Principal*	Electric Bonds Principal*	Water Bonds Principal*	Combined Bonds Principal*	Interest Rate	Yield	CUSIP No. **
2025	\$ 500,000	\$ 170,000	\$ 120,000	\$ 790,000	%	%	
2026	550,000	175,000	125,000	850,000			
2027	835,000	175,000	125,000	1,135,000			
2028	990,000	180,000	130,000	1,300,000			
2029	990,000	250,000	130,000	1,370,000			
2030	990,000	260,000	130,000	1,380,000			
2031	990,000	265,000	130,000	1,385,000			
2032	1,000,000	275,000	200,000	1,475,000			
2033	1,000,000	285,000	205,000	1,490,000			
2034	1,000,000	295,000	210,000	1,505,000			
2035	1,000,000	305,000	215,000	1,520,000			
2036		315,000	220,000	535,000			
2037		320,000	220,000	540,000			
2038		330,000	225,000	555,000			
2039		335,000	230,000	565,000			

(plus accrued interest from April 15, 2024)

* Preliminary, subject to change

** Registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds and the Borough does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

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

MAYOR

Keith Misciagna

BOROUGH COUNCIL

John Ferguson, Council President

Matt Capilli

Bruce Goldsmith

Gregory Hoffman

Robert Metzdorf

Michael Mintz

**BOROUGH ADMINISTRATOR/
BOROUGH CLERK**

Magdalena Giandomenico

CHIEF FINANCIAL OFFICER

Consuelo Carpenter

BOROUGH ATTORNEY

John L. Schettino

Hackensack, New Jersey

MUNICIPAL ADVISOR

NW Financial Group, LLC

Bloomfield, New Jersey

BOROUGH AUDITOR

Lerch, Vinci & Bliss, LLP

Fair Lawn, New Jersey

BOND COUNSEL

Rogut McCarthy LLC

Cranford, New Jersey

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No broker, dealer, salesperson or other person has been authorized by the Borough or the Underwriter to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. The information contained herein has been provided by the Borough and other sources deemed reliable; however, no representation or warranty is made as to its accuracy or completeness and such information is not to be construed as a representation of accuracy or completeness and such information is not to be construed as a representation or warranty by the Underwriter or, as to information from sources other than itself, by the Borough. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier.

References in this Official Statement to laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein, and copies of which may be inspected at the offices of the Borough during normal business hours.

The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the Borough or the Underwriter.

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**OFFICIAL STATEMENT
OF THE BOROUGH OF PARK RIDGE
IN THE COUNTY OF BERGEN, NEW JERSEY
RELATING TO**

\$16,395,000* GENERAL OBLIGATION BONDS

**Consisting of
\$9,845,000* General Improvement Bonds,
\$3,935,000* Electric Utility Bonds
and
\$2,615,000* Water Utility Bonds**

INTRODUCTION

This Official Statement (the “Official Statement”) which includes the cover page and the appendices attached hereto, has been prepared by the Borough of Park Ridge (the “Borough”), in the County of Bergen (the “County”), State of New Jersey (the “State”) in connection with the sale and issuance of its \$16,395,000* General Obligation Bonds, consisting of \$9,845,000* General Improvement Bonds (the “General Bonds”), \$3,935,000* Electric Utility Bonds (the “Electric Bonds”) and \$2,615,000* Water Utility Bonds (the “Water Bonds” and together with the General Bonds and the Electric Bonds, the “Bonds”) dated April 15, 2024. This Official Statement has been executed by and on behalf of the Borough by the Chief Financial Officer and may be distributed in connection with the Bonds.

This Preliminary Official Statement is “deemed final”, as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission (“Rule 15c2-12”), but is subject to (a) completion with certain pricing and other information to be made available by the Underwriter and (b) amendment. This Preliminary Official Statement, as so revised, will constitute the “final official statement” within the meaning of Rule 15c2-12.

THE BONDS

General Description

The Bonds will be dated and bear interest from April 15, 2024 and will mature on April 15 in the years and in the principal amounts as set forth on the inside cover page. Interest on the Bonds is payable on each April 15 and October 15, commencing October 15, 2024 (each, an “Interest Payment Date”), in each year until maturity or prior redemption at the respective interest rates set forth on the inside cover page of this Official Statement. Principal of and interest on the Bonds will be paid to The Depository Trust Company, Brooklyn, New York (“DTC”), acting as securities depository, by the Chief Financial Officer, as “Bond Registrar/Paying Agent”. Interest on the Bonds will be credited to the DTC Participants (as hereinafter defined) as listed on the records of DTC as of the last business day of the month preceding the month in which such Interest Payment Date occurs (the “Record Dates” for the payment of interest on the Bonds).

The Bonds are issuable as fully registered book-entry bonds in the form of one certificate for each maturity of each issue of the Bonds, in the aggregate principal amount of such maturity of each issue. The Bonds will be issued in book-entry form only. Purchases of the Bonds will be made in book-entry form, in the principal amount of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. So long as DTC or its nominee, Cede & Co. (or any successor or assign), is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the Bond Registrar/Paying Agent directly to Cede & Co. (or any successor or assign), as nominee for DTC, which will remit such payments to the participants of DTC which will in turn remit such payments to the owners of beneficial interests in the Bonds. See “THE BONDS – Book-Entry Only System” herein.

* Preliminary, subject to change

Book-Entry Only System

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each year of maturity of each issue of the Bonds, in the aggregate principal amount of each maturity of each issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks and trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Borough as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Borough or the paying agent, if any, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the paying agent, if any, or the Borough, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Borough or the paying agent, if any, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Borough or the paying agent, if any. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The Borough may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Borough believes to be reliable, but the Borough takes no responsibility for the accuracy thereof.

Prior Redemption

The Bonds maturing on or before April 15, 2031 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after April 15, 2032 are subject to redemption at the option of the Borough prior to maturity, in whole on any date or in part on any Interest Payment Date, on or after April 15, 2031, upon notice as hereinafter set forth at the redemption price of 100% of the principal amount being redeemed, plus accrued interest to the date fixed for redemption.

If the Borough determines to optionally redeem a portion of the Bonds prior to maturity, such Bonds so redeemed shall be in such maturities as determined by the Borough, and within any maturity, by lot; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, the Bond Registrar/Paying Agent shall treat each Bond as representing that number of Bonds that is obtained by dividing the principal amount of such Bond by \$5,000.

Notice of redemption shall be given by first class mail in a sealed envelope with postage prepaid to the registered owners of the Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Bond Registrar/Paying Agent at least thirty (30) but not more than sixty (60)

days before the date fixed for redemption. Such mailing is not a condition precedent to redemption and the failure to mail or to receive any redemption notice will not affect the validity of the redemption proceedings. If any Bond subject to redemption is part of a greater principal amount of the Bonds not to be redeemed, such entire amount shall be surrendered to the Bond Registrar/Paying Agent and, for that portion of the Bond not to be redeemed, a new Bond shall be issued in the name of the registered owner in an amount equal to the principal amount of the Bond surrendered less the amount to be redeemed.

SECURITY AND SOURCE OF PAYMENT

The Bonds are general obligations of the Borough, and the Borough has pledged its full faith and credit for the payment of the principal of and the interest on the Bonds. The Bonds are direct obligations of the Borough and, unless paid from other sources, the Borough is required by law to levy *ad valorem* taxes upon all the real property taxable within the Borough for the payment of the principal of and the interest on the Bonds without limitation as to rate or amount.

Enforcement of a claim for the payment of principal of or interest on bonds or notes of the Borough is subject to applicable provisions of Federal bankruptcy law and to the provisions of statutes, if any, hereafter enacted by the Congress of the United States or the Legislature of the State of New Jersey, providing extension with respect to the payment of principal of or interest on the Bonds or imposing other constraints upon enforcement of such contracts insofar as any such constraints may be constitutionally applied. Under State law, a county, municipality or other political subdivision may file a petition under Federal bankruptcy laws and a plan for readjustment of its debt, but only after first receiving the approval of the State Municipal Finance Commission, whose powers have been vested in the Local Finance Board in the Division of Local Government Services in the State of New Jersey Department of Community Affairs (the "Local Finance Board").

AUTHORIZATION FOR THE BONDS

The Bonds are authorized and are to be issued pursuant to the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 et seq., as amended (the "Local Bond Law"). The Bonds also are authorized by various bond ordinances adopted by the Borough Council and by virtue of resolutions adopted by the Borough Council on March 26, 2024.

The bond ordinances included in the sale of the Bonds were published in full or in summary form after adoption along with the statement required by the Local Bond Law that the twenty (20) day period of limitation within which a suit, action or proceeding questioning the validity of the authorizing bond ordinances can be commenced, began to run from the date of the first publication of such estoppel statement. The Local Bond Law provides that after issuance, all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and any person shall be estopped from questioning the sale or the execution or the delivery of the Bonds by the Borough.

PURPOSE OF THE BONDS

The proceeds of the Bonds will be used to (i) refund \$11,307,254 of the Borough's \$14,560,000 Bond Anticipation Notes maturing on April 26, 2024 and (ii) provide funding for unfunded capital projects in the amount of \$5,087,746. The projects to be funded by the sale are listed below:

Ord #	Description	Amount
<u>General Bonds</u>		
2018-16	Repair of 55 Park Avenue Bridge	157,703
2019-08	2019 Road Program	718,037
2019-09	Acquisition and Installation of Turf Field	652,827
2019-10	Supplemental Funding 2019 Road Program	90,880
2020-05	2020 Road Program	395,159
2020-06	Acquisition of Equipment, Machinery & Vehicles	185,000
2021-01	Improvement of North Fifth Street	283,000
2021-03	Installation of Playground at Memorial Field	71,519
2021-22	Various Improvements and Acquisitions	352,336
2021-23	Acquisition of a New Rescue Fire Truck	727,500
2021-27	2021 Road Program	165,544
2022-12	Various Improvements and Acquisitions	1,642,000
2022-16	Acquisition of Real Property	490,000
2023-009/2024-002	Various Improvements and Acquisitions	3,580,495
2023-013	Glen Road Culvert Improvement Project	333,000
	Total General Bonds	<u>9,845,000</u>
<u>Water Bonds</u>		
2014-15	Various Improvements and Acquisitions	170,000
2014-21/2022-014	Installation of New Well & Pumping Station	480,616
2017-17	Replacement of Water Main on Glen Road (WCL)	573,384
2019-17	Various Improvements	196,000
2022-07	Acq & Installation of Various Water Treatment Systems	<u>1,195,000</u>
	Total Water Bonds	<u>2,615,000</u>
<u>Electric Bonds</u>		
2019-16	Various Improvements and Acquisitions	226,000
2022-11	Various Improvements and Acquisitions	3,019,000
2023-12	Various Improvements and Acquisitions	<u>690,000</u>
	Total Electric Bonds	<u>3,935,000</u>
	Total Bonds	<u>\$ 16,395,000</u>

NO DEFAULT

No principal or interest payments on Borough indebtedness are past due. The Borough has never defaulted in the payment of any bonds or notes.

MARKET PROTECTION – BOND AND NOTE FINANCING

The Borough does not anticipate issuing any additional bonds or any tax anticipation notes during the remainder of 2024. The Borough intends to issue \$765,000 of bond anticipation notes dated April 15, 2024, payable April 15, 2025 for a new money borrowing. The Borough may issue additional bond anticipation notes for new money borrowing, as needed, during the remainder of 2024.

CERTAIN STATUTORY PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT

Local Bond Law (N.J.S.A. 40A:2-1 et seq.)

The Local Bond Law governs the issuance of bonds and notes to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes. All bonds and notes issued by the Borough are general full faith and credit obligations.

The Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)

This law regulates the non-budgetary financial activities of local governments. The Chief Financial Officer of every local unit must file annually, with the Director of the Division (the “Director”), a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of the Borough’s accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services’ “Requirements of Audit”, includes recommendations for improvement of the local units’ financial procedures and must be filed with the Director within six months after the close of the fiscal year. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within 30 days of its completion.

Debt Limits

The net authorized bonded indebtedness of the Borough is limited by statute, subject to the exceptions noted below, to an amount equal to 3.50% of its average equalized valuation basis. The average equalized valuation basis of the Borough is set by statute as the average for the last 3 years of the equalized value of all taxable real property and improvements and certain Class II railroad property within its boundaries, as annually determined by the State Board of Taxation. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

The Borough has not exceeded its statutory debt limit. On December 31, 2023 (Unaudited) the statutory net debt as a percentage of average equalized valuation was 0.804%. As noted above, the statutory limit is 3.50%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Puposos	\$ 17,973,619	\$ 1,217,185	\$ 16,756,434
Utility Purposes	11,677,100	11,677,100	
School Purposes	<u>3,981,466</u>	<u>3,981,466</u>	<u>-</u>
	<u>\$ 33,632,185</u>	<u>\$ 16,875,751</u>	<u>\$ 16,756,434</u>

Exceptions to Debt Limits - Extensions of Credit

The Borough may exceed its debt limit with the approval of the Local Finance Board. If all or any part of a proposed debt authorization would exceed its debt limit, the Borough may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Borough or substantially reduce the ability of the Borough to meet its obligations or to provide essential public improvements and services, or make certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, to provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

Overlapping Debt

The County debt, which overlaps the Borough, is not considered in the calculation of the debt limits of the Borough. It represents the debt outstanding at the County level for which the Borough will fund its portion of debt service through the normal payments of County taxes.

Short-Term Financing

The Borough may sell short-term “bond anticipation notes” to temporarily finance a capital improvement or project in anticipation of the issuance of bonds, if the bond ordinance or subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the ordinance, as may be amended and supplemented, creating such capital expenditure. Bond anticipation notes may be issued for periods not greater than one year. Such notes shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. At the third and at each subsequent anniversary date from the original date of issuance, the amount of notes that may be issued must be decreased by the minimum amount required for the first year’s principal payment for a bond issue.

School Debt (N.J.S.A. 18A:24-1 et seq.)

New Jersey’s school districts operate under the same comprehensive review and regulation as do its municipalities. Certain exceptions and differences are provided, but the state supervision of school finance closely parallels that of local governments.

School district bonds and temporary notes are issued in conformity with the cited statute, which closely parallels the Local Bond Law. Although school districts are exempted from the 5% down payment provision applicable to municipalities, they are subject to debt limits (which vary depending on the grades the school system provides), and to state regulation of their borrowing.

The Local Finance Board and the Commissioner of Education must approve any proposed authorization of debt which exceeds the statutory debt limit of a Type II district. A Type II school district has an elected board of education; a Type I school district has an appointed board and issues debt without a referendum. All authorizations of debt in a Type II school district require an approving referendum of the voters in the school district. The Borough's school district is a Type II district.

All authorizations of debt must be reported to the Division of Local Government Services by means of a Supplemental Debt Statement prior to final approval to ensure that the proposed authorization is within all applicable debt limitations.

The School Bond Reserve Act, Chapter 72 of the Laws of 1980 of the State, as amended, devotes a portion of the Fund for the Support of Free Public Schools as security for payment of school bonds.

The Municipal Finance Commission (N.J.S. 52:27-1 et seq.)

The Municipal Finance Commission was created in 1931 to assist in the financial rehabilitation of municipalities which had defaulted in their obligations. The powers of such Commission are exercised today by the Local Finance Board. Several elements of the local finance system are intended to prevent default on obligations or occurrence of severe fiscal difficulties in any local unit. Should extreme economic conditions adversely affect any local unit, the statutory provisions are available to assist in restoring the stability of the local unit.

Any holder of bonds or notes which are in default for over sixty (60) days (for payment of principal or interest) may bring action against such municipality in the Superior Court of New Jersey. Any municipality may declare itself unable to meet its obligations and bring action in such court. In either case, the court's determination that the municipality is in default or unable to meet its obligations may place the municipality under the jurisdiction of the Municipal Finance Commission.

The Municipal Finance Commission exercises direct supervision over the finances and accounts of any local unit under its jurisdiction. Such commission is authorized to appoint an auditor to examine and approve all claims against the municipality and to serve as comptroller for that community. The Commission is also directed to supervise tax collections and assessments, to approve the funding of municipal school district indebtedness, the adjustment or composition of the claims of creditors, and the readjustment of debts under the Federal Municipal Bankruptcy Act.

The Local Finance Board also serves as the "funding commission" to exercise supervision over the funding or refunding of local government debt. Any county or municipality seeking to adjust its debt service must apply to and receive the approval of such funding commission for the proposed reorganization of its debt.

Investment of Municipal Funds

Investment of funds by New Jersey municipalities is governed by State statute. Pursuant to N.J.S.A. 40A:5-15.1, municipalities are limited to purchasing the following securities: (1) direct obligations of, or obligations guaranteed by, the United States of America ("U.S. Government Securities"); (2) government money market mutual funds invested in U.S. Government Securities or obligations of New Jersey school districts, municipalities, counties and entities subject to State regulation ("local obligations"); (3) obligations of Federal Government agencies or instrumentalities having a maturity of 397 days or less, provided such obligations bear a fixed rate of interest not dependent on any index or external factor; (4) bonds or other obligations of the particular municipality or a school district encompassing the geographic area of the particular municipality; (5) bonds or other obligations having a maturity of 397 days or less (a) constituting local obligations or (b) approved by the Division of Local Government Services of the State Department of Community Affairs; (6) local government investment pools, rated in the highest rating category, investing in U.S. government securities, local obligations and repurchase agreements fully

collateralized by securities set forth in (1), (3) and (5) above; (7) deposits with the New Jersey Cash Management Fund (created pursuant to N.J.S.A. 52:18A-90.4; the “Cash Management Fund”); and (8) repurchase agreements with a maximum 30 day maturity fully collateralized by securities set forth in (1) and (3) above, or local obligations. Municipalities are required to deposit their funds in interest-bearing bank accounts in banks satisfying certain security requirements set forth in N.J.S.A. 17:9-41 et seq., or invest in permitted investments to the extent practicable, and may invest in bank certificates of deposit.

The Cash Management Fund is governed by regulations of the State Investment Council, a non-partisan oversight body, and is not permitted to invest in derivatives. The Cash Management Fund is permitted to invest in U.S. Government Securities, Federal Government Agency obligations, certain short-term investment-grade corporate obligations, commercial paper rated “prime”, certificates of deposit, repurchase agreements involving U.S. Government Securities and Federal Government Agency obligations and certain other types of instruments. The average maturity of the securities in the Cash Management Fund must be one year or less, and only a quarter of the securities are permitted to mature in as much as two years.

The Borough has no investments in derivatives.

MUNICIPAL BUDGET

Pursuant to the Local Budget Law (N.J.S.A. 40A:4-1 et seq.) the Borough is required to have a balanced budget in which debt service is included in full for each fiscal year.

The Local Budget Law (N.J.S.A. 40A:4-1 et seq.)

The foundation of the New Jersey local finance system is the annual cash basis budget. Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Items of revenue and appropriation are regulated by law and must be certified by the Director of the Division prior to final adoption of the budget. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations, among others, for certification.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units. Tax anticipation notes are limited in amount by law and must be paid in full within 120 days of the close of the fiscal year. The cash basis budgets of local units must be in balance, i.e., the total of anticipated revenues must equal the total of appropriations (N.J.S.A. 40A:4-22). If in any year a local unit’s expenditures exceed its realized revenues for that year, then such excess must be raised in the succeeding year’s budget.

Limitations on Municipal Appropriations and Tax Levy

A statute passed in 1976, as amended and supplemented (N.J.S.A. 40A:4-45.1 et seq.), commonly known as the “Cap Law”, imposed limitations on increases in municipal appropriations subject to various exceptions. While the Cap Law restricts the ability of a municipality to increase its overall appropriations, the payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically, it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the Cost-of-Living Adjustment (“COLA”). Increases up to 3.5% are allowed by adoption of an ordinance whenever the COLA is less than 2.5%. If the COLA is greater than 2.5%, an increase in any amount above 2.5% will be permitted by adoption of an ordinance to 3.5% and beyond 3.5% upon passage of a referendum. The COLA is the rate of annual percentage increase in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other items including capital

expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. The Cap Law does not limit the obligation of the Borough to levy *ad valorem* taxes upon all taxable real property within the Borough to pay debt service.

Chapter 62 of the Pamphlet Laws of 2007 imposed restrictions upon the allowable annual increase in the tax levy. In general, starting with the 2008 budgets for calendar year municipalities and 2009 budgets for fiscal year municipalities, municipalities have their tax levies limited to a four percent (4%) increase. The cap calculation is subject to various adjustments, such as the value of increased assessments, and allows for an increase in the adjusted tax levy for various items, including amounts required to be added to the adjusted tax levy for increases in debt service, amounts required to replace reductions in State formula aid, certain increased pension contributions, increases greater than four percent (4%) in the reserve for uncollected taxes, and increases in health care costs in excess of four percent (4%) (but not in excess of the percentage increase in the State Health Benefits Program). The law also allows the Local Finance Board to grant waivers for extraordinary circumstances (some of which are defined in the Law) and authorizes a municipality to submit a public question to the voters for approval (by an affirmative vote of at least sixty percent (60%)) to increase the amount to be raised by taxation by more than the allowable adjusted tax levy.

For municipalities, the levy cap is in addition to the existing appropriation cap; both cap laws must be met. Neither cap law limits the obligation of the Borough to levy *ad valorem* taxes upon all taxable real property within the Borough to pay debt service.

On July 13, 2010, P.L. 2010, c. 44 was approved, effective for budget years following enactment (the 2011 budget for the Borough) reducing the tax levy cap to 2% and limiting the exclusions to amounts required to be raised by taxation for debt service as defined by law, certain pension contributions and health care costs in excess of 2% and extraordinary costs directly related to a declared emergency. Voter approval may be requested to increase the amount to be raised by taxation by more than the allowable adjusted tax levy. Chapter 44 eliminated the process for obtaining waivers for additional spending under the tax levy limitation.

The Borough's appropriation and tax levy increases for 2011 to 2023, inclusive, were within the limits allowed under the CAP Law, taking into account applicable adjustments and available "CAP" banks and without conducting a referendum to exceed the cap limits. The Borough plans to introduce its 2024 budget on April 9, 2024 and it is expected to be within the limits allowed under the CAP Law.

Miscellaneous Revenues

The Local Budget Law (N.J.S.A. 40A:4-26) provides that: "No miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit." See "INFECTIOUS DISEASE OUTBREAK – COVID-19" herein for a discussion of recent amendments to N.J.S.A. 40A:4-26 in response to the COVID-19 outbreak.

No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation of like amount. The fiscal years for such grants rarely coincide with the municipality's fiscal year. However, grant revenue is generally not realized until received in cash.

Real Estate Taxes

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. N.J.S.A. 40A:4-29 governs anticipation of delinquent tax collections: “The maximum which may be anticipated is the sum produced by multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year.”

N.J.S.A. 40A:4-41 provides with regard to current taxes that: “Receipts from the collection of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year, shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by the last day of the preceding fiscal year.”

This provision and N.J.S.A. 40A:4-40 require that an additional amount (the “reserve for uncollected taxes”) be added to the tax levy required to balance the budget so that when the percentage of the prior year’s tax collection is applied to the combined total, the product will at least be equal to the tax levy required to balance the budget.

The reserve requirement is calculated as follows:

$$\frac{\text{Levy required to balance budget}}{\text{Prior Year's Percentage of Current Tax Collection (or lesser \%)}} = \text{Total Taxes to be Levied}$$

Chapter 28 of the Pamphlet Laws of 1997 of New Jersey amended Section 41 of the Local Budget Law to allow municipalities to reduce the reserve for uncollected taxes by taking into account prior year tax reductions resulting from tax appeal judgments awarded to property owners. Another statute, Chapter 99 of the Pamphlet Laws of 1997 of New Jersey, allows a municipality to (1) reduce the reserve for uncollected taxes by deducting receipts anticipated during the fiscal year from the sale of unpaid taxes or municipal liens when such sale is concluded in the final month of the fiscal year or (2) not budget for the reserve for uncollected taxes if it sells its total property tax levy pursuant to such statute. See “Assessment And Collection of Taxes – Tax Collection Procedure” herein for a brief discussion of Chapter 99.

Deferral of Current Expenses

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body of the municipality. However, with minor exceptions, such appropriations must be included in full in the following year’s budget.

The exceptions are certain enumerated quasi-capital projects (“special emergencies”) such as ice, snow, and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, property revaluation programs, revision and codification of ordinances, master plan preparations, and drainage map preparation for flood control purposes which may be amortized over five years. Of course, emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project. See “INFECTIOUS DISEASE OUTBREAK – COVID-19” herein for a discussion of recent amendments to the special emergency provisions in the Local Budget Law in response to the COVID-19 outbreak.

Budget Transfers

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between appropriation accounts may be made only during the last two months of the year. Appropriation reserves may be transferred during the first three months of the year to the previous years’ budget. Both types of transfers require a 2/3 vote of the full membership of the governing body, however, transfers cannot be

made from either the down payment account or the capital improvement fund. Transfers may be made between sub-account line items within the same account at any time during the year, subject to approval by the governing body.

Operation of Utilities

Municipal public utilities are supported by the revenues generated by the respective operations of the utilities in addition to the general taxing power upon real property.

For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate budget. The budget is required to be balanced and to provide fully for debt service. The regulations regarding anticipation of revenues and deferral of charges apply equally to the budgets of the utilities.

Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "Current" or operating budget.

Fiscal Year

The Borough's fiscal year is the calendar year. Chapter 75 of the Pamphlet Laws of 1991 of the State (codified as N.J.S.A. 40A:4-3.1) required municipalities with populations in excess of 35,000 or that received Municipal Revitalization Aid from the State in 1990 or 1991 to change their fiscal year from the calendar year to the State fiscal year (July 1 to June 30), unless an exemption was granted. Municipalities not meeting the criteria for a mandatory change had the option to choose to change to the State fiscal year. N.J.S.A. 40A:4-3.1 was amended by P.L. 2000, c. 126, to eliminate the criteria for mandatory change of the fiscal year, but to continue to grant all municipalities the option to change to the State fiscal year. In addition, P.L. 2008, c. 92, further amended N.J.S.A. 40A:4-3.1 to allow municipalities operating on a fiscal year basis to revert to a calendar year. The Borough did not meet the criteria to change to the State fiscal year and does not presently intend to optionally make such change in the future.

Budget Process

Primary responsibility for the Borough's budget process lies with the Borough Council. As prescribed by the Local Budget Law, adoption should occur by the end of March, however, extensions may be granted by the Division to any local governmental unit. In the first quarter in which the budget formulation is taking place, the Borough operates under a temporary budget which may not exceed 26.25% of the previous fiscal year's adopted budget. In addition to the temporary budget, the Borough may approve emergency temporary appropriations for any purpose for which appropriations may lawfully be made.

Capital Budget

In accordance with the Local Budget Law, the Borough must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period of the next ensuing three years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next three years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the items were detailed.

ASSESSMENT AND COLLECTION OF TAXES

Tax Collection Procedure

Real property taxes are assessed locally, based upon an assessment at true value. The tax bill includes a levy for Borough, County and School purposes. Tax bills are mailed annually in June. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1. 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, is transferred as of June 30 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. Annually, all properties with unpaid taxes for the previous year are placed in a tax sale in accordance with the New Jersey Statutes. Annual interim tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough.

Chapter 99 of the Pamphlet Laws of 1997 of New Jersey allows a municipality to sell its total property tax levy to the highest bidder either by public sale with sealed bids or by public auction. The purchaser shall pay the total property tax levy bid amount in quarterly installments or in one annual installment. Property taxes will continue to be collected by the municipal tax collector and the purchaser will receive as a credit against his payment obligation, the amount of taxes paid to the tax collector. The purchaser is required to secure his payment obligation to the municipality by an irrevocable letter of credit or a surety bond. The purchaser is entitled to receive delinquent taxes and other municipal charges collected by the tax collector. The statute sets forth bidding procedures and minimum bidding terms and requires the review and approval of the sale by the Division of Local Government Services.

In response to the \$10,000 annual limitation on an individual's federal income tax deduction for state and local taxes paid (beginning in 2018 and ending in 2025) contained in the federal "Tax Cuts and Jobs Act", Pub. L. No. 115-97, New Jersey Governor Phil Murphy signed into law Senate Bill No. 1893 ("S-1893") on May 4, 2018. S-1893, which will take effect when implementing regulations are adopted by various State agencies, authorizes municipalities, counties and school districts ("local units") to establish one or more charitable funds, each for specific public purposes, and permits certain donations to those charitable funds to be credited toward the donor's property tax obligation. Moneys held in a charitable fund are immediately available to pay debt service. On June 13, 2019, the Internal Revenue Service issued final regulations, effective August 12, 2019, denying the deductibility (except for a de minimis amount) for federal income tax purposes of property tax credit donation mechanisms authorized by S-1893 and similar laws adopted in other states. The Borough makes no representations as to whether any local units will establish charitable funds pursuant to S-1893 or how S-1893 will be implemented.

Tax Appeals

New Jersey statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. The taxpayer has a right to petition the Bergen County Tax Board on or before the first day of April of the current tax year for review. The Bergen County Tax Board has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the Bergen County Tax Board, appeal may be made to the Tax Court of New Jersey, for a further hearing. Further, an assessment in excess of \$1,000,000 can be appealed directly to the Tax Court of New Jersey. State tax appeals tend to take several years prior to settlement, and any losses in tax collections from prior years are charged directly to operations or with the permission of the Local Finance Board may be financed, generally, over a three to five year period. In addition, pursuant to Assembly Bill No. 2004, signed into law by Governor Phil Murphy on August 9, 2019, commercial tax appeal refunds exceeding \$100,000 may be paid to the property owner, with interest, in substantially equal payments within a three year period - rather than within sixty days of the final judgment (the standard period for refunds). Further, pursuant to Assembly Bill No. 862, signed into law by Governor

Murphy on January 18, 2022, residential tax appeal refunds, or commercial tax appeal refunds exceeding \$100,000, may be paid to the property owner, with interest, as a credit against the balance of property taxes that become due within a three year period, with any excess after three years being paid immediately.

TAX MATTERS

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. Such requirements include requirements relating to the use and investment of proceeds of the Bonds and other amounts and rebate of certain arbitrage earnings to the United States. Noncompliance by the Borough with such requirements may cause interest on the Bonds to be included in gross income of the owners thereof retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs.

The Borough has covenanted, to the extent permitted by the Constitution and the laws of the State, to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Bonds be and remain excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. The Borough’s Tax Certificate (the “Tax Certificate”), which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures regarding compliance with the requirements of the Code. The Borough, in executing the Tax Certificate, will certify to the effect that the Borough expects and intends to comply with the provisions and procedures contained therein.

In rendering the opinion described below with respect to the Bonds, Bond Counsel has relied upon the covenant and has assumed the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate.

Tax Opinions

In the opinion of Rogut McCarthy LLC, Bond Counsel to the Borough, assuming compliance by the Borough with the Tax Certificate, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. In addition, under existing law, interest on the Bonds is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals; however, interest on the Bonds that is included in the “adjusted financial statement income” of certain corporations is not excluded from the Federal corporate alternative minimum tax. For other Federal tax information, see “TAX MATTERS – Additional Federal Income Tax Consequences” herein.

In the opinion of Bond Counsel, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Bonds and any gain from the sale of the Bonds are not includable in gross income of the holders thereof.

Additional Federal Income Tax Consequences

Prospective purchasers of the Bonds should be aware that ownership of governmental obligations, such as the Bonds, may have collateral Federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S Corporations, certain foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise eligible for the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences from the ownership of the Bonds. Bond Counsel expresses no opinion regarding any such collateral Federal income tax consequences.

Qualified Tax-Exempt Obligations

The Bonds are not “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

Proposals for Tax Changes

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The disclosures and opinions expressed herein are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and no opinion is expressed as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE.

STATEMENT OF LITIGATION

There is no litigation pending or threatened restraining or enjoining the issuance or the delivery of the Bonds or the levy or the collection of taxes to pay the Bonds or in any manner questioning the authority or the proceedings for the issuance of the Bonds or for the levy or the collection of taxes. There is at present no single action pending or threatened against the Borough which would impose an undue financial burden on the Borough. In New Jersey’s courts of general jurisdiction, unliquidated money damages are pleaded generally without specifying a dollar amount. The Borough is a party-defendant in certain lawsuits, none of a kind unusual for a municipality of its size, and none of which, in the opinion of the Borough Attorney, would adversely impair the Borough’s ability to pay its bondholders. All of the Borough’s tort actions are being defended by municipal joint insurance funds (which provide pooled private insurance coverage and self-insurance coverage to its members). The Borough is also insured for liability in excess of the limits provided by the municipal joint insurance funds. Pending municipal real estate tax appeals are limited in number and, based upon the Borough’s prior experience in tax appeals, and assuming that such tax appeals

are resolved adversely to the interest of the Borough, such resolution would not materially or adversely impair the Borough's ability to pay its bondholders.

LEGALITY FOR INVESTMENT

The State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and institutions, building and loan associations, investment companies, and other persons carrying on banking business, all insurance companies, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any obligations of the Borough, including the Bonds, and such Bonds are authorized security for any and all public deposits.

FINANCIAL STATEMENTS

Appendix "B" to this Official Statement contains the unaudited financial statements for the year ended December 31, 2023 and the audited financial statements of the Borough for the years ended December 31, 2022 and 2021. The unaudited financial statements were compiled from the Borough's unaudited Annual Financial Statement for the year ended December 31, 2023. The audited financial data was provided by Lerch, Vinci & Bliss, LLP, Fair Lawn, New Jersey (the "Auditor"), and is included herein in reliance upon the authority of such firm. The Auditor has consented to the inclusion of their report in this Official Statement. Copies of the complete Reports of Audit may be obtained upon request to the office of the Chief Financial Officer of the Borough.

MUNICIPAL ADVISOR

NW Financial Group, LLC, Bloomfield, New Jersey, has served as Municipal Advisor to the Borough with respect to the issuance of the Bonds (the "Municipal Advisor"). The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and the Appendices hereto. The Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

RATING

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC (the "Rating Agency") has assigned a rating of "AA" to the Bonds.

The rating reflects only the view of the Rating Agency and an explanation of the significance of the rating may only be obtained from the Rating Agency at the following address: 55 Water Street, New York, New York 10041. The Borough forwarded to the Rating Agency certain information and materials concerning the Bonds and the Borough. There can be no assurance that the rating will be maintained for any given period of time or that the rating will not be raised, lowered or withdrawn entirely if, in the Rating Agency's judgment, circumstances so warrant. Any downward change in, or withdrawal of, the rating may have an adverse effect on the marketability or market price of the Bonds.

UNDERWRITING

The Bonds have been purchased at a public sale from the Borough for resale by _____ (the "Underwriter").

INFECTIOUS DISEASE OUTBREAK – COVID-19

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, then President Trump declared a national emergency to unlock Federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy (the “Governor”) of the State of New Jersey (the “State”) declared a state of emergency and a public health emergency on March 9, 2020 due to the outbreak of COVID-19, which spread to the State and to all counties within the State. The Governor also instituted mandatory measures via various executive orders to contain the spread of the virus. 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 terminated most of the Governor’s pandemic-related executive orders on July 4, 2021. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) terminated on January 1, 2022. On January 11, 2022, the Governor reinstated, via Executive Order No. 280, the state of emergency and declared a new public health emergency in response to a surge in cases tied to new variants of COVID-19, in particular the Omicron variant. Such public health emergency was set to expire 30 days from January 11, 2022 but was later extended, via Executive Order No. 288, for an additional 30 days on February 10, 2022. On March 4, 2022, the Governor declared, via Executive Order No. 292, an end to the reinstated public health emergency, effective March 7, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place. See <https://covid19.nj.gov> for further detail regarding the impact of COVID-19 on the State and the Governor’s various executive orders.

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

The Borough’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’s primary revenue source for supporting its budget. The Borough 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 hereof, even though the Borough’s 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 payments 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.

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

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

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

For municipalities with populations less than 50,000, such as the Borough, the relief funds will be distributed by the State. The relief funds will be received from the State in two equal payments, one within 30 days of receipt of the funding by the State and the balance no earlier than 12 months from the initial payment. The deadline to obligate the funds is December 31, 2024, and to spend them is December 31, 2026. The Borough has received the full amount of its relief funds in the amount of \$909,988 and has utilized all of its relief funds which was budgeted in 2022 to replace lost public sector revenues to fund budget appropriations for tax appeal reserves and the capital improvement fund.

DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS

Absence of Litigation

Upon delivery of the Bonds, the Borough shall furnish a certificate of the Borough Attorney, dated the date of delivery of the Bonds, to the effect that there is no litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Bonds. In addition, such certificate shall state that there is no litigation of any nature now pending or threatened by or against the Borough wherein an

adverse judgment or ruling could have a material adverse impact on the financial condition of the Borough, or adversely affect the power of the Borough to enforce the collection of taxes or other revenues for the payment of its bonds and notes, which has not been disclosed in this Official Statement.

Legal Matters

The legality of the Bonds will be subject to the approving opinion of Rogut McCarthy LLC, Cranford, New Jersey, Bond Counsel. Such opinion will be to the effect that:

1. The Bonds have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the Borough, enforceable in accordance with their terms, except as enforcement of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation or other laws relating to or affecting the enforcement of creditors' rights generally now or hereafter in effect to the extent constitutionally applicable, and enforcement may also be subject to the exercise of judicial discretion in certain cases.
2. The Borough has pledged its full faith and credit for the payment of the principal of and interest on the Bonds, and unless paid from other sources, the Borough is authorized and required by law to levy on all real property taxable by the Borough such *ad valorem* taxes as may be necessary to pay the Bonds and the interest thereon, without limitation as to rate or amount.

Rogut McCarthy LLC has not verified the accuracy, completeness or fairness of the statements contained in this Official Statement and will not express, and has not been requested to express, an opinion as to the accuracy, completeness or fairness of such statements. See "Appendix C – Proposed Form of Bond Counsel Opinion" herein.

Certificates of Borough Officials

The original purchasers of the Bonds shall also receive a certificate, dated as of the date of delivery of the Bonds and signed by the Chief Financial Officer that (a) as of the date of the Official Statement furnished by the Borough in relation to the Bonds, said Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading, subject to the condition that while information in said Official Statement obtained from sources other than the Borough is not guaranteed as to accuracy, completeness or fairness, such officer has no reason to believe and does not believe that such information is materially inaccurate or misleading, and (b) to the knowledge of such officer, since the date of said Official Statement and since the date of the sale of the Bonds, there has been no material transactions not in the ordinary course of affairs entered into by the Borough and no material adverse change in the general affairs of the Borough or in its financial condition as shown in said Official Statement, other than as disclosed in or contemplated by said Official Statement, provided such certificate shall not include consideration of information supplied by, or that should have been supplied by, the successful bidders for the Bonds. In addition, the original purchasers of the Bonds shall also receive certificates in form satisfactory to Rogut McCarthy LLC, Bond Counsel, evidencing the proper execution and delivery of the Bonds and receipt of payment therefor and a certificate, dated as of the date of delivery of the Bonds and signed by the officers who signed the Bonds, stating that no litigation is then pending or, to the knowledge of such officers, threatened to restrain or enjoin the issuance or delivery of the Bonds or the levy or collection of taxes to pay the Bonds or the interest thereon, or questioning the validity of the statutes or the proceedings under which the Bonds are issued, and that neither the corporate existence or boundaries of the Borough, nor the title of the said officers to their office, is being contested.

SECONDARY MARKET DISCLOSURE

The Borough has agreed, pursuant to a resolution adopted on March 26, 2024, to undertake for the benefit of the Bondholders and the beneficial owners of the Bonds to provide certain secondary market disclosure information pursuant to Rule 15c2-12 to the Municipal Securities Rulemaking Board (the “MSRB”) in an electronic format, as prescribed by the MSRB. Specifically, the Borough will do the following for the benefit of the holders of the Bonds and the beneficial owners thereof:

(A) Not later than seven months after the end of the Borough’s fiscal year (presently December 31), commencing with the report for the fiscal year ending December 31, 2023, provide or cause to be provided, annual financial information with respect to the Borough consisting of (i) audited financial statements (or unaudited financial statements if audited financial statements are not then available by the date of filing, which audited financial statements will be delivered when and if available) of the Borough and (ii) certain financial information and operating data consisting of information concerning the Borough’s debt, overlapping indebtedness, tax rate, levy and collection data, property valuation, budget and fund balance of the type contained under the headings “Budget Information”, “Financial Information” and “Debt Information” in Appendix “A” hereof. The audited financial statements will be prepared in accordance with mandated State statutory accounting principles, as in effect from time to time. Audited financial statements if not available by the filing date will be submitted separately when available.

(B) Provide or cause to be provided in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds or financial obligations of the Borough:

- (1) Principal or interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to the rights of Bondholders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property which secures the repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Borough (the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borough in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borough, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borough);
- (13) The consummation of a merger, consolidation, or acquisition involving the Borough or the sale of all or substantially all of the assets of the Borough, other than in the ordinary course of business, the entry into a definitive agreement to undertake such

- an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
 - (15) Incurrence of a financial obligation of the Borough, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Borough, any of which affect Bondholders, if material; and
 - (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Borough, any of which reflect financial difficulties.

The Borough intends the words used in paragraphs (15) and (16) and the definition of “financial obligation” to have the meanings ascribed to them in SEC Release No. 34-83885 (August 20, 2018).

(C) Provide or cause to be provided, in a timely manner, notice of a failure of the Borough to provide required annual financial information on or before the date specified above.

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

If the Borough fails to comply with the above-described undertaking, any Bondholder or beneficial owner of the Bonds may pursue an action for specific performance to enforce the rights of all Bondholders and beneficial owners with respect to such undertaking; *provided, however*, that failure to comply with such undertaking shall not be an event of default and shall not result in any acceleration of payment of the Bonds or any liability by the Borough for monetary damages. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all Bondholders and beneficial owners of the Bonds.

The Borough reserves the right to terminate its obligation to provide annual financial information and notice of material events, as set forth above, if and when the Borough no longer remains an “obligated person” with respect to the Bonds within the meaning of Rule 15c2-12.

The undertaking may be amended by the Borough from time to time, without the consent of the Bondholders or the beneficial owners of the Bonds, in order to make modifications required in connection with a change in legal requirements, a change in law or a change in identity, nature, type of operation or status of the Borough, which in the opinion of nationally recognized bond counsel complies with Rule 15c2-12 and does not, in such bond counsel’s opinion, materially impair the interests of the Bondholders and the beneficial owners of the Bonds.

The Borough previously failed to file, in accordance with Rule 15c2-12, in a timely manner, under previous filing requirements its annual audited financial statements for the fiscal year ending December 31, 2020. Additionally, the Borough acknowledges that it previously failed to file, in a timely manner, a late filing notice in connection with its late filing of such annual financial information. Such financial information and notice of late filing have been filed with the MSRB’s Electronic Municipal Market Access Dataport (“EMMA”) as of the date of this Official Statement. The Borough has appointed NW Financial Group, LLC, Bloomfield, New Jersey, to serve as continuing disclosure agent/dissemination agent to assist in the filing of certain information with EMMA as required under its obligations.

PREPARATION OF OFFICIAL STATEMENT

The firm of Lerch, Vinci & Bliss, LLP, Fair Lawn, New Jersey, Certified Public Accountants, takes responsibility for the financial statements to the extent specified in the Accountant's Compilation Report and the Independent Auditor's Report.

The firm of Lerch, Vinci & Bliss, LLP, assisted in the preparation of information contained in this Official Statement and information has been obtained from sources which Lerch, Vinci & Bliss, LLP, considers to be reliable but they make no warranty, guarantee or other representation with respect to the accuracy and completeness of such information.

The Municipal Advisor has participated in the review of this Official Statement but has not verified the accuracy, completeness or fairness thereof, and, accordingly, takes no responsibility and expresses no opinion with respect thereto.

All other information has been obtained from sources which the Borough considers to be reliable and the Borough makes no warranty, guaranty or other representation with respect to the accuracy and completeness of such information.

APPROVAL OF OFFICIAL STATEMENT

Prior to the delivery of the Bonds, the Borough Council will have adopted a resolution approving this Official Statement, deeming it a "final official statement" for purposes of Rule 15c2-12 and directing the Chief Financial Officer to deliver a reasonable number of copies thereof in final form to the Underwriter for its use in the sale, resale or distribution of the Bonds.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including requests for information additional to that contained herein, may be directed to the Borough of Park Ridge, 53 Park Avenue, Park Ridge, New Jersey, 07656, Consuelo Carpenter, Chief Financial Officer, (201) 822-3116.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between the Borough and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Borough, the State or any of their agencies or authorities, since the date hereof. The information contained in the Official Statement is not guaranteed as to accuracy or completeness.

This Official Statement has been duly executed and delivered by the Chief Financial Officer on behalf of the Borough.

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

By: /s/_____
Consuelo Carpenter
Chief Financial Officer

Dated: April __, 2024

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APPENDIX A
ECONOMIC AND DEMOGRAPHIC INFORMATION
RELATING TO THE BOROUGH

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GENERAL INFORMATION OF THE BOROUGH OF PARK RIDGE, IN THE COUNTY OF BERGEN, STATE OF NEW JERSEY

Size and Geographical Location

Park Ridge is a small residential borough, approximately 2.6 square miles, situated in the picturesque Pascack Valley of northeastern Bergen County. Neighboring communities include the Boroughs of Hillsdale, Montvale and Woodcliff Lake and the Township of River Vale. Park Ridge is within minutes of most of the main transportation corridors in the northeast, with a thirty-minute ride to New York City.

The Borough's ideal location allows its residents to enjoy a high quality of life with fine schools, recreation, restaurants and cultural activities all in close proximity. Several large hospitals are located near the Borough including, Valley Hospital, Hackensack University Medical Center at Pascack Valley, Hackensack University Medical Center, Holy Name Hospital and Englewood Hospital. The Park Ridge Marriott, and Pearl River Hilton are just a few of the fine hotels servicing the Borough and neighboring communities. Many large shopping centers such as, Paramus Park Mall, Garden State Plaza, The Shops at Riverside, Bergen Town Center and Willowbrook Mall in New Jersey and Shops at Nanuet, Palisades Center and Woodbury Commons in New York are only minutes away.

Governmental Structure

The Borough of Park Ridge was chartered in 1894 under the borough form of government in which the mayor is elected to a four-year term and six council persons are elected at large to serve staggered three-year terms.

The Mayor and Council meet on the second and fourth Tuesday of each month for regular meetings, each of which is preceded by an executive session. Meetings are open to the public in compliance with New Jersey's Open Public Meetings Act. Residents are given the opportunity to speak on proposed ordinances and other matters of concern at both meetings.

The Borough Administrator is appointed by the Borough Council and is responsible 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 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 appointment 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.

Transportation

Park Ridge's location makes it an ideal area for businesses and residents. The Borough is strategically located only minutes away by automobile or mass transportation from New York City, Rockland and Westchester Counties in New York State and all parts of New Jersey.

The Garden State Parkway is easily accessible from the neighboring towns of Montvale and Woodcliff Lake. Rail passenger service is provided by New Jersey Transit's Pascack Valley Line which runs through Park Ridge and other Bergen County communities, terminating in Hoboken where other convenient connections can be made via PATH to New York City, Newark and Jersey City.

There are many major interstate and local highways minutes away from Park Ridge in addition to the Garden State Parkway, including the New Jersey Turnpike, the New York State Thruway, Interstate Highway Nos. 80 and 287, the Palisades Interstate Parkway and State Highway No. 17.

Public Safety

Park Ridge is served by a Police Department with an outstanding record for law enforcement and has one of the lowest crime rates in the area. In addition to law enforcement, the Police Department is actively involved in several school programs and community crime prevention programs including the nationally recognized D.A.R.E. drug education program.

The Borough's Volunteer Fire Department consists of approximately 45 volunteer members who are under the direction of the Fire Chief. The central fire headquarters houses pumpers, a tower ladder truck, rescue vehicles and boats, all with the latest fire fighting equipment.

A direct control alarm system links each firefighter through a centralized dispatch system insuring immediate response. The surrounding fire departments of Pearl River (New York), Montvale and Woodcliff Lake cooperate in mutual aid systems.

Free ambulance and rescue service is provided to the public on a 24 hour a day basis by the Tri-Borough Ambulance Corps that services the boroughs of Park Ridge, Montvale and Woodcliff Lake. The inter-local service has been in operation for over fifty years.

Recreation

The Park Ridge Athletic Association together with the Recreation Committee sponsor, organize and provide coaches to the many sports programs offered, among them, baseball, football, softball, soccer and basketball. All programs begin at the elementary school age and continue through middle school.

The Recreation and Culture Committee provides year-round entertainment and activities for residents of all ages.

Public Library

The Park Ridge Public Library was established in 1908 and was originally staffed by volunteers with donated books up to the 1920's. Shortly thereafter the residents of the Borough voted to change it to a municipal library and after several moves about town came to its current location in 1961 and was remodeled and expanded in 1986.

Labor Contracts

The Borough has settled contracts with its Department of Public Works, Utility and nonsupervisory clerical staff employees through December 31, 2024. The Borough's Police contract expires on December 31, 2025.

ECONOMIC AND DEMOGRAPHIC INFORMATION

Labor Force, Employment and Unemployment

The New Jersey Department of Labor reported the following annual average employment information for the Borough of Park Ridge, the County of Bergen and the State of New Jersey:

	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate</u>
<u>Borough of Park Ridge</u>				
2022	4,444	4,303	141	3.2%
2021	4,338	4,088	250	5.8%
2020	4,324	3,971	353	8.2%
2019	4,445	4,332	113	2.5%
2018	4,395	4,259	136	3.1%
<u>County of Bergen</u>				
2022	504,149	487,246	16,903	3.4%
2021	494,034	462,974	31,060	6.3%
2020	477,892	432,189	45,703	9.6%
2019	484,575	470,940	13,635	2.8%
2018	477,023	461,356	15,667	3.3%
<u>State of New Jersey</u>				
2022	4,739,800	4,564,100	175,700	3.7%
2021	4,666,100	4,357,200	308,900	6.6%
2020	4,650,300	4,212,400	437,900	9.4%
2019	4,686,300	4,524,300	162,000	3.5%
2018	4,604,800	4,420,700	184,100	4.0%

Source: New Jersey Department of Labor.

Population

Population trends for the Borough, County and the State of New Jersey since 1980 are shown below:

<u>Area</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020</u>
Borough of Park Ridge	8,515	8,134	8,708	8,645	8,883
County of Bergen	845,385	825,380	884,118	905,116	930,394
State of New Jersey	7,365,011	7,730,188	8,414,350	8,791,894	8,882,371

Source: U.S. Census Bureau.

Income as of 2022

	Median Household <u>Income</u>	Median Family <u>Income</u>	Per Capita <u>Income</u>
Borough of Park Ridge	\$ 164,241	\$ 196,523	\$ 68,515
County of Bergen	118,714	144,348	60,222
State of New Jersey	97,126	119,240	50,995

Source: U.S. Census Bureau, American FactFinder – 2018-2022 American Community Survey.

DEBT INFORMATION

Debt Statements

The Borough must report all new authorizations of debt or changes in previously authorized debt to the Division of Local Government Services, Department of Community Affairs of the State of New Jersey (the "Division"). The Supplemental Debt Statement, as this report is known, must be submitted to the Division before final passage of any debt authorization. Before January 31 of each year the Borough must file an Annual Debt Statement with the Division. This report is made under oath and states the authorized, issued and unissued debt of the Borough as of the previous December 31. Through the Annual and Supplemental Debt Statements, the Division monitors all local borrowing.

Debt Incurring Capacity

As of December 31, 2023 (Unaudited)

Municipal	
Equalized Valuation Basis (last 3 years average)	\$ 2,085,198,199
3 1/2% Borrowing Margin	72,981,937
Net Debt Issued, Outstanding and Authorized	16,756,434
Remaining Municipal Borrowing Capacity	56,225,503
Local School	
4% Borrowing Margin	83,407,928
Debt, Issued, Outstanding and Authorized	3,981,466
Remaining School Borrowing Capacity	79,426,462

Gross and Statutory Net Debt as of December 31,

<u>Year</u>	<u>Gross Debt Amount</u>	<u>Statutory Net Debt</u>	
		<u>Amount</u>	<u>Percentage</u>
2023 (Unaudited)	\$ 33,632,205	\$ 16,756,434	0.804%
2022	27,922,896	13,587,822	0.693%
2021	23,281,361	13,361,453	0.711%
2020	23,606,378	12,638,726	0.679%
2019	29,283,485	13,473,533	0.733%

Source: Borough of Park Ridge Annual Audit Reports and 2023 Annual Debt Statement.

Statement of Indebtedness
As of December 31, 2023 (Unaudited)

GENERAL PURPOSES

Bonds Issued and Outstanding	\$ 3,695,000	
Bond Anticipation Notes	7,082,546	
Loans	712,768	
Bonds and Notes Authorized But Not Issued	<u>6,483,305</u>	
		\$ 17,973,619

WATER UTILITY

Bonds Issued and Outstanding	1,077,000	
Bond Anticipation Notes	4,232,454	
Bonds and Notes Authorized But Not Issued	<u>2,097,646</u>	
		7,407,100

ELECTRIC UTILITY

Bonds Issued and Outstanding	335,000	
Bond Anticipation Notes	3,245,000	
Bonds and Notes Authorized But Not Issued	<u>690,000</u>	
		4,270,000

LOCAL SCHOOL

Bonds Issued, Outstanding and Authorized		<u>3,981,466</u>
--	--	------------------

TOTAL GROSS DEBT 33,632,185

STATUTORY DEDUCTIONS

Municipal Purpose	1,217,185	
Water Utility	7,407,100	
Electric Utility	4,270,000	
Local School	<u>3,981,466</u>	
		<u>16,875,751</u>

TOTAL NET DEBT \$ 16,756,434

OVERLAPPING DEBT

County of Bergen (Note 1)	14,838,118
Bergen County Utilities Authority (2)	<u>2,111,950</u>

TOTAL OVERLAPPING DEBT \$ 16,950,068

GROSS DEBT

Per Capita (2020 - 8,883)	\$ 3,786
Percent of Net Valuation Taxable (2023 - \$1,573,269,408)	2.14%
Percent of Estimated True Value of Real Property (2023 - \$2,136,107,872)	1.57%

NET MUNICIPAL DEBT

Per Capita (2020 - 8,883)	\$ 1,886
Percent of Net Valuation Taxable (2023 - \$1,573,269,408)	1.07%
Percent of Estimated True Value of Real Property (2023 - \$2,136,107,872)	0.78%

OVERALL DEBT (Gross and Overlapping Debt)

Per Capita (2020 - 8,883)	\$ 5,694
Percent of Net Valuation Taxable (2023 - \$1,573,269,408)	3.22%
Percent of Estimated True Value of Real Property (2023 - \$2,136,107,872)	2.37%

Note (1) Overlapping debt was computed based upon the real property ratio of equalized valuations of the municipality to all municipalities within the County as provided in the 2022 Bergen County Abstract of Ratables published by the Bergen County Board of Taxation.

Note (2) Overlapping debt was computed based upon usage.

Source: Borough of Park Ridge and 2023 Annual Debt Statement.

BUDGET INFORMATION**Current Fund
(As Adopted)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Anticipated Revenues					
Fund Balance	\$ 1,830,000	\$ 1,300,000	\$ 1,500,000	\$ 1,125,000	\$ 1,000,000
Miscellaneous Revenues	3,366,701	3,923,212	2,528,988	2,838,098	2,955,685
Receipts from Delinquent Taxes	225,000	185,000	240,000	547,000	272,000
Amount to be Raised by Taxes for Support of Municipal Budget	<u>11,920,201</u>	<u>11,888,258</u>	<u>11,479,429</u>	<u>11,349,682</u>	<u>10,832,069</u>
	<u><u>\$ 17,341,902</u></u>	<u><u>\$ 17,296,470</u></u>	<u><u>\$ 15,748,417</u></u>	<u><u>\$ 15,859,780</u></u>	<u><u>\$ 15,059,754</u></u>
Appropriations					
Salaries and Wages	\$ 6,002,740	\$ 5,700,529	\$ 5,555,638	\$ 5,492,361	\$ 5,146,218
Other Expenses	6,860,676	6,881,765	5,983,124	6,110,128	6,014,364
Deferred Charges and Statutory Expenditures	1,563,075	1,490,731	1,550,790	1,367,526	1,184,195
Capital Improvement Fund	100,000	453,000	18,200	56,700	110,000
Municipal Debt Service	2,025,411	2,020,445	1,935,665	1,983,065	1,904,977
Reserve for Uncollected Taxes	<u>790,000</u>	<u>750,000</u>	<u>705,000</u>	<u>850,000</u>	<u>700,000</u>
	<u><u>\$ 17,341,902</u></u>	<u><u>\$ 17,296,470</u></u>	<u><u>\$ 15,748,417</u></u>	<u><u>\$ 15,859,780</u></u>	<u><u>\$ 15,059,754</u></u>

Source: Borough of Park Ridge.

FINANCIAL INFORMATION**Current Fund Balance and Amounts Utilized in Succeeding Year's Budget**

<u>Year</u>	<u>Fund Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2023 (Unaudited)	\$ 2,422,335	(1)
2022	2,558,330	1,830,000
2021	2,141,521	1,300,000
2020	2,718,575	1,500,000
2019	1,931,707	1,125,000

(1) The Borough's 2024 Budget had not been introduced as of the date of this official statement.

Source: Borough of Park Ridge Annual Audit Reports and 2023 Unaudited Annual Financial Statement.

BUDGET INFORMATION
Water Utility Operating Fund
(As Adopted)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Anticipated Revenues					
Fund Balance	\$ 500,000	\$ 350,000	\$ 400,000	\$ 260,000	\$ 351,328
Water Rents	3,700,924	3,465,585	3,380,131	3,210,945	2,997,713
Miscellaneous	282,000	275,000	275,000	275,000	275,000
Reserve for Woodcliff Lake - Reimbursement	<u>59,801</u>	<u>59,130</u>	<u>54,683</u>	<u>116,293</u>	<u>65,508</u>
	<u>\$ 4,542,725</u>	<u>\$ 4,149,715</u>	<u>\$ 4,109,814</u>	<u>\$ 3,862,238</u>	<u>\$ 3,689,549</u>
Appropriations					
Salaries and Wages	\$ 1,353,191	\$ 1,333,000	\$ 1,370,000	\$ 1,314,000	\$ 1,265,000
Other Expenses	2,218,500	2,016,900	1,851,860	1,875,000	1,928,778
Capital Improvements	200,000	290,000	395,000	168,010	5,000
Debt Service	412,930	249,315	237,144	238,920	234,621
Deferred Charges and Statutory Expenditures	<u>358,104</u>	<u>260,500</u>	<u>255,810</u>	<u>266,308</u>	<u>256,150</u>
	<u>\$ 4,542,725</u>	<u>\$ 4,149,715</u>	<u>\$ 4,109,814</u>	<u>\$ 3,862,238</u>	<u>\$ 3,689,549</u>

Source: Borough of Park Ridge.

FINANCIAL INFORMATION

Water Utility Operating Fund Balance and Amounts Utilized in Succeeding Year's Budget

<u>Year</u>	<u>Fund Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2023 (Unaudited)	\$ 1,608,494	(1)
2022	977,422	500,000
2021	746,462	350,000
2020	978,262	400,000
2019	547,752	260,000

(1) The Borough's 2024 Budget had not been introduced as of the date of this official statement.

Source: Borough of Park Ridge Annual Audit Reports and 2023 Unaudited Annual Financial Statement.

BUDGET INFORMATION
Electric Utility Operating Fund
(As Adopted)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Anticipated Revenues					
Fund Balance	\$ 500,000	\$ 604,000	\$ 704,000	\$ 512,000	\$ 434,480
Electric Rents	9,001,515	8,850,000	8,760,571	8,960,000	9,400,000
Additional Electric Rents		455,175			
Miscellaneous	17,000	17,000	17,566	47,754	40,000
Electric Utility Capital Surplus	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 9,518,515</u>	<u>\$ 9,966,175</u>	<u>\$ 9,482,137</u>	<u>\$ 9,519,754</u>	<u>\$ 9,874,480</u>
Appropriations					
Salaries and Wages	\$ 1,598,645	\$ 1,484,000	\$ 1,314,100	\$ 1,291,000	\$ 1,258,000
Other Expenses	7,290,500	7,970,000	7,770,460	7,712,000	7,913,542
Capital Improvements	150,000	190,000	90,000	55,000	105,000
Debt Service	168,885	71,975	73,475	237,754	366,356
Deferred Charges and Statutory Expenditures	<u>310,485</u>	<u>250,200</u>	<u>234,102</u>	<u>224,000</u>	<u>231,582</u>
	<u>\$ 9,518,515</u>	<u>\$ 9,966,175</u>	<u>\$ 9,482,137</u>	<u>\$ 9,519,754</u>	<u>\$ 9,874,480</u>

Source: Borough of Park Ridge.

FINANCIAL INFORMATION

Electric Utility Operating Fund Balance and Amounts Utilized in Succeeding Year's Budget

<u>Year</u>	<u>Fund Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2023 (Unaudited)	\$ 4,488,804	(1)
2022	1,648,311	500,000
2021	784,515	604,000
2020	875,305	704,000
2019	697,782	512,000

(1) The Borough's 2024 Budget had not been introduced as of the date of this official statement.

Source: Borough of Park Ridge Annual Audit Reports and 2023 Unaudited Annual Financial Statement.

Current Tax Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collection During Year of Levy</u>	
		<u>Amount</u>	<u>Percent</u>
2023 (Unaudited)	\$ 50,473,649	\$ 49,791,570	98.64%
2022	49,037,383	48,734,772	99.38%
2021	47,756,079	47,369,658	99.19%
2020	46,881,615	46,581,533	99.35%
2019	45,671,158	44,653,993	97.77%

Source: Borough of Park Ridge Annual Audit Reports and 2023 Unaudited Annual Financial Statement.

Water Utility Levies

<u>Year</u>	<u>Water Utility Levy</u>	<u>Cash Collections (1)</u>	<u>Percentage of Collection</u>
2023 (Unaudited)	\$ 3,758,465	\$ 3,752,524	96.93%
2022	3,752,677	3,726,098	99.29%
2021	3,380,752	3,294,914	97.46%
2020	3,521,580	3,491,458	99.14%
2019	3,001,636	2,947,529	98.20%

(1) - Includes collection of prior year receivables.

Source: Borough of Park Ridge Annual Audit Reports and 2023 Unaudited Annual Financial Statement.

Electric Utility Levies

<u>Year</u>	<u>Electric Utility Levy</u>	<u>Cash Collections (1)</u>	<u>Percentage of Collection</u>
2023 (Unaudited)	\$ 9,730,113	\$ 9,816,706	100.89%
2022	9,681,185	9,711,353	100.31%
2021	9,106,101	8,878,477	97.49%
2020	8,581,216	8,763,261	102.12%
2019	9,020,376	8,973,979	99.49%

(1) - Includes collection of prior year receivables.

Source: Borough of Park Ridge Annual Audit Reports and 2023 Unaudited Annual Financial Statement.

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Levy</u>
2023 (Unaudited)	\$ -	\$ 603,044	\$ 603,044	1.19%
2022	-	254,531	254,531	0.52%
2021	-	201,539	201,539	0.42%
2020	-	244,740	244,740	0.52%
2019	-	828,696	828,696	1.81%

Source: Borough of Park Ridge Annual Audit Reports and 2023 Unaudited Annual Financial Statement.

Assessed Valuation of Property Owned by the Borough Acquired for Taxes

<u>Year</u>	<u>Amount</u>
2023 (Unaudited)	\$ 100,650
2022	100,650
2021	100,650
2020	100,650
2019	100,650

Source: Borough of Park Ridge Annual Audit Reports and 2023 Unaudited Annual Financial Statement.

Ten Largest Taxpayers

The ten largest taxpayers in the Borough and their 2023 assessed valuations are listed below:

<u>Taxpayer</u>	<u>Assessment</u>
Park Ridge Healthcare Properties, LLC	18,750,000
225 Brae, LLC NJ	16,410,000
Sartak Holdings Inc	15,400,000
Landmark AR Park Rige, LLC	10,000,000
JLM Park Ridge LLC (Marriott)	9,300,000
Ridge Manor Apts. LLC	4,730,000
Park Ridge Hye Partners	4,676,500
PR III/CP Park Ridge Urb Ren LLC	4,181,800
PRAH Associates LLC	3,715,500
Park Ridge Terrace Apts LLC	3,271,700
	<u>\$ 90,435,500</u>

Source: Tax Assessor.

**Assessed Valuation
Land Improvements by Class**

<u>Year</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total</u>
2024	\$ 28,820,400	\$ 1,392,896,003	\$ 135,186,800	\$ 3,815,600	\$ 19,792,100	\$ 1,580,510,903
2023	18,851,300	1,394,277,603	135,186,800	3,815,600	19,792,100	1,571,923,403
2022	19,072,000	1,394,015,215	138,305,800	3,815,600	19,792,100	1,575,000,715
2021	19,702,100	1,397,339,015	138,305,800	3,815,600	19,792,100	1,578,954,615
2020	10,637,900	1,396,037,600	169,405,800	3,815,600	19,792,100	1,599,689,000

Source: Tax Duplicate.

**Assessed Valuations
Net Valuation Taxable**

<u>Year</u>	<u>Real Property</u>	<u>Business Personal Property</u>	<u>Net Valuation Taxable</u>	<u>Assessed Value to True Value of Real Property</u>	<u>Total True Value of Assessed Property</u>
2024	\$ 1,580,510,903	\$ 1,346,005	\$ 1,581,856,908	70.32%	\$ 2,252,504,093
2023	1,571,923,403	1,346,005	1,573,269,408	74.40%	2,136,107,872
2022	1,575,000,715	1,346,005	1,576,346,720	82.96%	1,914,325,769
2021	1,578,954,615	1,394,583	1,580,349,198	85.80%	1,845,042,027
2020	1,599,689,000	1,377,677	1,601,066,677	85.45%	1,876,885,270

Source: Tax Duplicate and Abstract of Ratables of Bergen County.

**Components of Real Estate Tax Rate
(per \$100 of Assessment)**

<u>Year</u>	<u>Total</u>	<u>Municipal (1)</u>	<u>Local School</u>	<u>County (2)</u>
2023	\$ 3.185	\$ 0.764	\$ 2.096	\$ 0.325
2022	3.089	0.760	2.037	0.292
2021	3.020	0.733	1.993	0.294
2020	2.926	0.716	1.922	0.288
2019	2.844	0.685	1.877	0.282

(1) Includes Municipal Open Space Tax and Municipal Library Tax.

(2) Includes County Open Space Tax.

Source: Tax Collector.

**Apportionment of Tax Levy
(Including School and County Purposes)**

<u>Year</u>	<u>Total</u>	<u>Municipal (1)</u>	<u>Local School</u>	<u>County (2)</u>
2023 (Unaudited)	50,473,649	12,371,706	32,971,443	5,130,500
2022	49,037,383	12,314,132	32,097,370	4,625,881
2021	47,756,079	11,625,683	31,493,033	4,637,363
2020	46,881,615	11,497,677	30,766,131	4,617,807
2019	45,671,158	11,118,277	30,018,454	4,534,427

(1) Includes Municipal Open Space Tax and Municipal Library Tax.

(2) Includes County Open Space Tax.

Source: Annual Audit Reports and 2023 Unaudited Annual Financial Statement.

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APPENDIX B

FINANCIAL STATEMENTS OF THE BOROUGH

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**UNAUDITED FINANCIAL INFORMATION OF THE BOROUGH OF PARK RIDGE
FOR THE YEAR ENDED DECEMBER 31, 2023**

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DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
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ROBERT LERCH, CPA, PSA
CHRISTOPHER VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA

ACCOUNTANT'S COMPILATION REPORT

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

Management is responsible for the accompanying balance sheets – regulatory basis of the various funds of the Borough of Park Ridge, as of December 31, 2023 and the related statement of operations and changes in fund balance – regulatory basis, the statement of revenues – regulatory basis and statement of expenditures – regulatory basis of the various funds for the year then ended in accordance with the regulatory basis of accounting. We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements – regulatory basis nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the financial and accounting 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.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the regulatory basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Borough's assets, liabilities, fund balances, revenues and expenditures. Accordingly, the financial statements are not designed for those who are not informed about such matters.

By/s/ LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Registered Municipal Accountants

Fair Lawn, New Jersey
March 20, 2024

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**BOROUGH OF PARK RIDGE
BALANCE SHEET - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2023 (UNAUDITED)**

2023

ASSETS

Cash	\$ 6,522,122
Due to State of New Jersey - Senior Citizens' and Veterans' Deductions	2,486
Grant Receivables	<u>44,253</u>
	<u>6,568,861</u>
Receivables and Other Assets With Full Reserves	
Delinquent Property Taxes Receivable	603,044
Property Acquired for Taxes - Assessed Valuation	100,650
Due from Municipal Library	22,365
Due from Animal Control Fund	9,613
Due from Water Utility Operating Fund	34,438
Due from Electric Utility Operating Fund	13,749
Due from Public Assistance Fund	<u>9</u>
	<u>783,868</u>
Deferred Charges	
Special Emergency Authorizations	<u>156,000</u>
Total Assets	<u><u>\$ 7,508,729</u></u>

**BOROUGH OF PARK RIDGE
BALANCE SHEET - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2023 (UNAUDITED)**

2023

LIABILITIES, RESERVES AND FUND BALANCE

Liabilities

Appropriation Reserves	\$ 1,310,263
Encumbrances Payable	464,201
Accounts Payable	109,193
Tax Overpayments	4,466
PILOT Overpayments	157,500
Prepaid Taxes	190,337
County Taxes Payable	37,246
County PILOT Payable	14,409
Tax Appeal Judgements Payable	681,010
Fees Payable	1,273
Due to Open Space Preservation Trust Fund	1,202
Due to Other Trust Fund	171,780
Due to General Capital Fund	695,998
Due to Water Utility Capital Fund	150,000
Due to Electric Utility Capital Fund	5,000
Reserve for:	
Tax Appeals	188,040
Municipal Relief Aid Fund	39,908
Appropriated Grant Reserves	39,447
Unappropriated Grant Reserves	<u>41,253</u>

4,302,526

Reserve for Receivables and Other Assets	783,868
Fund Balance	<u>2,422,335</u>

Total Liabilities, Reserves and Fund Balance \$ 7,508,729

BOROUGH OF PARK RIDGE
STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -
REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

	<u>2023</u>
REVENUE AND OTHER INCOME REALIZED	
Fund Balance Utilized	\$ 1,830,000
Miscellaneous Revenue Anticipated	4,021,060
Receipts from Delinquent Taxes	254,531
Receipts from Current Taxes	49,691,570
Non-Budget Revenue	223,561
Other Credits to Income	
Unexpended Balances of Appropriation Reserves	544,295
Cancel Prior Year Accounts Payable	<u>1,215</u>
Total Revenue	<u>56,566,232</u>
EXPENDITURES	
Budget Appropriations	
Operations	
Salaries & Wages	6,077,374
Other Expenses	6,811,320
Capital Improvements	100,000
Debt Service	2,025,410
Deferred Charges and Statutory Expenditures	1,598,797
County Taxes	5,130,500
Local District School Tax	32,971,443
Municipal Open Space Tax	111,046
Refund of Prior Years Revenue	15,593
Cancel Other Receivables	3,241
Interfunds	<u>27,503</u>
Total Expenditures	<u>54,872,227</u>
Excess in Revenue	1,694,005
FUND BALANCE, JANUARY 1	<u>2,558,330</u>
	4,252,335
Decreased by:	
Utilization as Anticipated Revenue	<u>1,830,000</u>
FUND BALANCE, DECEMBER 31	<u><u>\$ 2,422,335</u></u>

BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

	<u>Budget</u>	Added By: <u>40A:4-87</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
FUND BALANCE ANTICIPATED	\$ 1,830,000	-	\$ 1,830,000	-
MISCELLANEOUS REVENUES				
Licenses				
Alcoholic Beverages	19,000		19,565	\$ 565
Fees and Permits				
Fire Code Department	53,000		56,509	3,509
Board of Health/Registrar	23,000		24,169	1,169
Fines and Costs - Municipal Court	59,000		72,657	13,657
Interest and Costs on Taxes	60,000		64,550	4,550
Interest on Investments	90,000		424,081	334,081
Insurance Fund Dividends	25,000		25,000	-
Hotel Tax	175,000		288,522	113,522
Recycling Program	12,000		15,926	3,926
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.	50,000		33,494	(16,506)
Tri-Boro Safety Corps. Prior Year Balance Due				-
Reserve for Municipal Relief Aid	19,958		19,958	-
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	385,243		385,243	-
Watershed Moratorium Offset Aid	1,598		1,598	-
Uniform Construction Code Fees	225,000		305,653	80,653
BOE SLEO Reimbursement	169,000		93,772	(75,228)
Recycling Tonnage Grant	11,189		11,189	-
Clean Communities Grant	18,859		18,859	-
State Forestry Grant	6,500		6,500	-
Economic Redevelopment Grant	10,000		10,000	-
Body Armor Grant	2,854		2,854	-
Recreation Grant	40,000		40,000	-
CDBG - Golden Age Club		\$ 21,000	21,000	-
Energy Grant		10,000	10,000	-
Spotted Lanternfly Program Grant		15,000	15,000	-
Stormwater Assistance Grant		15,000	15,000	-
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 and				
Gross Receipts Taxes	500,000		500,000	-
Life Hazard Use Fees	10,000		17,606	7,606
Library Reimbursements	61,000		61,000	-
Excess Sewer User Fees	60,000		81,541	21,541
Cable Television Franchise Fee	137,000		138,724	1,724
Sprint Cell Tower Rent	100,000		121,531	21,531
Park Ridge Transit - PILOT	525,000		545,828	20,828
Police Outside Duty	95,000	-	151,231	56,231
Total Miscellaneous Revenues	3,366,701	61,000	4,021,060	593,359
RECEIPTS FROM DELINQUENT TAXES	225,000	-	254,531	29,531
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET				
Local Tax For Municipal Purposes	11,214,108		11,562,488	348,380
Minimum Library Tax	706,093	-	706,093	-
Total Amount to be Raised by Taxes	11,920,201	-	12,268,581	348,380
	<u>\$ 17,341,902</u>	<u>\$ 61,000</u>	<u>\$ 18,374,172</u>	<u>\$ 971,270</u>

See Accountant's Compilation Report

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
General Administration					
Salaries and Wages	\$ 144,897	\$ 135,397	\$ 134,776	\$ 621	
Other Expenses	81,500	81,500	75,629	5,871	
Other Expenses - Grant Professional	35,000	35,000	35,000	-	
Mayor and Council					
Salaries and Wages	43,200	43,200	43,200	-	
Other Expenses	10,300	10,300	10,216	84	
Municipal Clerk					
Salaries and Wages	182,506	209,458	209,458	-	
Other Expenses	39,500	39,500	27,785	11,715	
Financial Administration					
Salaries and Wages	146,125	146,125	144,136	1,989	
Other Expenses	60,000	57,000	39,756	17,244	
Audit Services					
Other Expenses	48,500	48,500	35,190	13,310	
Revenue Administration					
Salaries and Wages	95,168	74,168	59,091	15,077	
Other Expenses	9,200	9,200	9,118	82	
Tax Assessment Administration					
Salaries and Wages	15,000	18,920	18,919	1	
Other Expenses	28,805	28,805	2,585	26,220	
Other Expenses - Property Appraisals					
Legal Services and Costs					
Other Expenses	275,000	263,566	148,210	115,356	
Other Expenses - Emergency					
Engineering Services and Costs					
Other Expenses	40,000	40,000	24,500	15,500	
LAND USE ADMINISTRATION					
Planning Board					
Salaries and Wages	57,528	68,310	68,309	1	
Other Expenses	12,925	12,925	4,296	8,629	
Zoning Board of Adjustment					
Salaries and Wages	50,193	55,405	55,404	1	
Other Expenses	11,200	11,200	2,738	8,462	
Zoning Officer					
Salaries and Wages	16,618	13,418	5,632	7,786	
Other Expenses	1,100	1,100	250	850	
Housing Task Force					
Salaries and Wages	13,072	13,072	11,410	1,662	
Other Expenses	250	250	-	250	
INSURANCE					
General Liability	185,000	206,659	165,182	41,477	
Employee Group Health	1,404,000	1,283,619	1,283,155	464	
Employee Group Health Waiver	35,000	35,000	31,036	3,964	
Tri-Boro Ambulance	8,500	8,500	6,148	2,352	

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Continued)					
PUBLIC SAFETY FUNCTIONS					
Police					
Salaries and Wages	\$ 3,428,687	\$ 3,479,967	\$ 3,417,128	\$ 62,839	
Salaries and Wages - ARPA				-	
Other Expenses	140,450	140,450	122,214	18,236	
Pistol Range					
Other Expenses	24,500	24,500	20,234	4,266	
Police Reserves/EMC					
Salaries and Wages	20,000	20,000	15,375	4,625	
Other Expenses	29,400	29,400	10,099	19,301	
Tri-Borough Safety Corps					
Other Expenses	89,500	89,500	62,992	26,508	
Police Dispatch/911					
Other Expenses	210,711	210,711	210,671	40	
Emergency Management Services					
Salaries and Wages	7,725	7,725	7,500	225	
Other Expenses	8,200	11,200	7,832	3,368	
First Aid Organization					
Other Expenses - Contribution	20,000	20,000	20,000	-	
Fire Department					
Salaries and Wages	72,500	72,500	70,000	2,500	
Other Expenses	105,550	105,550	104,669	881	
Fire Hydrant Services	22,000	22,000	18,133	3,867	
Fire Prevention					
Salaries and Wages	49,675	49,675	49,000	675	
Other Expenses	7,800	7,800	6,655	1,145	
PUBLIC WORKS FUNCTION					
Streets and Road Maintenance					
Salaries and Wages	862,062	865,262	795,404	69,858	
Salaries and Wages - ARPA				-	
Other Expenses	241,350	241,350	169,738	71,612	
Sewer System					
Salaries and Wages	10,000	10,000	1,049	8,951	
Other Expenses	12,500	12,500	7,993	4,507	
Shade Tree					
Other Expenses	15,700	15,700	3,304	12,396	
Solid Waste Collection					
Other Expenses - Sanitation	766,601	766,601	752,062	14,539	
Other Expenses - Sanitation - ARPA				-	
Other Expenses - Recycling	146,711	146,711	140,123	6,588	
Building and Grounds					
Salaries and Wages	95,501	99,788	99,788	-	
Other Expenses	116,700	116,700	97,343	19,357	
Other Expenses - Contractual	78,000	78,000	78,000	-	
Vehicle Maintenance					
Salaries and Wages	125,500	122,500	117,813	4,687	
Other Expenses	102,000	102,000	81,051	20,949	

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

	<u>Budget</u>	<u>Appropriated Budget After Modification</u>	<u>Expended Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Cont'd)					
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries and Wages	\$ 28,083	\$ 15,833	\$ 13,005	\$ 2,828	
Other Expenses	61,375	60,175	59,555	620	
Administration of Public Assistance					
Salaries and Wages	11,500	11,500	10,876	624	
Other Expenses	1,500	800	-	800	
Aid to Mental Health					
Other Expenses	9,000	9,000	9,000	-	
PARKS AND RECREATION FUNCTIONS					
Recreation Services and Programs					
Salaries and Wages	37,000	40,881	40,881	-	
Other Expenses	23,050	23,050	17,734	5,316	
Senior Citizens					
Salaries and Wages	14,000	14,500	12,468	2,032	
Other Expenses	7,500	7,500	7,500	-	
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events	7,500	8,200	8,169	31	
Park Ridge Television					
Salaries and Wages	12,610	12,610	12,240	370	
Other Expenses	12,250	12,250	10,188	2,062	
Municipal Services Act					
Other Expenses	35,000	35,000	3,654	31,346	
UNIFORM CONSTRUCTION CODE					
APPROPRIATIONS OFFSET BY DEDICATED					
REVENUES (N.J.A.C. 5:23-4-17)					
Construction Code Official					
Salaries and Wages	234,590	248,160	248,157	3	
Other Expenses	25,100	25,100	15,124	9,976	
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	82,000	77,000	77,000	-	
Telephone	25,000	25,000	20,544	4,456	
Water	17,500	17,500	14,049	3,451	
Gas and Oil	20,500	26,500	26,413	87	
Gasoline	120,000	120,000	85,113	34,887	
OPERATIONS - WITHIN "CAPS" (Cont'd)					
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Dumping Fees	90,000	90,000	48,647	41,353	-
Total Operations Within "CAPS"	<u>10,734,468</u>	<u>10,698,746</u>	<u>9,877,616</u>	<u>821,130</u>	<u>-</u>
Detail:					
Salaries and Wages	5,773,740	5,848,374	5,661,019	187,355	-
Other Expenses	<u>4,960,728</u>	<u>4,850,372</u>	<u>4,216,597</u>	<u>633,775</u>	<u>-</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)**

	<u>Budget</u>	<u>Appropriated Budget After Modification</u>	<u>Expended Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Deferred Charges					
Overexpenditure of Budget Appropriations	\$ 33,990	\$ 33,990	\$ 33,990		
Statutory Expenditures					
Contribution to					
Social Security System	270,000	270,000	232,416	\$ 37,584	
Defined Contribution Retirement Plan	6,000	6,000	4,527	1,473	
Police & Firemen Retirement System	880,794	883,964	883,964	-	
Public Employees Retirement System	262,916	295,468	295,468	-	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>1,453,700</u>	<u>1,489,422</u>	<u>1,450,365</u>	<u>39,057</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>12,188,168</u>	<u>12,188,168</u>	<u>11,327,981</u>	<u>860,187</u>	<u>-</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Recycling Tax	15,000	15,000	-	15,000	
SEWERAGE PROCESSING AND DISPOSAL					
Bergen County Utilities Authority-Sewer Fees	748,000	748,000	747,250	750	
EDUCATION FUNCTIONS					
Maintenance of Free Public Library	706,093	706,093	534,128	171,965	
OPERATIONS - EXCLUDED FROM "CAPS" (Cont'd)					
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS					
Municipal Court					
Other Expenses - Contractual	122,820	122,820	84,224	38,596	
CCO Official - Little Ferry					
Salaries and Wages	60,000	60,000	57,582	2,418	
BOE SLEO Reimbursement Salary					
Salaries and Wages	169,000	169,000	89,401	79,599	
INSURANCE					
Employee Group Health	66,100	66,100	66,100	-	
SOLID WASTE COLLECTION					
Other Expenses - Recycling	14,539	14,539	14,539	-	
STATUTORY EXPENDITURES					
Police and Firemen's Retirement System of NJ	63,994	63,994	63,994	-	
PUBLIC SAFETY FUNCTION					
LOSAP					
Fire Department	54,000	54,000	-	54,000	
Tri-Borough Ambulance	20,000	20,000	-	20,000	-
Total Other Operations Excluded from "CAPS"	<u>2,039,546</u>	<u>2,039,546</u>	<u>1,657,218</u>	<u>382,328</u>	<u>-</u>

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

	<u>Budget</u>	<u>Appropriated Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserved</u>	<u>Unexpended Balance Cancelled</u>
PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES					
Municipal Drug Alliance Program					
Salaries & Wages			-	-	
Clean Communities Grant	18,859	18,859	9,500	9,359	
Recycling Tonnage Grant	11,189	11,189		11,189	
Stormwater Assistance Program		15,000		15,000	
Body Armor Grant	2,854	2,854		2,854	
State Forestry Grant	6,500	6,500		6,500	
Economic Redevelopment Growth	10,000	10,000		10,000	
Local Recreation Grant	40,000	40,000	37,154	2,846	
CDBG - Golden Age Program Grant		21,000	21,000	-	
Spotted Lattern Fly Grant Program		15,000	15,000	-	
Sustainable Jersey Small Grant - Energy	-	10,000	-	10,000	-
Total Public and Private Programs					
Offset by Revenues	89,402	150,402	82,654	67,748	-
Total Operations Excluded from "CAPS"	\$ 2,128,948	\$ 2,189,948	\$ 1,739,872	\$ 450,076	-
Detail:					
Salaries and Wages	229,000	229,000	146,983	82,017	-
Other Expenses	1,899,948	1,960,948	1,592,889	368,059	-
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund/Down Payment on Improvements	100,000	100,000	100,000	-	-
Total Capital Improvements Excluded from "CAPS"	100,000	100,000	100,000	-	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	1,514,000	1,514,000	1,514,000	-	
Payment of Bond Anticipation Notes and Capital Notes	106,000	106,000	106,000	-	
Interest on Bonds	133,665	133,665	133,665	-	
Interest on Notes	158,803	158,803	158,802	-	\$ 1
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	112,943	112,943	112,943	-	-
Total Municipal Debt Service Excluded from "CAPS"	2,025,411	2,025,411	2,025,410	-	1

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

	<u>Budget</u>	<u>Appropriated Budget After Modification</u>	<u>Expended Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
DEFERRED CHARGES MUNICIPAL- EXCLUDED FROM "CAPS"					
DEFERRED CHARGES					
Emergency Authorizations				-	-
Special Emergency Authorization - 5 Years (NJSA 40A:4-55)	52,000	52,000	52,000	-	-
Unfunded Ordinance 18-10, 18-12, 18-14	8,369	8,369	8,369	-	-
Unfunded Ordinance 18-12	34,806	34,806	34,806	-	-
Unfunded Ordinance 18-14	14,200	14,200	14,200	-	-
Total Deferred Charges Municipal Excluded from "CAPS"	109,375	109,375	109,375	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	4,363,734	4,424,734	3,974,657	450,076	1
Subtotal General Appropriations	16,551,902	16,612,902	15,302,638	1,310,263	1
Reserve for Uncollected Taxes	790,000	790,000	790,000	-	-
Total General Appropriations	\$ 17,341,902	\$ 17,402,902	\$ 16,092,638	\$ 1,310,263	\$ 1
Budget		\$ 17,341,902			
Added by 40A:4-87		61,000			
		\$ 17,402,902			

**BOROUGH OF PARK RIDGE
BALANCE SHEET - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2023 (UNAUDITED)**

ASSETS	<u>2023</u>
ANIMAL CONTROL TRUST FUND	
Cash	\$ <u>22,164</u>
OTHER TRUST FUND	
Cash	1,498,079
Police Outside Duty Receivable	79,765
Due from Current Fund	171,780
Due from Water Utility Operating Fund	10,000
Due from Electric Utility Operating Fund	<u>10,000</u>
	<u>1,769,624</u>
UNEMPLOYMENT INSURANCE TRUST FUND	
Cash	<u>108,510</u>
OPEN SPACE PRESERVATION TRUST FUND	
Cash	417,720
Due from Current Fund	1,202
Contributions Receivable	<u>7,333</u>
	<u>426,255</u>
AFFORDABLE HOUSING TRUST FUND	
Cash	<u>475,573</u>
Total Assets	<u>\$ 2,802,126</u>

**BOROUGH OF PARK RIDGE
BALANCE SHEET - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2023 (UNAUDITED)**

LIABILITIES AND RESERVES	<u>2023</u>
ANIMAL CONTROL TRUST FUND	
Due to State of New Jersey	\$ 85
Due to Current Fund	9,613
Reserve for Animal Control Expenditures	<u>12,466</u>
	<u>22,164</u>
OTHER TRUST FUND	
Payroll Deductions Payable	67,084
Miscellaneous Reserves & Deposits	1,622,775
Reserve for Police Outside Duty Receivable	<u>79,765</u>
	<u>1,769,624</u>
UNEMPLOYMENT INSURANCE TRUST FUND	
Reserve for Unemployment Insurance Benefits	<u>108,510</u>
OPEN SPACE PRESERVATION TRUST FUND	
Due to General Capital Fund	107,167
Reserve for Open Space Expenditures	<u>319,088</u>
	<u>426,255</u>
AFFORDABLE HOUSING TRUST FUND	
Reserve for Affordable Housing	<u>475,573</u>
 Total Liabilities and Reserves	 <u><u>\$ 2,802,126</u></u>

**BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES-REGULATORY BASIS
OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)**

	<u>Anticipated (Memo)</u>		
	<u>Budget</u>	Budget After <u>Modification</u>	<u>Realized</u>
Amount to be Raised by Taxation	\$ 110,129	\$ 110,129	\$ 110,129
	<u>\$ 110,129</u>	<u>\$ 110,129</u>	<u>\$ 110,129</u>

EXHIBIT B-2

**STATEMENT OF APPROPRIATIONS-REGULATORY BASIS
OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)**

	<u>Appropriated (Memo)</u>		<u>Expended</u>	
	<u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	<u>Reserved</u>
Maintenance of Lands for Recreation and Conservation				
Other Expenses		\$ 23,000	\$ 23,000	-
Reserve for Future Use	110,129	87,129	87,129	-
	<u>\$ 110,129</u>	<u>\$ 110,129</u>	<u>\$ 110,129</u>	<u>\$ -</u>

BOROUGH OF PARK RIDGE
BALANCE SHEET - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2023 (UNAUDITED)

2023

ASSETS

Cash	\$ 1,248,909
Other Accounts Receivable	14,000
Grants Receivable	731,369
Due from Current Fund	695,998
Due from Open Space Preservation Trust Fund	107,167
Due from Water Utility Operating Fund	100
Due from Electric Utility Capital Fund	962,750
Deferred Charges to Future Taxation	
Funded	4,407,767
Unfunded	<u>12,385,292</u>
 Total Assets	 <u><u>\$ 20,553,352</u></u>

LIABILITIES, RESERVES AND FUND BALANCE

Serial Bonds	\$ 3,695,000
Green Trust Loans	712,767
Bond Anticipation Notes	7,082,546
Encumbrances Payable	671,363
Improvement Authorizations	
Funded	472,891
Unfunded	5,605,252
Due to Water Utility Capital Fund	226,250
Capital Improvement Fund	187,000
Reserve for Preliminary Expenses	7,371
Reserve for Community Center	508,675
Reserve for Sewer Improvements	208,260
Reserve for FEMA - Field Improvements	522,740
Reserve for Sulak Field Improvements	42,120
Reserve for Payment of Debt	36,626
Reserve for Grants Receivable	397,049
Fund Balance	<u>177,442</u>
 Total Liabilities, Reserves and Fund Balance	 <u><u>\$ 20,553,352</u></u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2023 (Unaudited) of \$6,483,305.

BOROUGH OF PARK RIDGE
STATEMENT OF CHANGE IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

	<u>2023</u>
Balance, January 1	\$ 68,184
Increased by:	
Premium on Bond Anticipation Notes Issued	22,648
Funded Improvement Authorizations Cancelled	<u>86,610</u>
	<u>\$ 177,442</u>

**BOROUGH OF PARK RIDGE
BALANCE SHEET - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2023 (UNAUDITED)**

2023

ASSETS

OPERATING FUND

Cash	\$ 4,421,204
Due from Utility Trust Fund	<u>40,711</u>
	<u>4,461,915</u>

Receivables With Full Reserves

Water Usage Charges Receivable	346,267
Other Charges Receivable	100,266
Woodcliff Lake Surcharge Receivable	<u>60,996</u>

507,529

Total Operating Fund

4,969,444

CAPITAL FUND

Cash	1,736,389
Due from Current Fund	150,000
Due from General Capital Fund	226,250
Due from Water Utility Operating Fund	113,611
Fixed Capital	16,399,944
Fixed Capital Authorized and Uncompleted	<u>5,879,259</u>

Total Capital Fund

24,505,453

\$ 29,474,897

BOROUGH OF PARK RIDGE
BALANCE SHEET - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2023 (UNAUDITED)
(Continued)

	<u>2023</u>
LIABILITIES, RESERVES AND FUND BALANCE	
OPERATING FUND	
Liabilities	
Appropriation Reserves	\$ 445,421
Encumbrances Payable	400,532
Overpayments	33,446
Accounts Payable	8,336
Accrued Interest on Bonds and Notes	122,844
Due to Other Trust Fund	10,000
Due to Current Fund	34,438
Due to General Capital Fund	100
Due to Water Capital Fund	113,611
Due to Electric Utility Operating Fund	4,668
Miscellaneous Reserves	<u>1,680,025</u>
	2,853,421
Reserve for Receivables	507,529
Fund Balance	<u>1,608,494</u>
Total Operating Fund	<u>4,969,444</u>
CAPITAL FUND	
Serial Bonds Payable	1,077,000
Bond Anticipation Notes	4,232,454
Encumbrances Payable	753,814
Improvement Authorization	
Funded	149,814
Unfunded	2,913,477
Due to Electric Utility Capital Fund	12,972
Capital Improvement Fund	208,919
Reserve for Capital Improvements	190,000
Reserve for Amortization	14,563,601
Deferred Reserve for Amortization	308,502
Fund Balance	<u>94,900</u>
Total Capital Fund	<u>24,505,453</u>
	<u>\$ 29,474,897</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2023 (Unaudited)of \$2,097,646.

BOROUGH OF PARK RIDGE
STATEMENT OF OPERATIONS AND CHANGE IN OPERATING FUND BALANCE
REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

	<u>2023</u>
REVENUES AND OTHER INCOME REALIZED	
Fund Balance Utilized	\$ 500,000
Water Usage Charges	3,785,038
Miscellaneous Charges and Fees	323,088
Reserve for Woodcliff Lake Improvements - Reimbursements	
Holly Court Water Tank - Debt Service	52,101
Installation of New Well & Pumping Station - Debt Service	1,392
Water Main at Glen Road	6,308
Non-Budget Revenue	313,806
Other Credits	
Appropriation Reserves Lapsed	<u>679,007</u>
Total Income	<u>5,660,740</u>
EXPENDITURES	
Operating	3,571,691
Capital Improvements	200,000
Debt Service	399,873
Deferred Charges and Statutory Expenditures	<u>358,104</u>
Total Expenditures	<u>4,529,668</u>
Excess in Revenue	1,131,072
Fund Balance, January 1,	<u>977,422</u>
	2,108,494
Decreased by:	
Utilized as Anticipated Revenue	<u>500,000</u>
Balance, December 31,	<u>\$ 1,608,494</u>

BOROUGH OF PARK RIDGE
STATEMENT OF CHANGE IN FUND BALANCE- REGULATORY BASIS
WATER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

	<u>2023</u>
Balance, January 1	\$ 75,600
Increased by:	
Premium on Bond Anticipation Notes Issued	<u>19,300</u>
Balance, December 31,	<u>\$ 94,900</u>

BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

	<u>Anticipated</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	\$ 500,000	\$ 500,000	
Water Usage Charges	3,700,924	3,785,038	\$ 84,114
Miscellaneous Charges and Fees	282,000	323,088	41,088
Reserve for Woodcliff Lake Improvements - Reimbursements			
Holly Court Water Tank - Debt Service	52,101	52,101	
Installation of New Well & Pumping Station - Debt Service	1,392	1,392	
Water Main at Glen Road	<u>6,308</u>	<u>6,308</u>	<u>-</u>
	<u>\$ 4,542,725</u>	<u>\$ 4,667,927</u>	<u>\$ 125,202</u>

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

	<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	\$ 1,353,191	\$ 1,353,191	\$ 1,330,479	\$ 22,712	
Other Expenses	<u>2,218,500</u>	<u>2,218,500</u>	<u>1,911,738</u>	<u>306,762</u>	<u>-</u>
Total Operating	<u>3,571,691</u>	<u>3,571,691</u>	<u>3,242,217</u>	<u>329,474</u>	<u>-</u>
CAPITAL IMPROVEMENTS					
Capital Outlay	<u>200,000</u>	<u>200,000</u>	<u>90,796</u>	<u>109,204</u>	<u>-</u>
Total Capital Improvements	<u>200,000</u>	<u>200,000</u>	<u>90,796</u>	<u>109,204</u>	<u>-</u>
DEBT SERVICE					
Payment of Bond Principal	190,000	190,000	190,000		
Payment of Note Principal	7,700	7,700	7,700		\$ -
Interest on Bonds	33,700	33,700	32,337		1,363
Interest on Notes	<u>181,530</u>	<u>181,530</u>	<u>169,836</u>	<u>-</u>	<u>11,694</u>
Total Debt Service	<u>412,930</u>	<u>412,930</u>	<u>399,873</u>	<u>-</u>	<u>13,057</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Deferred Charges					
Overexpenditure of Appropriations	56,764	56,764	56,764		
Statutory Expenditures					
Contribution to					
Public Employees Retirement System	197,340	197,340	197,337	3	
Defined Contribution Retirement Program	1,000	1,000	401	599	
Social Security System (O.A.S.I.)	<u>103,000</u>	<u>103,000</u>	<u>96,859</u>	<u>6,141</u>	<u>-</u>
Total Deferred Charges and Statutory Expenditures	<u>358,104</u>	<u>358,104</u>	<u>351,361</u>	<u>6,743</u>	<u>-</u>
	<u>\$ 4,542,725</u>	<u>\$ 4,542,725</u>	<u>\$ 4,084,247</u>	<u>\$ 445,421</u>	<u>\$ 13,057</u>

**BOROUGH OF PARK RIDGE
BALANCE SHEET - REGULATORY BASIS
ELECTRIC UTILITY FUND
AS OF DECEMBER 31, 2023 (UNAUDITED)**

	<u>2023</u>
ASSETS	
OPERATING FUND	
Cash	\$ 6,581,325
Due from Water Utility Operating Fund	4,668
Due from Utility Trust Fund	<u>28,414</u>
	<u>6,614,407</u>
Receivables With Full Reserves	
Light and Power Charges Receivable	464,701
Other Charges Receivable	<u>18,886</u>
	<u>483,587</u>
Deferred Charges	
Overexpenditure of Appropriation	<u>22,275</u>
Total Operating Fund	<u>7,120,269</u>
CAPITAL FUND	
Cash	1,579,262
Due from Current Fund	5,000
Due from Water Utility Capital Fund	12,972
Due from Electric Utility Operating Fund	98,920
Fixed Capital	14,064,249
Fixed Capital Authorized and Uncompleted	<u>4,151,644</u>
Total Capital Fund	<u>19,912,047</u>
	<u>\$ 27,032,316</u>

**BOROUGH OF PARK RIDGE
BALANCE SHEET - REGULATORY BASIS
ELECTRIC UTILITY FUND
AS OF DECEMBER 31, 2023 (UNAUDITED)
(Continued)**

	<u>2023</u>
LIABILITIES, RESERVES AND FUND BALANCE	
OPERATING FUND	
Liabilities	
Appropriation Reserves	\$ 1,441,165
Encumbrances Payable	381,668
Accrued Interest on Bonds and Notes	90,273
Accounts Payable	7,219
Other Liabilities	104,884
Due to Current Fund	13,749
Due to Other Trust Fund	10,000
Due to Electric Utility Capital Fund	<u>98,920</u>
	2,147,878
Reserve for Receivables	483,587
Fund Balance	<u>4,488,804</u>
Total Operating Fund	<u>7,120,269</u>
CAPITAL FUND	
Serial Bonds	335,000
Bond Anticipation Notes	3,245,000
Encumbrances Payable	190,490
Improvement Authorizations	
Funded	20,854
Unfunded	1,090,998
Due to General Capital Fund	962,750
Capital Improvement Fund	77,750
Reserve for Capital Improvements	12,500
Reserve for Amortization	13,579,534
Deferred Reserve for Amortization	366,360
Fund Balance	<u>30,811</u>
Total Capital Fund	<u>19,912,047</u>
	<u><u>\$ 27,032,316</u></u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2023 (Unaudited) of \$690,000.

BOROUGH OF PARK RIDGE
STATEMENT OF OPERATIONS AND CHANGE IN OPERATING FUND BALANCE -
REGULATORY BASIS - ELECTRIC UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

	<u>2023</u>
REVENUES AND OTHER INCOME REALIZED	
Fund Balance Utilized	\$ 500,000
Light and Power Charges	9,841,481
Miscellaneous Charges and Fees	17,441
Non-Budget Revenue	398,914
Other Credits to Income	
Appropriation Reserves Lapsed	<u>2,100,984</u>
Total Income	<u>12,858,820</u>
EXPENDITURES	
Operating	8,889,145
Capital Improvements	150,000
Debt Service	190,972
Deferred Charges and Statutory Expenditures	<u>310,485</u>
Total Expenditures	<u>9,540,602</u>
Excess in Revenue	3,318,218
Adjustments to Income before Fund Balance:	
Expenditures Included Above Which are by Statute	
Deferred Charges to Budget of Succeeding Year	<u>22,275</u>
Statutory Excess to Fund Balance	3,340,493
Fund Balance, January 1,	<u>1,648,311</u>
	4,988,804
Decreased by:	
Utilized as Anticipated Revenue	<u>500,000</u>
Balance, December 31,	<u><u>\$ 4,488,804</u></u>

**BOROUGH OF PARK RIDGE
STATEMENT OF CHANGE IN FUND BALANCE- REGULATORY BASIS
ELECTRIC UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)**

	<u>2023</u>
Balance, January 1	\$ 16,014
Increased by:	
Premium on Bond Anticipation Notes Issued	<u>14,797</u>
Balance, December 31,	<u>\$ 30,811</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
ELECTRIC UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)**

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 500,000	\$ 500,000	
Light and Power Charges	9,001,515	9,841,481	\$ 839,966
Miscellaneous Charges and Fees	<u>17,000</u>	<u>17,441</u>	<u>441</u>
	<u>\$ 9,518,515</u>	<u>\$ 10,358,922</u>	<u>\$ 840,407</u>

BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
ELECTRIC UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

	<u>Appropriated</u>		<u>Expended</u>			
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Overexpended</u>	<u>Cancelled</u>
OPERATING						
Salaries and Wages	\$ 1,598,645	\$ 1,598,645	\$ 1,306,395	\$ 292,250		
Other Expenses	1,425,500	1,425,500	895,929	529,571		
Purchase of Electric Current	5,210,000	5,210,000	4,660,324	549,676		
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	8,889,145	8,889,145	7,517,648	1,371,497	-	-
CAPITAL IMPROVEMENTS						
Capital Improvement Fund	50,000	50,000	50,000			
Capital Outlay	100,000	100,000	47,933	52,067	-	-
Total Capital Improvements	150,000	150,000	97,933	52,067	-	-
MUNICIPAL DEBT SERVICE -						
Payment of Bond Principal	60,000	60,000	60,000			
Interest on Bonds	10,475	10,475	10,287	-		\$ 188
Interest on Notes	98,410	98,410	120,685	-	\$ 22,275	-
Total Municipal Debt Service	168,885	168,885	190,972	-	22,275	188
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
Deferred Charges						
Overexpenditure of Appropriations	27,735	27,735	27,735			
Statutory Expenditures						
Contribution to						
Public Employees Retirement System	171,750	171,750	171,749	1		
Social Security System (O.A.S.I.)	110,000	110,000	92,988	17,012		
Defined Contribution Retirement Program	1,000	1,000	402	598	-	-
Total Deferred Charges and Statutory Expenditures	310,485	310,485	292,874	17,611	-	-
	<u>\$ 9,518,515</u>	<u>\$ 9,518,515</u>	<u>\$ 8,099,427</u>	<u>\$ 1,441,175</u>	<u>\$ 22,275</u>	<u>\$ 188</u>

**BOROUGH OF PARK RIDGE
BALANCE SHEET - REGULATORY BASIS
UTILITY TRUST FUND
AS OF DECEMBER 31, 2023 (UNAUDITED)**

ASSETS	<u>2023</u>
Cash	\$ 1,103,300
	<u>\$ 1,103,300</u>
 LIABILITIES AND RESERVES	
Deposits Payable	
Water Customers	\$ 611,855
Electric Customers	422,320
Due to Water Utility Operating Fund	40,711
Due to Electric Utility Operating Fund	<u>28,414</u>
 Total Liabilities and Reserves	 <u>\$ 1,103,300</u>

**BOROUGH OF PARK RIDGE
BALANCE SHEET - REGULATORY BASIS
SWIM POOL UTILITY FUND
AS OF DECEMBER 31, 2023 (UNAUDITED)**

2023

ASSETS

OPERATING FUND

Cash	\$ 445,621
Due from Swim Pool Utility Capital Fund	<u>41</u>

445,662

Deferred Charges

Special Emergency Authorizations	<u>123,000</u>
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Total Operating Fund	<u>568,662</u>
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CAPITAL FUND

Cash	35,656
Fixed Capital	<u>1,221,078</u>

Total Capital Fund	<u>1,256,734</u>
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	<u><u>\$ 1,825,396</u></u>
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**BOROUGH OF PARK RIDGE
BALANCE SHEET - REGULATORY BASIS
SWIM POOL UTILITY FUND
AS OF DECEMBER 31, 2023 (UNAUDITED)
(Continued)**

	<u>2023</u>
LIABILITIES, RESERVES AND FUND BALANCE	
OPERATING FUND	
Liabilities	
Appropriation Reserves	\$ 31,666
Accounts Payable	756
Encumbrances Payable	<u>1,370</u>
	33,792
Fund Balance	<u>534,870</u>
Total Operating Fund	<u>568,662</u>
CAPITAL FUND	
Due to Swim Pool Utility Operating Fund	41
Capital Improvement Fund	16,000
Reserve for Amortization	1,221,078
Fund Balance	<u>19,615</u>
Total Capital Fund	<u>1,256,734</u>
	<u><u>\$ 1,825,396</u></u>

There were no Bonds and Notes Authorized But Not Issued on December 31, 2023 (Unaudited).

BOROUGH OF PARK RIDGE
STATEMENT OF OPERATIONS AND CHANGE IN OPERATING FUND BALANCE -
REGULATORY BASIS
SWIM POOL UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

	<u>2023</u>
REVENUES AND OTHER INCOME REALIZED	
Fund Balance Utilized	\$ 100,000
Membership Fees	338,605
Miscellaneous Fees	88,673
Non-Budget Revenue	30
Other Credits	
Appropriation Reserves Lapsed	<u>44,152</u>
Total Income	<u>571,460</u>
EXPENDITURES	
Operating	368,852
Capital Improvements	19,000
Deferred Charges and Statutory Expenditures	<u>56,055</u>
Total Expenditures	<u>443,907</u>
Excess in Revenue	127,553
Fund Balance, January 1,	<u>507,317</u>
	634,870
Decreased by:	
Utilized as Anticipated Revenue	<u>100,000</u>
Balance, December 31,	<u><u>\$ 534,870</u></u>

**BOROUGH OF PARK RIDGE
STATEMENT OF CHANGE IN FUND BALANCE- REGULATORY BASIS
SWIM POOL UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)**

	<u>2023</u>
Balance, January 1	\$ <u>19,615</u>
Balance, December 31,	\$ <u><u>19,615</u></u>

**BOROUGH OF PARK RIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
SWIM POOL UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)**

	<u>Anticipated</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Utilized	\$ 100,000	\$ 100,000	
Membership Fees	298,607	338,605	\$ 39,998
Miscellaneous	<u>45,300</u>	<u>88,673</u>	<u>43,373</u>
	<u>\$ 443,907</u>	<u>\$ 527,278</u>	<u>\$ 83,371</u>

**BOROUGH OF PARK RIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SWIM POOL UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)**

	<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	\$ 194,302	\$ 194,302	\$ 187,280	\$ 7,022
Other Expenses	<u>174,550</u>	<u>174,550</u>	<u>169,634</u>	<u>4,916</u>
Total Operating	<u>368,852</u>	<u>368,852</u>	<u>356,914</u>	<u>11,938</u>
CAPITAL IMPROVEMENTS				
Capital Outlay	<u>19,000</u>	<u>19,000</u>	<u>-</u>	<u>19,000</u>
Total Capital Improvements	<u>19,000</u>	<u>19,000</u>	<u>-</u>	<u>19,000</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES				
Deferred Charges				
Special Emergency Authorization	41,000	41,000	41,000	
Statutory Expenditures				
Contribution to Social Security System (O.A.S.I.)	<u>15,055</u>	<u>15,055</u>	<u>14,327</u>	<u>728</u>
Total Deferred Charges and Statutory Expenditures	<u>56,055</u>	<u>56,055</u>	<u>55,327</u>	<u>728</u>
	<u>\$ 443,907</u>	<u>\$ 443,907</u>	<u>\$ 412,241</u>	<u>\$ 31,666</u>

**BOROUGH OF PARK RIDGE
BALANCE SHEET - REGULATORY BASIS
PUBLIC ASSISTANCE FUND
AS OF DECEMBER 31, 2023 (UNAUDITED)**

2023

ASSETS

Cash	\$ 10,139
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\$ 10,139

LIABILITIES AND RESERVES

Due to Current Fund	\$ 9
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Reserve for Public Assistance	<u>10,130</u>
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\$ 10,139

**INDEPENDENT AUDITORS REPORT AND
FINANCIAL STATEMENTS OF THE BOROUGH OF PARK RIDGE
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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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
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ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Park Ridge, as of December 31, 2022 and 2021, and the related statements of operations and changes in fund balance - regulatory basis, the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the years then ended, and the related notes to the financial statements.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the possible effects of the matters discussed in the Basis for Qualified Opinion on Regulatory Basis of Accounting section of our report, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough of Park Ridge as of December 31, 2022 and 2021, and the results of operations and changes in fund balance – regulatory basis of such funds, the respective revenues – regulatory basis and expenditures – regulatory basis of the various funds for the years then ended in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Park Ridge as of December 31, 2022 and 2021, or changes in financial position, or, where applicable, cash flows for the years then ended.

Basis for Opinions

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

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 17 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough's financial statements as of and for the years ended December 31, 2022 and 2021. The LOSAP Trust Fund financial activities are included in the Borough's Trust Funds, and represent 49.0 percent and 54.4 percent of the assets and liabilities of the Borough's Trust Funds as of December 31, 2022 and 2021, respectively.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Park Ridge on the basis of the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the financial reporting requirements of the State of New Jersey for municipal government entities. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

By/s/ LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Registered Municipal Accountants

Fair Lawn, New Jersey
September 12, 2023

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

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

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

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

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

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

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

	<u>2022</u>		<u>2021</u>	
	<u>Budget After</u>	<u>Realized</u>	<u>Budget After</u>	<u>Realized</u>
	<u>Modification</u>		<u>Modification</u>	
FUND BALANCE ANTICIPATED	\$ 1,300,000	\$ 1,300,000	\$ 1,500,000	\$ 1,500,000
MISCELLANEOUS REVENUES				
Licenses				
Alcoholic Beverages	19,000	19,315	19,000	19,815
Fees and Permits				
Fire Code Department	53,000	64,780	53,500	54,901
Board of Health/Registrar	23,000	26,714	21,000	26,196
Fines and Costs - Municipal Court	40,000	59,028	80,000	45,538
Interest and Costs on Taxes	70,000	69,345	60,000	80,221
Interest on Investments	10,000	119,179	29,000	16,303
Insurance Fund Dividends	25,000	25,000	25,000	25,000
Hotel Tax	75,000	219,425	75,000	104,986
Recycling Program	12,000	16,025	12,000	17,695
Cable Television Franchise Fee	137,000	141,059	143,000	137,839
Water Utility Rental Fees	105,000	105,000	105,000	105,000
Electric Utility Rental Fees	30,000	30,000	30,000	30,000
Pistol Range Fee	28,500	32,500	28,500	32,500
Tri-Boro Safety Corps.	50,000	56,342	50,000	21,390
Tri-Boro Safety Corps. - Prior Year Balance	25,000	40,197		
Consolidated Municipal Property Tax Relief Aid	-	-	16,161	16,161
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	382,598	382,598	366,437	366,437
Watershed Moratorium Offset Aid	1,598	1,598	1,598	1,598
Uniform Construction Code Fees	250,000	248,326	388,000	266,201
Body Armor Grant			1,666	1,666
Drunk Driving Enforcement			800	800
Recycling Tonnage Grant	15,296	15,296		
Clean Communities Grant	18,788	18,788		
Municipal Alliance	444	444	3,126	3,126
JIF Safety Award Grant	1,000	1,000		
Body Worn Camera Grant			44,836	44,836
Water Utility - Payments in Lieu of Taxes	100,000	100,000	100,000	100,000
Electric Utility - Payments in Lieu of Taxes	155,000	155,000	155,000	155,000
Electric Utility Payment in Lieu of Franchise and				
Gross Receipts Taxes	500,000	500,000	500,000	500,000
Life Hazard Use Fees	14,000	12,777	14,000	21,601
Library Reimbursements	61,000	61,000	61,000	61,000
Excess Sewer User Fees	40,000	74,830	45,000	42,562
Sprint Cell Tower Rent	96,000	104,653	96,000	110,965
American Rescue Plan	909,988	909,988		
Park Ridge Transit - PILOT	525,000	398,569		
Police Outside Duty Fees	50,000	138,447		
General Capital Fund Balance (Surplus)			50,000	50,000
Due from Water Utility Operating Fund	60,000	60,000		
Due from Electric Utility Operating Fund	40,000	40,000	-	-
Total Miscellaneous Revenues	<u>3,923,212</u>	<u>4,247,223</u>	<u>2,574,624</u>	<u>2,459,337</u>
RECEIPTS FROM DELINQUENT TAXES	<u>185,000</u>	<u>201,443</u>	<u>240,000</u>	<u>237,890</u>
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET				
Local Tax For Municipal Purposes	11,253,369	11,915,508	10,857,491	11,161,631
Minimum Library Tax	634,889	634,889	621,938	621,938
Total Amount to be Raised by Taxes	<u>11,888,258</u>	<u>12,550,397</u>	<u>11,479,429</u>	<u>11,783,569</u>
	<u>\$ 17,296,470</u>	<u>\$ 18,299,063</u>	<u>\$ 15,794,053</u>	<u>\$ 15,980,796</u>

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

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

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

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>	
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>	<u>Over-</u>
		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>	<u>expended</u>
OPERATIONS - WITHIN "CAPS" (Continued)						
PUBLIC SAFETY FUNCTIONS						
Police						
Salaries and Wages	\$ 2,623,000	\$ 2,710,100	\$ 2,706,164	\$ 3,936		
Salaries and Wages - ARPA	600,000	600,000	600,000	-		
Other Expenses	122,550	122,550	105,089	17,461		
Pistol Range						
Other Expenses	25,000	25,000	24,929	71		
Police Reserves/EMC						
Salaries and Wages	19,600	19,600	15,750	3,850		
Other Expenses	29,400	29,400	12,318	17,082		
Tri-Borough Ambulance						
Salaries and Wages				-		
Tri-Borough Safety Corps						
Other Expenses	89,500	89,500	102,797	-		\$ 13,297
Police Dispatch/911						
Other Expenses	210,000	210,000	207,940	2,060		
Emergency Management Services						
Salaries and Wages	6,000	7,500	7,500	-		
Other Expenses	8,200	10,700	10,133	567		
First Aid Organization						
Other Expenses - Contribution	20,000	20,000	20,000	-		
Fire Department						
Salaries and Wages	65,000	65,000	65,000	-		
Other Expenses	93,470	93,470	71,716	21,754		
Fire Hydrant Services	22,000	22,000	18,133	3,867		
Fire Prevention						
Salaries and Wages	49,100	49,100	47,125	1,975		
Other Expenses	7,800	7,800	6,148	1,652		
PUBLIC WORKS FUNCTION						
Streets and Road Maintenance						
Salaries and Wages	734,012	733,012	626,043	106,969		
Salaries and Wages - ARPA	209,988	209,988	209,988	-		
Other Expenses	230,600	230,600	194,826	35,774		
Sewer System						
Salaries and Wages	61,600	42,400	3,033	39,367		
Other Expenses	11,800	11,800	11,799	1		
Shade Tree						
Other Expenses	15,700	15,700	11,772	3,928		
Solid Waste Collection						
Other Expenses - Sanitation	651,570	651,570	651,569	1		
Other Expenses - Sanitation - ARPA	100,000	100,000	100,000	-		
Other Expenses - Recycling	141,750	141,750	135,796	5,954		
Building and Grounds						
Salaries and Wages	102,300	102,800	102,748	52		
Other Expenses	81,200	72,200	92,893	-		20,693
Other Expenses - Contractual	78,000	78,000	78,000	-		
Vehicle Maintenance						
Salaries and Wages	112,500	112,500	110,697	1,803		
Other Expenses	92,800	92,800	78,235	14,565		

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

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

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

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

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

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>	<u>Over- expended</u>
Total Operations Excluded from "CAPS"	\$ 2,081,994	\$ 2,081,994	\$ 1,943,705	\$ 138,289	-	-
Detail:						
Salaries and Wages	444	444	-	444	-	-
Other Expenses	2,081,550	2,081,550	1,943,705	137,845	-	-
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	453,000	453,000	453,000	-	-	-
Total Capital Improvements Excluded from "CAPS"	453,000	453,000	453,000	-	-	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Payment of Bond Principal	1,595,000	1,595,000	1,595,000	-		
Payment of Bond Anticipation Notes and Capital Notes	106,000	106,000	106,000	-		
Interest on Bonds	179,800	179,800	179,740	-	\$ 60	
Interest on Notes	26,700	26,700	26,626	-	74	
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	112,945	112,945	112,943	-	2	-
Total Municipal Debt Service Excluded from "CAPS"	2,020,445	2,020,445	2,020,309	-	136	-
DEFERRED CHARGES MUNICIPAL- EXCLUDED FROM "CAPS"						
DEFERRED CHARGES						
Emergency Authorizations	24,012	24,012	24,012	-	-	-
Special Emergency Authorization - 5 Years (NJSA 40A:4-55)	52,000	52,000	52,000	-	-	-
Total Deferred Charges Municipal Excluded from "CAPS"	76,012	76,012	76,012	-	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	4,631,451	4,631,451	4,493,026	138,289	136	-
Subtotal General Appropriations	16,546,470	16,546,470	15,690,023	890,301	136	\$ 33,990
Reserve for Uncollected Taxes	750,000	750,000	750,000	-	-	-
Total General Appropriations	\$ 17,296,470	\$ 17,296,470	\$ 16,440,023	\$ 890,301	\$ 136	\$ 33,990

**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"						
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>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" (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>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Balance</u> <u>Cancelled</u>	<u>expended</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>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>	
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>
 Budget		\$ 15,748,417				
Added by 40A:4-87		45,636				
Emergency Authorization		<u>290,436</u>				
		<u>\$ 16,084,489</u>				

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

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

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

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

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF REVENUES-REGULATORY BASIS
OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>		<u>2021</u>	
	<u>Budget After</u>	<u>Realized</u>	<u>Budget After</u>	<u>Realized</u>
	<u>Modification</u>		<u>Modification</u>	
Amount to be Raised by Taxation	\$ 110,344	\$ 111,124	\$ 110,624	\$ 110,693
Reserve Funds Anticipated	<u>52,016</u>	<u>52,016</u>	<u>124,316</u>	<u>124,316</u>
	<u>\$ 162,360</u>	<u>\$ 163,140</u>	<u>\$ 234,940</u>	<u>\$ 235,009</u>

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

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

**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>-</u>	<u>\$ -</u>
	<u>\$ 110,624</u>	<u>\$ 234,940</u>	<u>\$ 234,940</u>	<u>\$ -</u>

The Accompanying Notes are an Integral Part of these Financial Statements

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

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

There were Bonds and Notes Authorized But Not Issued on December 31, 2022 and 2021 of \$2,885,256 and \$3,068,890, respectively.

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

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

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

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

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

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

There were Bonds and Notes Authorized But Not Issued on December 31, 2022 and 2021 of \$305,646 and \$767,000, respectively.

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

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

The Accompanying Notes are an Integral Part of these Financial Statements

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

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

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF REVENUES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>		<u>2021</u>	
	<u>Anticipated</u>	<u>Realized</u>	<u>Anticipated</u>	<u>Realized</u>
Fund Balance Anticipated	\$ 350,000	\$ 350,000	\$ 400,000	\$ 400,000
Water Usage Charges	3,465,585	3,726,098	3,380,131	3,294,914
Miscellaneous Charges and Fees	275,000	312,014	275,000	295,598
Reserve for Woodcliff Lake Improvements - Reimbursements				
Holly Court Water Tank - Debt Service	51,430	51,430	46,983	46,983
Installation of New Well & Pumping Station - Debt Service	1,300	1,300	1,300	1,300
Water Main at Glen Road	<u>6,400</u>	<u>6,400</u>	<u>6,400</u>	<u>6,400</u>
	<u>\$ 4,149,715</u>	<u>4,447,242</u>	<u>\$ 4,109,814</u>	<u>4,045,195</u>

The Accompanying Notes are an Integral Part of these Financial Statements

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

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

**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>

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

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

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

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

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

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

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

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

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

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF REVENUES - REGULATORY BASIS
ELECTRIC UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>		<u>2021</u>	
	<u>Anticipated</u>	<u>Realized</u>	<u>Anticipated</u>	<u>Realized</u>
Fund Balance Anticipated	\$ 604,000	\$ 604,000	\$ 704,000	\$ 704,000
Light and Power Charges	9,305,175	9,711,353	8,760,571	8,878,477
Miscellaneous Charges and Fees	17,000	17,888	17,566	17,226
Electric Capital Fund Balance	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 9,966,175</u>	<u>\$10,373,241</u>	<u>\$ 9,482,137</u>	<u>\$ 9,599,703</u>

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

	<u>Appropriated</u>		<u>Expended</u>			
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Overexpended</u>	<u>Cancelled</u>
OPERATING						
Salaries and Wages	\$ 1,484,000	\$ 1,484,000	\$ 1,250,365	\$ 233,635		
Other Expenses	1,155,000	1,155,000	812,534	342,466		
Purchase of Electric Current	6,160,000	6,160,000	4,731,772	1,428,228		
Franchise & Gross Receipts Taxes-Current Fund	500,000	500,000	500,000			
Payment in Lieu of Taxes - Current Fund	155,000	155,000	155,000	-	-	-
Total Operating	<u>9,454,000</u>	<u>9,454,000</u>	<u>7,449,671</u>	<u>2,004,329</u>	<u>-</u>	<u>-</u>
CAPITAL IMPROVEMENTS						
Capital Improvement Fund	90,000	90,000	90,000			
Capital Outlay	100,000	100,000	-	100,000	-	-
Total Capital Improvements	<u>190,000</u>	<u>190,000</u>	<u>90,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
MUNICIPAL DEBT SERVICE -						
Payment of Bond Principal	60,000	60,000	60,000			
Interest on Bonds	11,975	11,975	11,788	-		\$ 187
Interest on Notes	-	-	27,735	-	\$ 27,735	-
Total Municipal Debt Service	<u>71,975</u>	<u>71,975</u>	<u>99,523</u>	<u>-</u>	<u>27,735</u>	<u>187</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
Statutory Expenditures						
Contribution to						
Public Employees Retirement System	139,200	139,200	139,200	-		
Social Security System (O.A.S.I.)	110,000	110,000	71,890	38,110		
Defined Contribution Retirement Program	1,000	1,000	634	366	-	-
Total Deferred Charges and Statutory Expenditures	<u>250,200</u>	<u>250,200</u>	<u>211,724</u>	<u>38,476</u>	<u>-</u>	<u>-</u>
	<u>\$ 9,966,175</u>	<u>\$ 9,966,175</u>	<u>\$ 7,850,918</u>	<u>\$ 2,142,805</u>	<u>\$ 27,735</u>	<u>\$ 187</u>

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</u> <u>Modification</u>	<u>Paid or</u> <u>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	<u>9,084,560</u>	<u>9,084,560</u>	<u>8,232,545</u>	<u>852,015</u> <u>-</u>
CAPITAL IMPROVEMENTS				
Capital Improvement Fund	5,000	5,000	5,000	
Capital Outlay	85,000	85,000	58,678	26,322
Total Capital Improvements	<u>90,000</u>	<u>90,000</u>	<u>63,678</u>	<u>26,322</u> <u>-</u>
MUNICIPAL DEBT SERVICE -				
Payment of Bond Principal	60,000	60,000	60,000	
Interest on Bonds	13,475	13,475	13,288	-
Total Municipal Debt Service	<u>73,475</u>	<u>73,475</u>	<u>73,288</u>	<u>-</u> <u>\$ 187</u>
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	<u>234,102</u>	<u>234,102</u>	<u>208,085</u>	<u>26,017</u> <u>-</u>
	<u>\$ 9,482,137</u>	<u>\$ 9,482,137</u>	<u>\$ 8,577,596</u>	<u>\$ 904,354</u> <u>\$ 187</u>

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

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

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

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

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

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

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

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

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

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE- REGULATORY BASIS
SWIM POOL UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

BOROUGH OF PARK RIDGE
COMPARATIVE STATEMENTS OF REVENUES - REGULATORY BASIS
SWIM POOL UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>		<u>2021</u>	
	<u>Anticipated</u>	<u>Realized</u>	<u>Anticipated</u>	<u>Realized</u>
Fund Balance Utilized	\$ 65,000	\$ 65,000	\$ 82,000	\$ 82,000
Membership Fees	287,000	315,973	180,000	309,236
Miscellaneous	<u>45,300</u>	<u>67,770</u>	<u>39,900</u>	<u>56,288</u>
	<u>\$ 397,300</u>	<u>\$ 448,743</u>	<u>\$ 301,900</u>	<u>\$ 447,524</u>

The Accompanying Notes are an Integral Part of these Financial Statements

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

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

The Accompanying Notes are an Integral Part of these Financial Statements

**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>

The Accompanying Notes are an Integral Part of these Financial Statements

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

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

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

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

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NOTES TO FINANCIAL STATEMENTS

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

B. Description of Regulatory Basis of Accounting

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

The Borough has the following funds and account group:

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

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

Animal Control Trust Fund – This fund is used to account for fees collected from dog and cat licenses and expenditures which are regulated by NJS 4:19-15.11.

Other Trust Fund – This fund is established to account for the assets and resources, which are held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds. These funds include dedicated fees/proceeds collected, developer deposits, payroll related deposits and funds deposited with the Borough as collateral.

Unemployment Insurance Trust Fund – This fund is used to account for employee and employer contributions for the purpose of providing unemployment benefits to former eligible employees.

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

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

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

General Capital Fund – This fund is used to account for the receipt and disbursement of funds used and related financial transactions related to the acquisition or improvement of general capital facilities and other capital assets, other than those acquired in the Current Fund.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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

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

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

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

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

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

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

Financial Statements – Regulatory Basis

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

D. Measurement Focus and Basis of Accounting

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

Utility Revenues/Receivables – Water utility charges are levied both bi-monthly and quarterly based upon a flat service charge and a consumption or usage charge. Electric utility charges are levied both monthly and bi-monthly based upon a flat service charge and a consumption or usage charge. Swim pool utility charges are based on a flat fee by membership or service type (i.e., family, single, guest, etc.). Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balances sheet of the Borough's utility operating funds. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

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

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

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

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

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

General Fixed Assets (Continued)

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

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

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

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

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

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgets and Budgetary Accounting (Continued)

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2022 the Borough Council did not increase the original budget and in 2021 the Borough Council increased the original Current Fund budget by \$336,072. The 2021 increase was attributable to emergency appropriations of \$290,436 for down payments on improvements and the 2021 road, curb, drainage and sidewalk improvement program and \$45,636 of additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2022 and 2021.

B. Excess Expenditures Over Appropriations

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

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Excess Expenditures Over Appropriations (Continued)

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

NOTE 3 CASH DEPOSITS AND INVESTMENTS

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

A. Cash Deposits

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Borough is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for deposits in excess of the FDIC or NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, bail funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2022 and 2021 (restated), the book value of the Borough's deposits were \$23,027,925 and \$14,352,239 and bank and brokerage firm balances of the Borough's deposits amounted to \$23,383,466 and \$14,527,615, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2022</u>	<u>2021</u> (Restated)
Insured	\$ 21,451,078	\$ 12,640,193
Uninsured and Collateralized	<u>1,932,388</u>	<u>1,887,422</u>
	<u>\$ 23,383,466</u>	<u>\$ 14,527,615</u>

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

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

A. Cash Deposits (Continued)

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

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

B. Investments

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

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

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

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

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

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

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

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

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

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Borough's investment in a single issuer. The Borough places no limit in the amount the Borough may invest in any one issuer. More than five (5) percent of the Borough's investments are in Lincoln Financial Group. These investments are 100% of the Borough's total investments.

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

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

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

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

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

NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE

Receivables at December 31, 2022 consisted of the following:

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

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

Receivables at December 31, 2021 consisted of the following:

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

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

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

NOTE 5 DUE TO/FROM OTHER FUNDS

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

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

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

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

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

NOTE 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

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

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

NOTE 7 FUND BALANCES APPROPRIATED

Under the regulatory basis of accounting, fund balances in the Current Fund and Utility Operating Funds are comprised of cash surplus (fund balance) and non-cash surplus (fund balance). All or part of cash surplus as of December 31 may be anticipated in the subsequent year's budget. The non-cash surplus portion of fund balance may be utilized in the subsequent year's budget with the prior written consent of the Director of the Division of Local Government Services if certain guidelines are met as to its availability. Fund balances at December 31, which were appropriated and included as anticipated revenue in their own respective fund's budget for the succeeding year were as follows:

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

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

NOTE 8 FIXED ASSETS

A. General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2022 and 2021.

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

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

NOTE 8 FIXED ASSETS (Continued)

B. Utility Funds Fixed Assets

The following is a summary of changes in the utility funds fixed assets for the years ended December 31, 2022 and 2021.

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

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

NOTE 8 FIXED ASSETS (Continued)

B. Utility Funds Fixed Assets (Continued)

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

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

NOTE 9 MUNICIPAL DEBT

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

The Borough's debt is summarized as follows:

	<u>2022</u>	<u>2021</u>
Issued		
General		
Bonds, Notes and Loans	\$ 10,918,840	\$ 10,379,305
Water Utility		
Bonds and Notes	5,507,154	2,838,700
Electric Utility		
Bonds and Notes	<u>2,621,000</u>	<u>455,000</u>
	19,046,994	13,673,005
Less Funds Temporarily Held to Pay Bonds, Notes and Loans	<u>216,274</u>	<u>86,742</u>
Net Debt Issued	18,830,720	13,586,263
Authorized But Not Issued		
General		
Bonds and Notes	2,885,256	3,068,890
Water Utility		
Bonds and Notes	305,646	767,000
Electric Utility		
Bonds and Notes	<u>1,019,000</u>	<u>226,000</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 23,040,622</u>	<u>\$ 17,648,153</u>

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

NOTE 9 MUNICIPAL DEBT (Continued)

Statutory Net Debt

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

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

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

Statutory Borrowing Power

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

	<u>2022</u>	<u>2021</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 68,654,227	\$ 65,778,162
Less: Net Debt	<u>13,587,822</u>	<u>13,361,453</u>
Remaining Borrowing Power	<u>\$ 55,066,405</u>	<u>\$ 52,416,709</u>

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

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt

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

General Obligation Bonds

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

	<u>2022</u>	<u>2021</u>
\$4,827,000, 2007 Bonds, due in annual installments of \$327,000 through October, 2023, interest at 3.875% to 4.00%	\$ 327,000	\$ 677,000
\$3,215,000, 2012 Bonds, due in annual installments of \$250,000 to \$300,000 through August 2026, interest at 2.00%	1,200,000	1,450,000
\$3,035,000, 2013 Refunding Bonds, due in annual installments of \$340,000 through February 2022, interest at 4.00%		340,000
\$2,207,000, 2013 Bonds, due in annual installments of \$280,000 to \$277,000 through August 2023, interest at 3.00%	277,000	557,000
\$4,880,000, 2018 Bonds, due in annual installments of \$375,000 to \$700,000 through May 2027, interest at 2.50% to 3.00%	<u>3,405,000</u>	<u>3,780,000</u>
	<u>\$ 5,209,000</u>	<u>\$ 6,804,000</u>

General Intergovernmental Loans Payable

The Borough has entered into a loan agreement with the New Jersey Department of Environmental Protection for the financing relating to the Memorial Field Improvements and the Mill Pond Dam restoration. The Borough levies ad valorem taxes to pay debt service on general intergovernmental loans issued. General intergovernmental loans outstanding at December 31 are as follows:

	<u>2022</u>	<u>2021</u>
\$500,000, 2008 Loan, due in semi - annual installments of \$15,701 to \$16,834 through July, 2026, interest at 2.00%	\$ 130,092	\$ 161,029
\$1,156,000, 2012 Loan, due in semi - annual installments of \$32,670 to \$39,079 through April, 2032, interest at 2.00%	<u>679,902</u>	<u>744,276</u>
	<u>\$ 809,994</u>	<u>\$ 905,305</u>

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

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

General Intergovernmental Loans Payable (Continued)

Utility Bonds

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

Water Utility

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

Electric Utility

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

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

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2022 is as follows:

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

Changes in Long-Term Municipal Debt

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

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

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

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt (Continued)

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

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

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

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

Bond Anticipation Notes

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

Water Utility Capital Fund

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

Electric Utility Capital Fund

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

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

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

Bond Anticipation Notes

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

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

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

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

NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

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

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

NOTE 11 OTHER LONG-TERM LIABILITIES

A. Compensated Absences

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

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

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

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

NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)

Changes in Other Long-Term Liabilities

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

The Borough's changes in other long-term liabilities for the years ended December 31, 2022 and 2021 were as follows:

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

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

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

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS

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

Police and Firemen's Retirement System (PFRS) – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after December 31, 1944. Membership is mandatory for such employees. PFRS is a cost-sharing multi-employer defined benefit pension plan with a special funding situation. For additional information about PFRS, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

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

The following represents the membership tiers for PFRS:

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

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

Public Employees' Retirement System (PERS) – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost-sharing multi-employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

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

The following represents the membership tiers for PERS:

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

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

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PERS and new employees who would otherwise be eligible to participate in PERS on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollment but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

The state established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

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

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

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

Measurement Focus and Basis of Accounting

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

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

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

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Investment Valuation

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

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

Collective Net Pension Liability

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

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

Actuarial Methods and Assumptions

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

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions for 2022 and 2021 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee's annual compensation.

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

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

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions (Contributions)

During the years ended December 31, 2022, 2021, and 2020, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

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

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

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

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

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

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

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

Public Employees Retirement System (PERS)

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

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

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

For the year ended December 31, 2021, the pension system has determined the Borough's pension expense (benefit) to be \$(700,097) for PERS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of \$599,306. At December 31, 2021, the Borough's deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Borough's financial statements are from the following sources:

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

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

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

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

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

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

Mortality Rates

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

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

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

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2021, as reported for the year ended December 31, 2021, are summarized in the following table:

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

Discount Rate

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

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

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Sensitivity of Net Pension Liability

The following presents the Borough's proportionate share of the PERS net pension liability as of December 31, 2021 calculated using the discount rate of 7.00%, as well as what the Borough's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

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

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

Pension Plan Fiduciary Net Position

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

Police and Firemen's Retirement System (PFRS)

At December 31, 2021, the Borough reported a liability of \$5,337,061 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2021, the Borough's proportionate share was .07302 percent, which was an increase of .00151 percent from its proportionate share measured as of June 30, 2020 of .07151 percent.

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

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

For the year ended December 31, 2021, the pension system has determined the Borough pension expense (benefit) to be \$(424,781) for PFRS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of \$798,871. At December 31, 2021, the Borough's deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Borough's financial statements are from the following sources:

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

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

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

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

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Actuarial Assumptions

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

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

Mortality Rates

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

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2021, as reported for the year ended December 31, 2021, are summarized in the following table:

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

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

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Discount Rate

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

Sensitivity of Net Pension Liability

The following presents the Borough's proportionate share of the PFRS net pension liability as of December 31, 2021 calculated using the discount rate of 7.00%, as well as what the Borough's proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

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

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

Special Funding Situation – PFRS

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

At December 31, 2021, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,501,047. For the years ended December 31, 2021, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$167,173, which is more than the actual contributions the State made on behalf of the Borough of \$130,395. At December 31, 2021 (measurement date June 30, 2021) the State's share of the PFRS net pension liability attributable to the Borough was .07302 percent, which was an increase of .00151 percent from its proportionate share measured as of December 31, 2020 (measurement date June 30, 2020) of .07151 percent. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

Pension Plan Fiduciary Net Position

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

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

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS

Borough Administered Post-Retirement Health Benefits Program

Plan Description

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

Benefits Provided

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

Employees Covered by Postemployment Benefits

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

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

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

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

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

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Borough Administered Post-Retirement Health Benefits Program (Continued)

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

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

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

	<u>2022</u>		<u>2021</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience		\$ 4,810,002		
Changes of Assumptions	\$ 4,317,996	6,795,727	\$ 4,834,522	\$ 5,014,992
Total	<u>\$ 4,317,996</u>	<u>\$ 11,605,729</u>	<u>\$ 4,834,522</u>	<u>\$ 5,014,992</u>

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

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

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

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Borough Administered Post-Retirement Health Benefits Program (Continued)

Actuarial Assumptions

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

December 31, 2022

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

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

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

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Borough Administered Post-Retirement Health Benefits Program (Continued)

Actuarial Assumptions (Continued)

December 31, 2021

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

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

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

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

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Borough Administered Post-Retirement Health Benefits Program (Continued)

Changes in the Total OPEB Liability

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

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

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (2.72%)	Current Discount Rate (3.72%)	1% Increase (4.72%)
<u>2022</u>			
Net OPEB Liability	\$ 34,567,983	\$ 30,673,593	\$ 27,502,789
	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

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

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Borough Administered Post-Retirement Health Benefits Program (Continued)

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

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

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

State Administered Post-Retirement Health Benefits Program

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

Plan Description and Benefits Provided

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

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

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

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

State Administered Post-Retirement Health Benefits Program (Continued)

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

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

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

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

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

Plan Membership and Contributing Employers

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

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

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

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

State Administered Post-Retirement Health Benefits Program (Continued)

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

Collective Net OPEB Liability

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

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

Actuarial Methods and Assumptions

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

Post-Retirement Medical Benefits Contribution

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

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

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

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

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

State Administered Post-Retirement Health Benefits Program (Continued)

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

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

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

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

Special Funding Situation

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

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

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

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

State Administered Post-Retirement Health Benefits Program (Continued)

Special Funding Situation (Continued)

Actuarial Assumptions

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

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

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

Mortality Rates

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

Health Care Trends

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

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

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

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

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

State Administered Post-Retirement Health Benefits Program (Continued)

Discount Rate

The discount rate for June 30, 2021 measurement date was 2.16%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

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

NOTE 14 RISK MANAGEMENT

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

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

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

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

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

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

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

NOTE 14 RISK MANAGEMENT (Continued)

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

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

NOTE 15 CONTINGENT LIABILITIES

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

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2022 and 2021. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. As of December 31, 2022 and 2021, the Borough reserved \$90,310 and \$-0-, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years’ budget or from fund balance.

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

Federal and State Awards - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2022 and 2021, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

NOTE 16 FEDERAL ARBITRAGE REGULATIONS

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2022 and 2021, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

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

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

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

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

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

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

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

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

Vesting and Benefits

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

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

Reporting Requirements

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

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

NOTE 18 LEASES RECEIVABLE

Current Fund

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

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

Water Utility Operating Fund

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

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

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

Current Fund

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

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

NOTE 18 LEASES RECEIVABLE (Continued)

Water Utility Operating Fund

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

NOTE 19 TAX ABATEMENTS

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

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

The New Jersey Housing and Mortgage Financing Act (NJSA 55:14K et. seq.) allows for property tax abatements for residential rental housing projects financed by the New Jersey Housing and Mortgage Finance Agency. These property tax abatements last for the term of the original mortgage financing so long as the residential rental housing project remains subject to the NJHMFA Law and regulations. The process begins when the municipality passes by ordinance or resolution, as appropriate, that such residential rental housing project shall be exempt from property tax provided that an agreement is entered into with the housing sponsor for payments in lieu of taxes (PILOTs) to the municipality. The agreement can require the housing sponsor to a PILOT payment to the municipality in an amount up to 20% of the annual gross revenue from each housing project. For the years ended December 31, 2022 and 2021 the Borough abated property taxes totaling \$127,137 and \$124,297, respectively, under the NJHMFA program. The Borough received \$10,291 and \$19,642 in PILOT payments under this program for the years ended December 31, 2022 and 2021, respectively.

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

NOTE 20 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

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

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

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

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

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

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

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

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

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

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

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

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

NOTE 21 RESTATEMENT

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

NOTE 22 SUBSEQUENT EVENTS

Bond Anticipation Notes

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

Debt Authorized

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

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

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

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

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APPENDIX C

PROPOSED FORM OF BOND COUNSEL OPINION

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APPENDIX C

[Proposed Form of Bond Counsel Opinion]

April __, 2024

Borough Council
Borough of Park Ridge
County of Bergen, New Jersey

Dear Council Members:

We have acted as bond counsel in connection with the issuance of \$16,395,000 of bonds, consisting of \$9,845,000 aggregate principal amount of General Improvement Bonds, \$3,935,000 aggregate principal amount of Electric Utility Bonds and \$2,615,000 aggregate principal amount of Water Utility Bonds (individually, the "General Improvement Bonds", the "Electric Utility Bonds" or the "Water Utility Bonds"; collectively, the "Bonds"), by the Borough of Park Ridge, in the County of Bergen, a municipal corporation of the State of New Jersey (the "Borough"). The Bonds are dated April 15, 2024 and comprise three issues of registered bonds. The Bonds bear interest from their date, payable on each April 15 and October 15, commencing October 15, 2024 (each, an "Interest Payment Date"), in each year until maturity or prior redemption.

The General Improvement Bonds are payable in annual installments on April 15 in each year, and bear interest at the rates per annum, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2025	\$500,000	%	2031	\$ 990,000	%
2026	550,000		2032	1,000,000	
2027	835,000		2033	1,000,000	
2028	990,000		2034	1,000,000	
2029	990,000		2035	1,000,000	
2030	990,000				

The Electric Utility Bonds are payable in annual installments on April 15 in each year, and bear interest at the rates per annum, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2025	\$170,000	%	2033	\$285,000	%
2026	175,000		2034	295,000	
2027	175,000		2035	305,000	
2028	180,000		2036	315,000	
2029	250,000		2037	320,000	
2030	260,000		2038	330,000	
2031	265,000		2039	335,000	
2032	275,000				

The Water Utility Bonds are payable in annual installments on April 15 in each year, and bear interest at the rates per annum, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2025	\$120,000	%	2033	\$205,000	%
2026	125,000		2034	210,000	
2027	125,000		2035	215,000	
2028	130,000		2036	220,000	
2029	130,000		2037	220,000	
2030	130,000		2038	225,000	
2031	130,000		2039	230,000	
2032	200,000				

The Bonds maturing on or before April 15, 2031 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after April 15, 2032 are subject to redemption at the option of the Borough prior to maturity, in whole on any date or in part on any Interest Payment Date, on or after April 15, 2031, upon notice as set forth in the resolutions referred to below at the redemption price of 100% of the principal amount being redeemed, plus accrued interest to the date fixed for redemption.

If the Borough determines to optionally redeem a portion of the Bonds prior to maturity, such Bonds so redeemed shall be in such maturities as determined by the Borough, and within any maturity, by lot.

The Bonds are issued pursuant to the Local Bond Law (Chapter 2 of Title 40A of the New Jersey Statutes, as amended). The General Improvement Bonds are also issued pursuant to fifteen bond ordinances adopted by the Borough Council of the Borough on October 9, 2018 (Ord. No. 2018-016), March 12, 2019 (two ordinances: Ord. Nos. 2019-008 and 2019-009), April 9, 2019 (Ord. No. 2019-010), July 14, 2020 (two ordinances: Ord. Nos. 2020-005 and 2020-006), February 9, 2021 (Ord. No. 2021-001), February 23, 2021 (Ord. No. 2021-003), August 26, 2021 (two ordinances: Ord. Nos. 2021-022 and 2021-023), November 9, 2021 (Ord. No. 2021-027), June 28, 2022 (Ord. No. 2022-012), October 25, 2022 (Ord. No. 2022-016), July 11, 2023 (Ord. No. 2023-009, as amended by Ord. No. 2024-002 adopted on February 13, 2024) and August 8, 2023 (Ord. No. 2023-013) and resolutions adopted by the Borough Council of the Borough on March 26, 2024. The Electric Utility Bonds are also issued pursuant to three bond ordinances adopted by the Borough Council of the Borough on June 25, 2019 (Ord. No. 2019-016), June 28, 2022 (Ord. No. 2022-011) and August 8, 2023 (Ord. No. 2023-012) and resolutions adopted by the Borough Council of the Borough on March 26, 2024. The Water Utility Bonds are also issued pursuant to five bond ordinances adopted by the Borough Council of the Borough on June 24, 2014 (Ord. No. 2014-015), September 23, 2014 (Ord. No. 2014-021, as amended by Ord. No. 2022-014 adopted on September 13, 2022), November 28, 2017 (Ord. No. 2017-017), June 25, 2019 (Ord. No. 2019-017) and April 26, 2022 (Ord. No. 2022-007) and resolutions adopted by the Borough Council of the Borough on March 26, 2024.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. Such requirements include requirements relating to the use and investment of proceeds of the Bonds and other amounts and to the rebate of certain arbitrage earnings to the United States. Noncompliance by the Borough with such requirements may cause interest on the Bonds to be included in

gross income of the owners thereof retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs.

The Borough has covenanted, to the extent permitted by the Constitution and the laws of the State of New Jersey, to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Bonds be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. The Borough's Tax Certificate (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures regarding compliance with the requirements of the Code. The Borough, in executing the Tax Certificate, will certify to the effect that the Borough expects and intends to comply with the provisions and procedures contained therein.

As bond counsel, we have examined certified copies of the bond ordinances and resolutions referred to above and related proceedings in connection with the issuance of the Bonds. We have also examined originals (or copies certified or otherwise identified to our satisfaction) of such other instruments, certificates and documents as we have deemed necessary or appropriate for the purpose of the opinion rendered below, including the Tax Certificate executed by the Chief Financial Officer of the Borough of even date herewith. We have assumed the accuracy of the factual information and the truthfulness of the expectations set forth in the Tax Certificate and the exhibits thereto. We have also examined the executed and authenticated first numbered Bond of each issue and have assumed that all of the other Bonds have been similarly executed and authenticated. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

We have not prepared nor have we verified the accuracy, completeness or fairness of (i) the information set forth in the Official Statement prepared by the Borough in connection with the sale and issuance of the Bonds, or (ii) other documents of

Borough Council
Borough of Park Ridge
County of Bergen, New Jersey
April __, 2024
Page 5

the Borough delivered to the purchasers of the Bonds, and we take no responsibility therefor.

Based on the foregoing, we are of the opinion that:

1. The Bonds have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the Borough enforceable in accordance with their terms, except as enforcement of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation or other laws relating to or affecting the enforcement of creditors' rights generally now or hereafter in effect to the extent constitutionally applicable, and enforcement may also be subject to the exercise of judicial discretion in certain cases.

2. The Borough has pledged its full faith and credit to the payment of the principal of and interest on the Bonds, and unless paid from other sources, the Borough is authorized and required by law to levy on all real property taxable by the Borough such ad valorem taxes as may be necessary to pay the Bonds and the interest thereon, without limitation as to rate or amount.

3. Assuming compliance by the Borough with its Tax Certificate, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. In addition, under existing law, interest on the Bonds is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals; however, interest on the Bonds that is included in the "adjusted financial statement income" of certain corporations is not excluded from the Federal corporate alternative minimum tax. In addition, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Bonds and any gain from the sale of the Bonds are not includable in gross income of the holders thereof.

Very truly yours,

Rogut McCarthy LLC

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